

**SCHOOL DISTRICT OF THE
BOROUGH OF ENGLEWOOD CLIFFS
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

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School District
of

Englewood Cliffs

ENGLEWOOD CLIFFS PUBLIC SCHOOLS
Englewood Cliffs, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2012

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Comprehensive Annual Financial Report

of the

**ENGLEWOOD CLIFFS PUBLIC SCHOOLS
Englewood Cliffs, New Jersey**

Year Ended June 30, 2012

Prepared by

**Mary Welfel
Board Secretary/Business Administrator**

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INTRODUCTORY SECTION

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ENGLEWOOD CLIFFS PUBLIC SCHOOLS
143 Charlotte Place
Englewood Cliffs, NJ 07632-2681
Telephone (201) 567-7292 * FAX: (201) 567-2738

Dominic Mucci
Superintendent of Schools

Mary Welfel
Business Administrator/Board Secretary

August 29, 2012

Honorable President and
Members of the Board of Education
Englewood Cliffs School District
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Englewood Cliffs School District (District) for the fiscal year ending June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the date and the completeness and fairness of the presentations, including all disclosures, rests with the management of the 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the 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 district's organizational chart and a list of principal officials. The financial section includes the basic financial statements, management's discussion and analysis and the independent auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular Letter A-133, "Audits of State and Local Governments", and the Treasury Circular Letter 04-04 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 and regulations and findings recommendations are included in the single audit section of the report.

- 1) **Reporting Entity and Its Services:** The Englewood Cliffs School District is an independent reporting entity with the criteria adopted by GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Englewood Cliffs Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of services appropriate to grade level Pre-K through 8. These programs include regular and inclusive special education services for handicapped children. The district completed the 2011-2012 fiscal year with an average daily enrollment of 509 students, which represents 57 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	509	12.6
2010-2011	452	.9
2009-2010	448	4.4
2008-2009	429	.9
2007-2008	425	(.5)

2) **Economic Conditions and Outlook:** The tax revenue producing areas of Englewood Cliffs have limited growth. Given the current economic climate, it can be expected that this will continue to have a negative impact on the district's revenues for the foreseeable future.

3) **Major Initiatives:** Our District initiatives are aligned to the district goals of improves student achievement, the development of social, emotional learning, and curriculum alignment with the Common Core Curriculum Standards. The district has adopted new programs in the areas of Science and Math that align and supports the Common Core Curriculum.

The district continues its effort to bring technology to our students through our 1 to 1 tablet program and through our new iPad initiative. We continue to provide staff with the tools necessary to integrate technology in instruction through the completion of our Smart Board initiative. We now have a Smart Board unit in each of our classrooms.

4) **Internal Accounting Controls:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft and misuse and to ensure that adequate accounting data are compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principals (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 require estimate and judgments by management.

As a recipient of federal and state financial assistance, the District also is 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 District management.

As part of the 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 that the District has complied with applicable laws and regulations.

5) Budgetary Controls: In addition to internal accounting controls, the 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 and the special revenue 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 purchasing commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be appropriated are reported as reservations of fund balance at June 30, 2012.

6) Cash Management: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The district has adopted a cash management plan which requires it to deposit public funds 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 loss of funds on deposit with failing banking institutions 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.

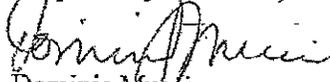
7) Risk Management: The Board carries various forms of insurance, including but not limited to general liability, hazards and theft insurance on property and contents, fidelity bonds, and student accident. The Board participates in a self-insurance pool (42 school districts) for workers compensation as a member of the Northeast Bergen County School Board Insurance Group.

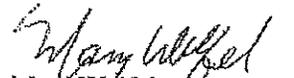
8) Other Information - Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva, P.A. was selected by the Board. In addition to meeting requirements set forth in state statues, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial

statements and combined and individual fund statement and schedules is included in the financial section of this report. The auditor's report relates specifically to the single audits are included in the single audit section of this report.

9) Acknowledgements: We would like to express our appreciation to the members of the Englewood Cliffs 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 operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Dominic Mucci
Superintendent of Schools


Mary Welfel
Business Administrator/
Board Secretary

**ENGLEWOOD CLIFFS BOARD OF EDUCATION
ORGANIZATIONAL CHART
UNIT CONTROL**

BOARD OF EDUCATION

Mr. Dominic Mucci, Superintendent

Principal

Ms. Maria Narcisi – Upper and North
Cliff Schools

Board Secretary/Business Administrator

Mrs. Mary Welfel

Department Coordinators

Mrs. Dawn Smith

**ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Frank Patti, President	2013
Joseph Luppino, Vice President	2014
Gina Enriquez	2013
George Drimones	2015
Gerard Misk	2015
Shanna Jafri	2015
Eugene Chang	2014
Marisa Pichigian	2014
Carmelo Calabro	2013

Other Officials

Dominic Mucci, Superintendent

Mary Welfel, Board Secretary/Business Administrator

Joseph Iannoconi, Jr., Treasurer of School Monies

Stephen R. Fogarty, Esq., Solicitor

**ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NEW JERSEY**

CONSULTANTS AND ADVISORS

AUDIT FIRM

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.
401 Wanaque Avenue
Pompton Lakes, NJ 07442

ATTORNEY

Fogarty & Hara
Attorneys at Law
16-00 Route 208 South
Fair Lawn, New Jersey 07410

OFFICIAL DEPOSITORY

North Jersey Community Bank
180 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

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FINANCIAL SECTION

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Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Englewood Cliffs School District
County of Bergen, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Englewood Cliffs School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Englewood Cliffs School District Board of Education's management. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Administration and Finance and Regulatory Compliance, 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Borough of Englewood Cliffs Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2012 on our consideration of the Borough of Englewood Cliffs Board of Education's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 18 and 51 through 60 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Englewood Cliffs Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 19, 2012



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The discussion and analysis of the Borough of Englewood Cliffs Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net assets increased \$441,698. Net assets of governmental activities increased \$443,341 and net assets of business-type activity decreased by \$(1,634).
- General revenues accounted for \$11,188,899 in revenue or 98 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$211,556 or 2 percent of total revenues of \$11,400,455.
- The School District had \$10,952,149 in expenses related to governmental activities; only \$211,556 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$11,400,455 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net assets and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED, (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Both of the district-wide financial statements distinguish functions of the Borough of Englewood Cliffs Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

In the *Statement of Net Assets and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Special Milk Fund is reported as a business activity.

The two statements report the District's net assets and changes in them. The change in net assets can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Englewood Cliffs Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities).

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED, (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Borough of Englewood Cliffs Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects funds, and debt service funds, which are both considered to be major funds.

The Borough of Englewood Cliffs Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general, special revenue, and debt service funds to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Borough of Englewood Cliffs Board of Education uses proprietary funds to account for its special milk program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED, (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may, over time, serve as a useful indicator of a government's financial position.

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.

The School District's net assets were \$3,543,548 at June 30, 2012. Of this amount, \$511,116 was in unrestricted balances. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the School District.

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets						
Current and Other Assets	3,103,787	2,556,868	658	2,168	3,104,445	2,559,036
Capital Assets	<u>3,724,040</u>	<u>3,986,387</u>	<u>202</u>	<u>335</u>	<u>3,724,242</u>	<u>3,986,722</u>
Total Assets	<u>6,827,827</u>	<u>6,543,255</u>	<u>860</u>	<u>2,503</u>	<u>6,828,687</u>	<u>6,545,758</u>
Liabilities						
Other Liabilities	42,525	50,641			42,525	50,641
Noncurrent Liabilities	<u>3,242,614</u>	<u>3,393,267</u>	—	—	<u>3,242,614</u>	<u>3,393,267</u>
Total Liabilities	<u>3,285,139</u>	<u>3,443,908</u>	<u>0</u>	<u>0</u>	<u>3,285,139</u>	<u>3,443,908</u>
Net Assets						
Invested in Capital Assets-						
Net of Related Debt	793,040	830,387	202	335	793,242	830,722
Restricted	2,239,190	2,134,491			2,239,190	2,134,491
Unrestricted	<u>510,458</u>	<u>134,469</u>	<u>658</u>	<u>2,168</u>	<u>511,116</u>	<u>136,637</u>
Total Net Assets	<u>3,542,688</u>	<u>3,099,347</u>	<u>860</u>	<u>2,503</u>	<u>3,543,548</u>	<u>3,101,850</u>

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED, (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2

**Changes in Net Assets
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues:						
Charges for Services and Sales			2,619	2,288	2,619	2,288
Operating Grants and Contributions	206,591	211,317	2,346	1,364	208,937	212,681
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	9,795,381	9,720,381			9,795,381	9,720,381
Property taxes, levied for debt service	256,777	255,474			256,777	255,474
Federal and State Aid not Restricted	1,042,529	884,449			1,042,529	884,449
Tuition Received	75,757	179,908			75,757	179,908
Miscellaneous Income	18,455	20,244			18,455	20,244
Balance of SCC grant receivable cancelled		(227,018)				(227,018)
Total Revenues and Transfers	<u>11,395,490</u>	<u>11,044,755</u>	<u>4,965</u>	<u>3,652</u>	<u>11,400,455</u>	<u>11,048,407</u>

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED, (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Functions/Program Expenses						
Instruction:						
Regular	3,224,341	2,971,597			3,224,341	2,971,597
Special Education	895,930	790,833			895,930	790,833
Other Special Instruction	324,632	313,486			324,632	313,486
Other Instruction	4,770	6,086			4,770	6,086
Support Services:						
Tuition	824,430	964,637			824,430	964,637
Student & Instruction Related Services	2,011,665	1,789,932			2,011,665	1,789,932
General Administrative Services	341,793	357,097			341,793	357,097
School Administrative Services	227,004	207,911			227,004	207,911
Central Administration	245,691	228,384			245,691	228,384
Administrative Information Technology	59,610	30,941			59,610	30,941
Plant Operations and Maintenance	1,006,390	1,001,025			1,006,390	1,001,025
Pupil Transportation	685,340	655,508			685,340	655,508
Unallocated Benefits	881,060	726,604			881,060	726,604
Capital Outlay - nondepreciable	110,260	48,336			110,260	48,336
Food Service			6,608	3,515	6,608	3,515
Debt Service:						
Interest and Other Charges	<u>109,233</u>	<u>124,835</u>	<u>—</u>	<u>—</u>	<u>109,233</u>	<u>124,835</u>
Total Expenses	<u>10,952,149</u>	<u>10,217,212</u>	<u>6,608</u>	<u>3,515</u>	<u>10,958,757</u>	<u>10,220,727</u>
Increase or (Decrease) in Net Assets	<u>443,341</u>	<u>827,543</u>	<u>(1,643)</u>	<u>137</u>	<u>441,698</u>	<u>827,680</u>

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED, (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$10,958,757. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$10,052,158 because some of the cost was paid by those who benefitted from the programs \$2,619, by other governments and organizations who subsidized certain programs with grants and contributions \$1,327,223, and by miscellaneous sources \$18,455.

Revenues for the District's business-type activities (special milk program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Special milk expenses exceeded revenues by \$1,643.
- ✓ Charges for services provided totaled \$2,619. This represents amounts paid by consumers for daily milk purchases.
- ✓ Federal and state reimbursement for milks served was \$2,346.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2012, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$54,217 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$10,951,473. That amount is \$757,210 above the final amended budget of \$10,194,263. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$620,638 for TPAF social security reimbursements and on-behalf pension payments and a \$136,572 excess in miscellaneous anticipated revenues and other state aids.

The actual expenditures of the general fund were \$10,350,235 including transfers which is \$356,278 below the final amended budget of \$10,705,192. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$620,638 and \$(261,360) of unexpended budgeted funds.

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED, (CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

Special Revenue Fund

The special revenue fund actual revenue was \$118,760. That amount is above the original budget estimate of \$85,000 and below the final amended budget. The \$54,217 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$20,457 variance between the final amended budget and the June 30, 2012 actual results was due to the deferral of Federal grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special revenue fund were \$118,760, which is above the original budget of \$85,000 and below the final amended budget. The \$54,217 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$20,457 variance between the final amended budget and the June 30, 2012 actual results was due to the anticipation of fully expending federal grant programs. Expenditures will be incurred in the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2012 the School District had \$7,946,845 invested in sites, buildings and equipment. Of this amount, \$4,222,603 in depreciation has been taken over the years. We currently have a net book value of \$3,724,242. Total additions for the year were \$35,866 for machinery and equipment. Table 3 shows fiscal year 2012 balances compared to 2011.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Site Improvements	110,014	144,854			110,014	144,854
Buildings and Building Improvements	3,513,975	3,980,057			3,513,975	3,980,057
Machinery and Equipment	<u>100,051</u>	<u>152,908</u>	<u>202</u>	<u>468</u>	<u>100,253</u>	<u>153,376</u>
	<u>3,724,040</u>	<u>4,277,819</u>	<u>202</u>	<u>468</u>	<u>3,724,242</u>	<u>4,278,287</u>

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED, (CONTINUED)**

Debt Administration

At June 30, 2012, the district had \$3,242,614 of outstanding debt. Of this amount, \$311,614 is for compensated absences and \$2,931,000 in school bonds payable.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2012</u>	<u>2011</u>
2006 School Bonds	<u>2,931,000</u>	<u>3,156,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Due to the current state of the economy in New Jersey and across the country, our economic outlook is not as bright as we would hope. This economic reality will have an impact on our ability to advance our program and educational goals. These factors will be considered in preparing the Borough of Englewood Cliffs Board of Education's budget for the 2012-2013 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough of Englewood Cliffs Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mary Welfel
School Business Administrator/Board Secretary
Borough of Englewood Cliffs Board of Education
143 Charlotte Place
Englewood Cliffs, New Jersey 07632

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BASIC FINANCIAL STATEMENTS

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DISTRICT-WIDE FINANCIAL STATEMENTS

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	997,258	161	997,419
Investments			-
Receivables, net	226,730	497	227,227
Restricted assets:			
Various reserve accounts - cash	1,879,799		1,879,799
Capital assets, net :			
Land and construction in progress			-
Other capital assets, net	3,724,040	202	3,724,242
Total Assets	<u>6,827,827</u>	<u>860</u>	<u>6,828,687</u>
LIABILITIES			
Accounts payable and accrued liabilities	36,059		36,059
Prepaid Tuition			-
Interfund payable			-
Payable to federal government			-
Payable to state government	3,324		3,324
Deferred revenue	3,142		3,142
Noncurrent liabilities:			
Due within one year	235,000		235,000
Due beyond one year	3,007,614		3,007,614
Total liabilities	<u>3,285,139</u>	<u>-</u>	<u>3,285,139</u>
NET ASSETS			
Invested in capital assets, net of related debt	793,040	202	793,242
Restricted for:			
Capital Projects	1,686,927		1,686,927
Other Purposes	552,263		552,263
Unrestricted (Deficit)	510,458	658	511,116
Total net assets	<u>3,542,688</u>	<u>860</u>	<u>3,543,548</u>

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

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:							
Instruction:							
Regular	2,653,786	570,555		102,467		(3,121,874)	(3,121,874)
Special education	722,876	173,054				(895,930)	(895,930)
Other special instruction	259,868	64,764				(324,632)	(324,632)
Other instruction	4,489	281				(4,770)	(4,770)
Support services:							
Tuition	824,430					(824,430)	(824,430)
Student & instruction related services	1,690,817	320,848		16,293		(1,995,372)	(1,995,372)
School administrative services	173,474	53,550				(227,004)	(227,004)
General administrative services	305,210	36,583				(341,793)	(341,793)
Central services	205,095	40,596				(245,691)	(245,691)
Administrative info. tech. services	59,610					(59,610)	(59,610)
Plant operations and maintenance	688,716	317,674				(1,006,390)	(1,006,390)
Pupil transportation	678,919	6,421				(685,340)	(685,340)
Unallocated benefits	881,060					(881,060)	(881,060)
Capital Outlay - non-depreciable	110,260					(110,260)	(110,260)
Debt Services:							
Interest and other Charges	109,233			87,831		(21,402)	(21,402)
Total governmental activities	9,367,843	1,584,306	-	206,591	-	(10,745,558)	(10,745,558)
Business-type activities:							
Special Milk Fund	6,608		2,619	2,346		(1,643)	(1,643)
Total business-type activities	6,608		2,619	2,346		(1,643)	(1,643)
Total primary government	9,374,451		2,619	208,937		(10,747,201)	(10,747,201)
General revenues:							
Taxes:							
Property taxes, levied for general purposes						9,795,381	9,795,381
Property taxes, levied for debt services						256,777	256,777
Federal and State aid not restricted						1,042,529	1,042,529
Tuition						75,757	75,757
State Aid - SCC Capital Projects grant receivable cancelled						-	-
Miscellaneous income						18,455	18,455
Total general revenues, special items, extraordinary items and transfers						11,188,899	11,188,899
Change in Net Assets						443,341	441,698
Net Assets—beginning, restated						3,099,347	3,101,850
Net Assets—ending						3,542,688	3,543,548

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

FUND FINANCIAL STATEMENTS

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	683,037	6,466	307,755	997,258
Receivables, state	226,730			226,730
Restricted cash and cash equivalents	1,879,799			1,879,799
Total assets	<u>2,789,566</u>	<u>6,466</u>	<u>307,755</u>	<u>3,103,787</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payable to state government		3,324		3,324
Deferred revenue		3,142		3,142
Total liabilities	-	<u>6,466</u>	-	<u>6,466</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	15,582			15,582
Excess Surplus - Designated for				
Subsequent Year's Expenditures	36,054			36,054
Maintenance reserve	250,627			250,627
Emergency reserve	250,000			250,000
Capital reserve account	1,379,172			1,379,172
Capital projects			307,755	307,755
Committed to:				
Other Purposes	450,781			450,781
Unassigned:				
General fund	407,350			407,350
Total Fund balances	<u>2,789,566</u>	-	<u>307,755</u>	<u>3,097,321</u>
Total liabilities and fund balances	<u>2,789,566</u>	<u>6,466</u>	<u>307,755</u>	

Amounts reported for governmental activities in the statement of net assets (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 \$7,944,845 and the accumulated depreciation is \$4,220,805. 3,724,040

Accrued interest on serial bonds payable is not due and payable in the current period and is not reported as a liability in the funds (36,059)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3) (3,242,614)

Net assets of governmental activities 3,542,688

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

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	9,795,381			256,777	10,052,158
Tuition	75,757				75,757
Miscellaneous	17,134		1,321		18,455
Total - Local Sources	9,888,272	-	1,321	256,777	10,146,370
State sources	1,024,855	5,874		87,831	1,118,560
Federal sources	17,674	112,886			130,560
Total revenues	10,930,801	118,760	1,321	344,608	11,395,490
EXPENDITURES					
Current:					
Regular instruction	2,551,319	102,467			2,653,786
Special education instruction	722,876				722,876
Other special instruction	259,868				259,868
Other instruction	4,489				4,489
Support services and undistributed costs:					
Tuition	824,430				824,430
Student & instruction related services	1,674,524	16,293			1,690,817
School administrative services	173,474				173,474
General administrative services	305,210				305,210
Central Services	205,095				205,095
Administrative information tech. services	59,610				59,610
Plant operations and maintenance	688,716				688,716
Pupil transportation	678,919				678,919
Unallocated benefits	1,472,168				1,472,168
On-behalf contributions	620,638				620,638
Capital Outlay	107,578		38,548		146,126
Debt Service:					
Principal				225,000	225,000
Interest and other Charges				119,609	119,609
Total expenditures	10,348,914	118,760	38,548	344,609	10,850,831
Excess (Deficiency) of revenues over expenditures	581,887	-	(37,227)	(1)	544,659
OTHER FINANCING SOURCES (USES)					
Transfers In	1,321				1,321
Transfers Out			(1,321)		(1,321)
Total other financing sources and uses	1,321	-	(1,321)	-	-
Net change in fund balances	583,208	-	(38,548)	(1)	544,659
Fund balance—July 1	2,206,358		346,303	1	2,552,662
Fund balance—June 30	2,789,566	-	307,755	-	3,097,321

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

**ENGLEWOOD CLIFFS BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2012**

Total net change in fund balances - governmental funds (from B-2)	544,659				
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>					
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Depreciation expense</td> <td style="text-align: right;">(298,213)</td> </tr> <tr> <td>Depreciable Capital outlays</td> <td style="text-align: right; border-top: 1px solid black;">35,866</td> </tr> </table>	Depreciation expense	(298,213)	Depreciable Capital outlays	35,866	(262,347)
Depreciation expense	(298,213)				
Depreciable Capital outlays	35,866				
<p>Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:</p>					
Principal payment on serial bonds	225,000				
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a subtraction in the reconciliation.(-)</p>					
	10,376				
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>					
Increase in compensated absences payable	(74,347)				
Change in net assets of governmental activities	443,341				

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

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Net Assets
Proprietary Funds
June 30, 2012

	<u>Special Milk Program</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	161
Accounts receivable:	
Federal	497
Total current assets	658
Noncurrent assets:	
Capital assets:	
Equipment	2,000
Less accumulated depreciation	(1,798)
Total capital assets (net of accumulated depreciation)	202
Total assets	860
 <u>NET ASSETS</u>	
Invested in capital assets net of related debt	202
Unrestricted	658
Total net assets	860

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

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Special Milk Program
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	2,619
Total operating revenues	2,619
Operating expenses:	
Cost of sales	2,601
Salaries	3,874
Depreciation	133
Total Operating Expenses	6,608
Operating income (loss)	(3,989)
Nonoperating revenues (expenses):	
Federal sources:	
Special milk program	2,346
Total nonoperating revenues (expenses)	2,346
Change in net assets	(1,643)
Total net assets—beginning	2,503
Total net assets—ending	860

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Special Milk Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	2,619
Payments for milk purchases	(6,475)
Net cash provided by (used for) operating activities	(3,856)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal sources	2,130
Net cash provided by (used for) non-capital financing activities	2,130
Net increase (decrease) in cash and cash equivalents	(1,726)
Balances—beginning of year	1,887
Balances—end of year	161
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(3,989)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	133
Total adjustments	133
Net cash provided by (used for) operating activities	(3,856)

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

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	21,538	96,558
Total assets	21,538	96,558
LIABILITIES		
Payable to student groups		12,728
Payroll deductions and withholdings		83,830
Total liabilities	-	96,558
NET ASSETS		
Held in trust for unemployment claims and other purposes	21,538	

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

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	Unemployment Compensation Trust Fund
ADDITIONS	
Investment earnings:	
Interest	81
Net Investment earnings	81
Total additions	81
Change in net assets	81
Net assets—beginning of the year	21,457
Net assets—end of the year	21,538

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

NOTES TO THE FINANCIAL STATEMENTS

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**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education (“Board”) of the Borough of Englewood Cliffs School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Englewood Cliffs School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. 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 primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization’s board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Borough of Englewood Cliffs School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board’s accounting policies are described below.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Fund Financial Statements: (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Fund Financial Statements: (continued)

GOVERNMENTAL FUNDS, (continued)

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Special Milk Program.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, Student Activities Fund, Payroll and Payroll Agency Funds.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made additional appropriations of \$148,803 for construction services for prior year extraordinary aid received.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets/Budgetary Control: (continued)

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 the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund 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.

E. Encumbrances:

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 reservations of 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.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. Cash, Cash Equivalents and Investments: (continued)

Additionally, the Board has adopted a cash management plan that 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.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net assets and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Fund Balances: (continued)

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

P. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Q. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

S. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2012, \$-0- of the District's bank balance of \$3,425,999 was exposed to custodial credit

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2012, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Business- Type <u>Activities</u>	District Wide Financial <u>Statements</u>
State Aid	\$226,730		\$226,730
Federal Aid		\$497	497
Due from Other Funds			
Other Miscellaneous			
Gross Receivables	<u>226,730</u>	<u>497</u>	<u>227,227</u>
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$226,730</u>	<u>\$497</u>	<u>\$227,227</u>

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/12</u>
Governmental Activities				
Capital Assets that are not being Depreciated:				
Land	\$	\$	\$	\$
Construction in Progress	_____	_____	_____	_____
Total Capital Assets not being Depreciated	_____	_____	_____	_____
Capital Assets Being Depreciated				
Site Improvements	348,399			348,399
Buildings and Building Improvements	7,147,536			7,147,536
Machinery and Equipment	<u>413,044</u>	<u>35,866</u>	_____	<u>448,910</u>
Total Capital Assets, Being Depreciated	<u>7,908,979</u>	<u>35,866</u>	_____	<u>7,944,845</u>
Less Accumulated Depreciation:				
Site Improvements	(220,965)	(17,420)		(238,385)
Buildings and Improvements	(3,411,255)	(222,306)		(3,633,561)
Equipment	<u>(290,372)</u>	<u>(58,487)</u>	_____	<u>(348,859)</u>
Total Accumulated Depreciation	<u>(3,922,592)</u>	<u>(298,213)</u>	_____	<u>(4,220,805)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>3,986,387</u>	<u>(262,347)</u>	_____	<u>3,724,040</u>
Governmental Activities Capital Assets, Net	<u>\$3,986,387</u>	<u>(\$262,347)</u>	<u>\$</u>	<u>\$3,724,040</u>
	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/12</u>
Business-Type Activity				
Equipment	\$2,000	\$	\$	\$2,000
Less Accumulated Depreciation for:				
Equipment	<u>(1,665)</u>	<u>(133)</u>	_____	<u>(1,798)</u>
Business-Type Activity Capital Assets, Net	<u>\$335</u>	<u>(\$133)</u>	<u>\$</u>	<u>\$202</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$28,976
Support Services:	
Instruction	10,030
School Administration	16,137
Operations and Maintenance	1,790
Business and Other Support Service	1,554
Buildings	18,480
Building Improvements	203,826
Land Improvements	<u>17,420</u>
Total Depreciation Expense	<u>\$298,213</u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2012 were as follows:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$3,156,000	\$ _____	(\$225,000)	\$2,931,000	\$235,000
Total Bonds Payable	3,156,000		(225,000)	2,931,000	235,000
Other Liabilities:					
Compensated Absences Payable	<u>237,267</u>	<u>100,267</u>	<u>(25,920)</u>	<u>311,614</u>	
Total Other Liabilities	<u>\$3,393,267</u>	<u>\$100,267</u>	<u>(\$250,920)</u>	<u>\$3,242,614</u>	<u>\$235,000</u>

Compensated absences have been liquidated in the general fund.

A. Bonds and Loans Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligations bonds.

Outstanding bonds payable at June 30, 2012, consisted of the following:

<u>Issue</u>	<u>Amount</u> <u>Issued</u>	<u>Issue Date</u>	<u>Interest</u> <u>Rate</u>	<u>Date of</u> <u>Maturity</u>	<u>Principal</u> <u>Balance</u> <u>June 30, 2012</u>
School Improvement Bonds 2006	\$3,956,000	11/01/2006	3.75%-4.00%	08/15/2021	<u>\$2,931,000</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2013	\$345,984	\$235,000	\$110,984
2014	346,984	245,000	101,984
2015	352,515	260,000	92,515
2016	352,240	270,000	82,240
2017	356,140	285,000	71,140
2018-2022	<u>1,804,480</u>	<u>1,636,000</u>	<u>168,480</u>
	<u>\$3,558,343</u>	<u>\$2,931,000</u>	<u>\$627,343</u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY (continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2012 the Board had authorized but not issued bonds of \$190.

NOTE 7. OPERATING LEASES

The District has entered into four operating leases for copying equipment which expire in March 2017. Total operating lease payments made during the year ended June 30, 2012 were \$52,384. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2013	\$23,241
June 30, 2014	23,241
June 30, 2015	3,566
June 30, 2016	1,384
June 30, 2017	<u>922</u>
	<u>\$52,354</u>

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 8. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation- Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and TPAF, effective July 12, 2002.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent year. Employers

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 8. PENSION PLANS, (continued)

are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2012 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. 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.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/12	\$132,366
6/30/11	125,069
6/30/10	99,904

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal, post retirement benefits and NCGI Premium were as follows:

Year <u>Ending</u>	Pension <u>Contributions</u>	Post- Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>
6/30/12	\$105,338	\$234,481	\$11,304
6/30/11		248,378	11,694
6/30/10		237,023	12,620

During the year ended June 30, 2012, the State of New Jersey contributed \$351,123 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$269,515 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits and the State contributed \$935.5 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding 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 Chapter 126, which provides free 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. In fiscal year 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Equitable Equi-Vest	Facility Services
Washington National	Galic Disbursing Company
Valic	

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 11. RISK MANAGEMENT, (continued)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District remits contributions directly to the New Jersey Unemployment Trust Fund. 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 expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$81	\$	\$	\$21,538
2010-2011	107	-0-	-0-	21,457
2009-2010	106	-0-	-0-	21,350

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Englewood Cliffs Board of Education by inclusion of \$1.00 on October 2, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$890,007
Interest Earnings	116,500
Deposits - Approved via Board Resolution June 4, 2012	<u>488,000</u>
Ending balance, June 30, 2012	<u>\$1,379,172</u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 13. MAINTENANCE RESERVE ACCOUNT

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

Section 6 of N.J.S.A. 18A:7F-41(a) and 41(b) provides that a district may supplement a maintenance reserve account by board resolution at year end for any unanticipated revenue and/or unexpended line item appropriations.

The activity of the Maintenance Reserve Account for July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$250,000
Interest Earnings	<u>627</u>
Ending balance, June 30, 2012	<u>\$250,627</u>

NOTE 14. EMERGENCY RESERVE ACCOUNT

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the Emergency Reserve Account for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	<u>\$250,000</u>
Ending balance, June 30, 2012	<u>\$250,000</u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$2,789,566 General Fund fund balance at June 30, 2012, \$450,781 is reserved for encumbrances; \$15,582 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$36,054 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$1,379,172 has been reserved in the Capital Reserve Account; \$250,627 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; and \$407,350 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - 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 at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance for the year ended June 30, 2012 is \$15,582. The excess fund balance at June 30, 2011 was \$36,054.

NOTE 17. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - 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.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

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BUDGETARY COMPARISON SCHEDULES

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	9,795,381	-	9,795,381	9,795,381	-
Tuition	79,100	-	79,100	75,757	(3,343)
Miscellaneous	54,000	-	54,000	17,134	(36,866)
Total - Local Sources	9,928,481	-	9,928,481	9,888,272	(40,209)
State Sources:					
Special Education Aid	108,516	-	108,516	210,813	102,297
Additional Non-Public Transportation Aid	-	-	-	15,002	15,002
Extraordinary Aid	139,592	-	139,592	199,074	59,482
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	116,642	116,642
TPAF Postretirement	-	-	-	234,481	234,481
Medical Contribution (On-Behalf - Non-Budgeted)	-	-	-	269,515	269,515
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,045,527	1,045,527
Total - State Sources	248,108	-	248,108	1,951,473	703,365
Federal Sources:					
Education Jobs Fund	17,137	537	17,674	17,674	-
Total - Federal Sources	17,137	537	17,674	17,674	-
TOTAL REVENUES	10,193,726	537	10,194,263	10,951,473	757,210
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	400	-	400	-	400
Kindergarten - Salaries of Teachers	202,329	82,837	285,166	284,015	1,151
Grades 1-5 - Salaries of Teachers	1,408,564	(51,460)	1,357,104	1,353,256	3,848
Grades 6-8 - Salaries of Teachers	623,093	(91,472)	531,621	521,128	10,493
Regular Programs - Home Instruction:					
Salaries of Teachers	1,283	5,108	6,391	6,390	1
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,000	3,775	4,775	2,995	1,780
Purchased Professional-Educational Services	10,000	(324)	9,676	8,698	978
Purchased Technical Services	43,000	30,988	73,988	42,623	31,365
Other Purchased Services (400-500 series)	194,632	1,097	14,097	13,352	765
General Supplies	10,000	(6,729)	187,903	163,628	24,275
Textbooks	40,300	108,903	118,903	118,622	281
Other Objects	2,547,601	3,946	44,246	36,632	7,614
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,547,601	86,669	2,634,270	2,551,319	82,951

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	565,120	18,672	583,792	583,780	12
Other Salaries for Instruction	31,700	(24,900)	6,800	5,860	940
General Supplies	1,500	2,723	4,223	4,050	173
Total Resource Room/Resource Center	598,320	(3,505)	594,815	593,690	1,125
Autism:					
General Supplies	-	-	-	-	-
Total Autism	-	-	-	-	-
Preschool Disabilities - Full-Time:					
Salaries of Teachers	74,314	10,511	84,825	84,825	-
Other Salaries for Instruction	27,862	(9,138)	18,724	18,222	502
Total Preschool Disabilities - Full-Time	102,176	1,373	103,549	103,047	502
Home Instruction:					
Salaries of Teachers	4,000	(4,000)	-	-	-
Purchased Prof. - Ed. Services	20,200	5,939	26,139	26,139	-
Total Preschool Disabilities - Full-Time	24,200	1,939	26,139	26,139	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	724,696	(193)	724,503	722,876	1,627
Basic Skills/Remedial - Instruction					
Salaries of Teachers	77,250	680	77,930	77,130	800
Total Basic Skills/Remedial - Instruction	77,250	680	77,930	77,130	800
Bilingual Education - Instruction					
Salaries of Teachers	185,436	(2,688)	182,748	182,100	648
General Supplies	2,000	-	2,000	638	1,362
Total Bilingual Education - Instruction	187,436	(2,688)	184,748	182,738	2,010
School-Sponsored Curricular Activities - Instruction					
Salaries	3,000	-	3,000	1,125	1,875
Supplies and Materials	4,000	5,000	9,000	3,087	5,913
Other Objects	1,000	-	1,000	277	723
Total School-Sponsored Curricular Activities - Instruction	8,000	5,000	13,000	4,489	8,511
TOTAL INSTRUCTION	3,544,983	89,468	3,634,451	3,538,552	95,899

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	-	17,000	17,000		17,000
Tuition to other LEAs within the State - Special	516,100	-	516,100	384,030	132,070
Tuition to County Voc. School Dist. - Regular	306,310	(89,629)	216,681	202,692	13,989
Tuition to County Voc. School Dist. - Special	27,380	24,761	52,141	52,340	1
Tuition to CSSD & Regular Day Schools	65,600	4,400	70,000	70,000	-
Tuition to Private Sch for Disabled w/1 State	115,330	(96,904)	18,426	17,475	951
Tuition to Private Sch Disabled & Other LEA's-Spl, O/S State	-	97,893	97,893	97,893	-
Tuition - Other	67,463	(55,279)	12,184		12,184
Total Undistributed Expenditures - Instruction:	1,098,383	(97,738)	1,000,625	824,430	176,195
Undistributed Expend. - Attend. & Social Work					
Salaries	121,249	(21,636)	99,613	94,258	5,355
Purchased Professional and Technical Services	2,786	1,500	4,286	1,500	2,786
Supplies and Materials	250	795	1,045	1,045	-
Total Undistributed Expend. - Attend. & Social Work	124,285	(19,341)	104,944	96,803	8,141
Undistributed Expenditures - Health Services					
Salaries	130,186	(19,495)	110,691	111,969	(1,278)
Purchased Professional and Technical Services	1,500	(475)	1,025	1,025	-
Supplies and Materials	5,500	417	5,917	5,107	810
Total Undistributed Expenditures - Health Services	137,186	(19,553)	117,633	118,101	(468)
Undist. Expend. - Speech, OT, PT & Related Serv.					
Salaries	103,388	-	103,388	88,953	14,435
Purchased Prof. Ed. Services	268,839	7,231	276,070	247,090	28,980
Supplies and Materials	2,000	531	2,531	2,555	176
Total Undist. Expend. - Speech, OT, PT & Related Serv.	374,227	7,762	381,989	338,598	43,591
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	301,673	(742)	300,931	294,435	6,496
Purchased Professional-Educational Services	94,945	17,769	112,714	99,310	13,404
Other Objects	-	3,475	3,475	3,295	180
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	396,618	20,502	417,120	397,040	20,080
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	62,708	(1,944)	60,764	60,582	182
Salaries of Secretarial and Clerical Assistants	10,312	(4,166)	6,146	5,814	332
Other Purchased Services	-	166	166	161	5
Supplies and Materials	1,500	-	1,500	1,011	489
Total Undist. Expend. - Guidance	74,520	(5,944)	68,576	67,568	1,008
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	263,859	2,455	266,314	261,521	4,793
Salaries of Secretarial and Clerical Assistants	41,752	39	41,791	41,764	27
Purchased Professional - Educational Services	3,400	(2,402)	998	594	404
Other Purch. Prof & Tech Svc.	25,850	5,516	31,366	25,399	5,967
Misc Purch. Ser	2,200	(790)	1,410	1,409	1
Supplies and Materials	8,083	4,557	12,640	10,616	2,024
Other Objects	200	205	405	405	-
Total Undist. Expend. - Child Study Teams	345,344	9,580	354,924	341,708	13,216

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	101,269	20,744	122,013	112,013	10,000
Salaries of Other Professional Staff	12,077	18,934	31,011	31,011	-
Salaries of Secretarial and Clerical Assistants	3,000	3,031	3,031	3,031	-
Purchased Professional - Educational Services	116,346	1,047	4,047	3,995	52
Total Undist. Expend. - Improvement of Inst. Services					
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	57,747	1,444	59,191	58,365	826
Salaries of Technology Coordinators	116,554	(33,801)	82,753	66,008	16,745
Purchased Professional and Technical Services	2,800	31,269	34,069	8,015	26,054
Other Purchased Services (400-500)	200	200	200	133	67
Supplies and Materials	8,000	4,812	12,812	6,335	6,477
Other Objects	1,000	50	1,050	50	1,000
Total Undist. Expend. - Educational Media Serv./Sch. Library					
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Secretarial and Clerical Assistants	34,286	(10,167)	24,119	20,204	3,915
Other Salaries	-	100	100	13	87
Purchased Professional - Educational Services	8,000	(2,204)	5,796	4,166	1,630
Other Purchased Prof. and Tech Services	-	-	-	-	-
Other Purchased Services (400-500 series)	5,017	(2,511)	2,506	1,567	939
Supplies and Materials	500	-	500	-	500
Total Undist. Expend. - Instructional Staff Training Serv.					
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	151,332	20,170	171,502	146,431	25,071
Legal Services	52,287	(21,550)	30,737	27,985	2,752
Audit Fees	39,500	-	39,500	20,000	19,500
Architectural/Engineering Services	5,000	7,199	12,199	1,451	10,748
Other Purchased Professional Services	1,500	10,866	12,366	5,616	6,750
Purchased Technical Services	-	360	360	358	2
Communications/Telephone	43,000	23,011	66,011	54,420	11,591
BOE Other Purchased Professional Services	6,500	(5,850)	650	650	-
Other Purchased Services (400-500 series)	21,876	(3,390)	18,486	18,060	426
Supplies and Materials	-	-	-	-	-
General Supplies	7,759	8,162	15,921	15,516	405
BOE In-House Training/Meeting Supplies	1,500	2,578	4,078	4,078	-
Miscellaneous Expenditures	4,000	(4,000)	-	-	-
BOE Membership Dues and Fees	10,400	245	10,645	10,645	-
Total Undist. Expend. - Supp. Serv. - General Administration					
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	65,000	(6,533)	58,467	55,000	3,467
Salaries of Secretarial and Clerical Assistants	90,479	7,526	98,005	94,673	3,332
Other Purchased Services (400-500 series)	8,000	2,559	10,559	8,683	1,876
Supplies and Materials	9,534	11,521	21,055	13,868	7,187
Other Objects	3,000	-	3,000	1,250	1,750
Total Undist. Expend. - Support Serv. - School Administration					
Total Undist. Expend. - Support Serv. - School Administration	176,013	15,073	191,086	173,474	17,612

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	158,504	182	158,686	156,273	2,413
Purchased Professional Services	34,000	(1,421)	32,579	32,375	204
Purchased Technical Services	8,750	(2,563)	6,187	6,187	-
Misc Pur Serv(400-500 series)	3,500	(605)	2,895	2,677	218
Supplies and Materials	4,842	1,744	6,586	6,368	218
Miscellaneous Expenditures	2,000	(2,000)	-	-	-
Other Objects	-	1,317	1,317	1,215	102
Total Undist. Expend. - Central Services	211,596	(3,346)	208,250	205,095	3,155
Undist. Expend. - Admin. Info. Technology					
Purchased Professional Services	10,650	(3,053)	7,597	7,482	115
Purchased Technical Services	32,100	(1,734)	30,366	20,365	10,001
Supplies and Materials	2,700	29,064	31,764	31,763	1
Total Undist. Expend. - Admin. Info. Technology	45,450	24,277	69,727	59,610	10,117
Undist. Expend. - Required Maint. for School Facilities					
Cleaning, Repair and Maintenance Services	115,045	(5,639)	109,406	100,952	8,454
General Supplies	7,000	10,865	17,865	14,801	3,064
Other Objects	1,000	-	1,000	684	316
Total Undist. Expend. - Required Maint. for School Facilities	123,045	5,226	128,271	116,437	11,834
Undist. Expend. - Required Maint. for School Facilities					
Salaries	267,087	28,668	295,755	292,766	2,989
Salaries of Non-Instructional Aides	10,924	4,778	15,702	12,073	3,629
Cleaning, Repair and Maintenance Services	19,195	(1,687)	17,508	12,807	4,701
Other Purchased Property Services	6,000	1,767	7,767	7,551	216
Insurance	34,500	-	34,500	31,662	2,838
Miscellaneous Purchased Services	2,861	577	3,438	2,854	584
General Supplies	59,395	(19,717)	39,678	25,794	13,884
Energy (Electricity)	119,178	(1,336)	117,842	104,917	12,925
Other Objects	2,000	333	2,333	2,078	255
Energy (Natural Gas)	105,000	(33,465)	71,535	51,079	20,456
Total Undist. Expend. - Custodial Services	626,140	(20,082)	606,058	543,581	62,477
Undist. Expend. - Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	20,120	13,970	34,090	24,324	9,766
General Supplies	1,500	(450)	1,050	590	460
Total Undist. Expend. - Care and Upkeep of Grounds	21,620	13,520	35,140	24,914	10,226
Undist. Expend. - Security					
Cleaning, Repair and Maintenance Services	3,000	(450)	2,550	1,948	602
General Supplies	500	1,786	2,286	1,836	450
Total Undist. Expend. - Security	3,500	1,336	4,836	3,784	1,052
Total Undist. Expend. - Oper. & Maint of Plant Serv.	774,305	-	774,305	688,716	85,589

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services					
Salaries of Non-Instructional Aide	61,756	(23,305)	38,451	33,000	5,451
Salaries for Pupil Trans (Bet Home & Sch) - Regular		25,704	25,704	25,704	-
Contract Services (Between Home & School)-Vendors	12,000	-	12,000	10,748	1,252
Contract Services (Other than Between Home & School)-Vendors	27,876	(1,277)	26,599	18,262	8,337
Contract Services (Bet. Home & Sch)-Joint Agreements	425,555	(5,263)	420,292	395,109	25,183
Contract Services (Spl. Ed. Students) - Joint Agreements	225,244	(66,250)	158,994	145,266	13,728
Contract Serv.-Aid in Lieu of Pymts.-Non-Public Schools	60,000	(6,216)	53,784	50,830	2,954
Total Undist. Expend. - Student Transportation Services	812,431	(76,607)	735,824	678,919	56,905
UNALLOCATED BENEFITS					
Social Security Contributions	123,000	(1,000)	122,000	117,475	4,525
Other Retirement Contributions - PERS	100,000	32,366	132,366	132,366	-
Other Retirement Contributions - Regular	-	6,344	6,344	3,817	2,527
Unemployment Compensation	22,300	-	22,300	19,074	3,226
Workmen's Compensation	82,952	-	82,952	62,879	20,073
Health Benefits	1,231,000	(109,406)	1,121,594	1,082,848	38,746
Tuition Reimbursement	21,001	(500)	20,501	5,200	15,301
Other Employee Benefits	80,220	15,769	95,989	48,509	47,480
TOTAL UNALLOCATED BENEFITS	1,660,473	(56,427)	1,604,046	1,472,168	131,878
On-behalf TPAF Pension				116,642	(116,642)
On-behalf TPAF Post Retirement				234,481	(234,481)
Medical Contributions (non-budgeted)				269,515	(269,515)
Reimbursed TPAF Social Security Contributions (non-budgeted)				620,638	(620,638)
TOTAL ON-BEHALF CONTRIBUTIONS				2,092,806	(488,760)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,660,473	(56,427)	1,604,046	2,092,806	(488,760)
TOTAL UNDISTRIBUTED EXPENDITURES	5,265,462	(74,806)	5,190,656	4,609,978	580,678
TOTAL GENERAL CURRENT EXPENSE	10,470,918	(41,765)	10,429,153	10,241,336	187,817
CAPITAL OUTLAY					
EQUIPMENT:					
Regular Programs - Instruction	12,971	-	12,971	12,971	-
Grades 6-8					
Undistributed Expenditures					
Undistributed Expenditures - Instruction		7,641	7,641	7,641	-
Undistributed Expenditures - Admin. Info. Tech.		4,069	4,069	4,068	1
Undistributed Expenditures - Custodial Services		11,720	11,720	6,549	5,171
Total Equipment	12,971	23,430	36,401	31,229	5,172
Facilities Acquisition and Construction Services					
Architectural/Engineering Services				76,349	159,190
Construction Services	71,963	163,576	235,539	-	4,099
Supplies and Materials		4,099	4,099	-	4,099
Other Objects		167,675	239,638	76,349	163,289
TOTAL FACILITIES ACQUISITION AND CONST. SERV.	71,963	167,675	239,638	76,349	163,289
TOTAL CAPITAL OUTLAY	84,934	191,105	276,039	107,578	168,461

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
TOTAL EXPENDITURES	10,555,852	149,340	10,705,192	10,348,914	356,278
Excess (Deficiency) of Revenues Over (Under) Expenditures	(362,126)	(148,803)	(510,929)	602,559	1,113,488
Other Financing Sources/(Uses):					
Transfers In - Capital Projects				1,321	1,321
Total Other Financing Sources/(Uses):				1,321	1,321
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(362,126)	(148,803)	(510,929)	603,880	1,114,809
Fund Balance, July 1	2,206,358		2,206,358	2,206,358	
Fund Balance, June 30	1,844,232	(148,803)	1,695,429	2,810,238	1,114,809
Recapitulation of excess (deficiency) of revenues under expenditures	(362,126)		(362,126)		
Adjustment for prior years encumbrances				488,000	488,000
Increase:				1,165	1,165
Capital Reserve - Principal				627	627
Capital Reserve - Interest				476,214	625,017
Maintenance Reserve - Interest				603,880	1,114,809
Budgeted Fund Balance	(362,126)	(148,803)	(510,929)		
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				1,379,172	
Maintenance Reserve				250,627	
Emergency Reserve				250,000	
Excess Surplus - Designated for Subsequent year's expenditures				36,054	
Excess Surplus - Current Year				15,582	
Committed Fund Balance:				450,781	
Year-End Encumbrances				428,022	
Unassigned Fund Balance:				2,810,238	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				20,672	
Total Fund Balance per Governmental Funds (GAAP)				2,789,566	

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
Education Jobs Fund - Budget and Actual
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund	17,137	537	17,674	17,674	-
Total Federal Sources	<u>17,137</u>	<u>537</u>	<u>17,674</u>	<u>17,674</u>	<u>-</u>
Total Revenues	<u>17,137</u>	<u>537</u>	<u>17,674</u>	<u>17,674</u>	<u>-</u>
EXPENDITURES:					
Education Jobs Fund					
Undistributed Expend. - Attend. & Social Work					
Salaries	17,137	537	17,674	17,674	-
Total Regular Programs - Instruction	<u>17,137</u>	<u>537</u>	<u>17,674</u>	<u>17,674</u>	<u>-</u>

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	85,000	9,198	9,198	5,874	(3,324)
Federal Sources		45,019	130,019	112,886	(17,133)
Total Revenues	85,000	54,217	139,217	118,760	(20,457)
EXPENDITURES:					
Instruction:					
Other Purchased Services (400-500 series)	85,000	20,559	105,559	102,467	3,092
General Supplies		11,533	11,533		11,533
Textbooks		3,324	3,324		3,324
Total instruction	85,000	35,416	120,416	102,467	17,949
Support services:					
Other Purchased Professional Services		9,080	9,080	9,080	-
Other Purchased Services		9,721	9,721	7,213	2,508
Total support services	-	18,801	18,801	16,293	2,508
Total Expenditures	85,000	54,217	139,217	118,760	20,457
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1],[C-2]	10,951,473	118,760
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.			
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)			
		(20,672)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	10,930,801	118,760
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	10,348,917	118,760
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	10,348,917	118,760

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SPECIAL REVENUE FUND

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2012

	Title II, Part A Teacher & Principal Training & Recruiting	IDEA Part B Preschool	IDEA Part Basic	Chapter 193- Exam and Classification	N.J. Nonpublic Nursing Services	Totals 2011
REVENUES						
State Sources	6,087	4,332	102,467	1,126	4,748	5,874
Federal Sources						112,886
Total Revenues	6,087	4,332	102,467	1,126	4,748	118,760
EXPENDITURES:						
Instruction:			102,467			102,467
Other Purchased Services (400-500 series)						
Total instruction	-	-	102,467	-	-	102,467
Support Services:						
Other Purchased Professional Services	6,087	4,332		1,126	4,748	9,080
Other Purchased Services						7,213
Total support services	6,087	4,332	-	1,126	4,748	16,293
Total Expenditures	6,087	4,332	102,467	1,126	4,748	118,760
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

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CAPITAL PROJECTS FUND

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Year Ended June 30, 2012

Revenues

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Capital Lease Proceeds	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	1,381
	1,381

Expenditures

Purchased professional and technical services	-
Land and improvements	-
Construction services	38,548
Equipment purchases	-
Transfer to General Fund	1,381
	39,929

Excess (deficiency) of revenues over (under) expenditures (38,548)

Other Financing Sources(Uses)

Transfers in - Upper School Renovation Project	150,000
Transfers out - Northliff School Renovation Project	(150,000)
	-

Excess (deficiency) of revenues and other financing sources
over (under) expenditures and other financing sources (38,548)

Fund balance - beginning 346,303

Fund balance - ending 307,755

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Roof Replacement -North Cliff School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
State Sources - SCC Grant	69,100		69,100	
Bond proceeds and transfers			-	
Capital Lease Proceeds	108,473		108,473	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	177,573	-	177,573	-
Expenditures				
Purchased professional and technical services	17,378		17,378	
Land and improvements			-	
Construction services	160,195		160,195	
Equipment purchases			-	
	177,573	-	177,573	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources(Uses)				
Transfers in - Upper School Renovation Project			-	
Tranfers out - Northcliff School Renovation Project			-	
	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	-	-	-	-
Additional project information:				
Project number	SP# 202622			
Grant Date	10/29/2002			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	172,750			
Additional authorized cost	4,823			
Revised authorized cost	177,573			
Percentage increase over original authorized cost	0.03			
Percentage completion	100%			
Original target completion date				
Revised target completion date				

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Roof Replacement-Upper School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
State Sources - SCC Grant	218,908		218,908	
Bond proceeds and transfers			-	
Capital Lease Proceeds	408,918		408,918	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>627,826</u>	<u>-</u>	<u>627,826</u>	<u>-</u>
Expenditures				
Purchased professional and technical services	54,101		54,101	
Land and improvements			-	
Construction services	532,245		532,245	
Equipment purchases			-	
	<u>586,346</u>	<u>-</u>	<u>586,346</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,480</u>	<u>-</u>	<u>41,480</u>	<u>-</u>
Other Financing Sources(Uses)				
Transfers in - Upper School Renovation Project			-	
Transfers out - Northcliff School Renovation Project			-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>41,480</u>	<u>-</u>	<u>41,480</u>	<u>-</u>
Additional project information:				
Project number	SP# 202621			
Grant Date	10/29/2002			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	547,270.00			
Additional authorized cost	39,076.00			
Revised authorized cost	586,346.00			
Percentage increase over original authorized cost	0.07			
Percentage completion	100%			
Original target completion date				
Revised target completion date				

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Renovations - North Cliff School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
State Sources - SCC Grant			-	
Bond proceeds and transfers	1,112,731		1,112,731	1,112,731
Capital Lease Proceeds			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>1,112,731</u>	<u>-</u>	<u>1,112,731</u>	<u>1,112,731</u>
Expenditures				
Purchased professional and technical services	72,049		72,049	71,342
Land and improvements			-	
Construction services	763,725		763,725	879,139
Equipment purchases	12,250		12,250	12,250
	<u>848,024</u>	<u>-</u>	<u>848,024</u>	<u>962,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>264,707</u>	<u>-</u>	<u>264,707</u>	<u>150,000</u>
Other Financing Sources(Uses)				
Transfers in - Upper School Renovation Project			-	
Transfers out - Northcliff School Renovation Project		(150,000)	(150,000)	(150,000)
	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>264,707</u>	<u>(150,000)</u>	<u>114,707</u>	<u>-</u>
Additional project information:				
Project number				
Grant Date				
Bond authorization date	12/13/2005			
Bonds authorized	876,820.00			
Bonds issued	876,820.00			
Original authorization cost	876,820.00			
Additional authorized cost	85,911.00			
Revised authorized cost	962,731.00			
Percentage increase over original authorized cost	0.10			
Percentage completion	88%			
Original target completion date	August 2007			
Revised target completion date	December 2008			

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Renovations - Upper School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
State Sources - SCC Grant			-	
Bond proceeds and transfers	2,357,849		2,357,849	2,358,039
Capital Lease Proceeds			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>2,357,849</u>	<u>-</u>	<u>2,357,849</u>	<u>2,358,039</u>
Expenditures				
Purchased professional and technical services	168,781		168,781	168,781
Land and improvements			-	
Construction services	2,049,570	38,548	2,088,118	2,239,876
Equipment purchases	99,382		99,382	99,382
	<u>2,317,733</u>	<u>38,548</u>	<u>2,356,281</u>	<u>2,508,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,116</u>	<u>(38,548)</u>	<u>1,568</u>	<u>(150,000)</u>
Other Financing Sources(Uses)				
Transfers in - Upper School Renovation Project		150,000	150,000	150,000
Transfers out - Northcliff School Renovation Project			-	
	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>40,116</u>	<u>111,452</u>	<u>151,568</u>	<u>-</u>
Additional project information:				
Project number				
Grant Date				
Bond authorization date	12/13/2005			
Bonds authorized	2,088,698.00			
Bonds issued	2,088,508.00			
Original authorization cost	2,088,698.00			
Additional authorized cost	419,341.00			
Revised authorized cost	2,508,039.00			
Percentage increase over original authorized cost	0.20			
Percentage completion	94%			
Original target completion date	August 2007			
Revised target completion date	December 2008			

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Window Replacement - Upper School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
State Sources - SCC Grant	199,438		199,438	199,438
Bond proceeds and transfers	296,658		296,658	296,658
Capital Lease Proceeds			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>496,096</u>	<u>-</u>	<u>496,096</u>	<u>496,096</u>
Expenditures				
Purchased professional and technical services	40,501		40,501	40,501
Land and improvements			-	
Construction services	455,595		455,595	455,595
Equipment purchases			-	
	<u>496,096</u>	<u>-</u>	<u>496,096</u>	<u>496,096</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources(Uses)				
Transfers in - Upper School Renovation Project				
Transfers out - Northcliff School Renovation Project				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	SP# 1380-060-04-1000			
Grant Date	2/14/2006			
Bond authorization date	12/13/2005			
Bonds authorized	565,999.00			
Bonds issued	565,999.00			
Original authorization cost	930,584.00			
Additional authorized cost	(434,488.00)			
Revised authorized cost	496,096.00			
Percentage increase over original authorized cost	(0.47)			
Percentage completion	100%			
Original target completion date	March 2007			
Revised target completion date	December 2008			

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Window Replacement - North Cliff School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
State Sources - SCC Grant	147,265		147,265	147,265
Bond proceeds and transfers	188,762		188,762	188,762
Capital Lease Proceeds			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>336,027</u>	<u>-</u>	<u>336,027</u>	<u>336,027</u>
Expenditures				
Purchased professional and technical services	35,002		35,002	35,002
Land and improvements			-	
Construction services	301,025		301,025	301,025
Equipment purchases			-	
	<u>336,027</u>	<u>-</u>	<u>336,027</u>	<u>336,027</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources(Uses)				
Transfers in - Upper School Renovation Project				
Transfers out - Northcliff School Renovation Project				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	SP# 1380-040-04-1000			
Grant Date	2/14/2006			
Bond authorization date	12/13/2005			
Bonds authorized	424,673.00			
Bonds issued	424,673.00			
Original authorization cost	633,809.00			
Additional authorized cost	(297,782.00)			
Revised authorized cost	336,027.00			
Percentage increase over original authorized cost	(0.47)			
Percentage completion	100%			
Original target completion date	March 2007			
Revised target completion date	December 2008			

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
For the Fiscal Year Ended June 30, 2012

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2012
			Prior Years	Current Year	
Roof Replacement - North Cliff School	Oct. 29, 2002 SP#1380-060-02-0622	177,573	177,573	-	-
Roof Replacement - Upper School	Oct. 29, 2002 SP#1380-060-02-0621	627,826	586,346	41,480	41,480
Renovations - North Cliff School	Dec. 13, 2005	962,731	848,024	114,707	114,707
Renovations - Upper School	Dec. 13, 2005	2,508,039	2,317,733	151,758	151,758
Window Replacement - Upper School	Dec. 13, 2005 SP#1380-060-04-1000	496,096	496,096	-	-
Window Replacement - North Cliff School	Dec. 13, 2005 SP#1380-040-04-1000	336,027	336,027	-	-
		<u>5,108,292</u>	<u>4,761,799</u>	<u>38,548</u>	<u>307,945</u>
Analysis					
			Project Balance - June 30, 2012		307,945
			Unfunded Authorizations		(190)
			Fund Balance (Deficit) - June 30, 2012		<u>307,755</u>

PROPRIETARY FUNDS

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2012

	Special Milk Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	161	161
Accounts receivable:		
Federal	497	497
Total current assets	658	658
Noncurrent assets:		
Capital assets:		
Equipment	2,000	2,000
Less accumulated depreciation	(1,798)	(1,798)
Total capital assets (net of accumulated depreciation)	202	202
Total assets	860	860
NET ASSETS		
Invested in capital assets net of related debt	202	202
Unrestricted	658	658
Total net assets	860	860

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2012

	Special Milk Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	2,619	2,619
Total operating revenues	2,619	2,619
Operating expenses:		
Cost of sales	2,601	2,601
Salaries	3,874	3,874
Depreciation	133	133
Total Operating Expenses	6,608	6,608
Operating income (loss)	(3,989)	(3,989)
Nonoperating revenues (expenses):		
Federal sources:		
Special milk program	2,346	2,346
Total nonoperating revenues (expenses)	2,346	2,346
Change in net assets	(1,643)	(1,643)
Total net assets—beginning	2,503	2,503
Total net assets—ending	860	860

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2012

	Special Milk Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,619	2,619
Payments for milk purchases	(6,475)	(6,475)
Net cash provided by (used for) operating activities	(3,856)	(3,856)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal sources	2,130	2,130
Net cash provided by (used for) non-capital financing activities	2,130	2,130
Net increase (decrease) in cash and cash equivalents	(1,726)	(1,726)
Balances—beginning of year	1,887	1,887
Balances—end of year	161	161
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(3,989)	(3,989)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	133	133
Total adjustments	133	133
Net cash provided by (used for) operating activities	(3,856)	(3,856)

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FIDUCIARY FUND

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	21,538	96,558
Total assets	21,538	96,558
LIABILITIES		
Payable to student groups		12,728
Payroll deductions and withholdings		83,830
Interfund - General Fund		
Total liabilities		96,558
NET ASSETS		
Held in trust for unemployment claims and other purposes	21,538	

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Payroll Withholdings	
Employer Contributions	
Total Contributions	-
Investment earnings:	
Interest	81
Net investment earnings	81
Total additions	81
Change in net assets	81
Net assets—beginning of the year	21,457
Net assets—end of the year	21,538

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursed	Balance June 30, 2012
Upper School	7,020	74,097	68,389	12,728
Total All Schools	7,020	74,097	68,389	12,728

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursed	Balance June 30, 2012
Net Payroll	8,938	3,512,746	3,455,145	66,539
Flexible Spending Account		2,801	1,400	1,401
Payroll Deductions and Withholdings	13,139	2,622,244	2,619,493	15,890
	<u>22,077</u>	<u>6,137,791</u>	<u>6,076,038</u>	<u>83,830</u>

LONG-TERM DEBT

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2012

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012
Improvement to School Facilities	10/18/2006	3,956,000	8/15/2012	235,000	3.750%	3,156,000	225,000	2,931,000
			8/15/2013	245,000	3.750%			
			8/15/2014	260,000	3.750%			
			8/15/2015	270,000	4.000%			
			8/15/2016	285,000	4.000%			
			8/15/2017	300,000	4.000%			
			8/15/2018	315,000	4.000%			
			8/15/2019	330,000	4.000%			
			8/15/2020	345,000	4.000%			
			8/15/2021	346,000	4.000%			
						3,156,000	225,000	2,931,000

**Englewood Cliffs Board of Education
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	256,778		256,778	256,777	(1)
State Sources:					
Debt Service Aid Type II	87,831		87,831	87,831	-
Total - State Sources	87,831	-	87,831	87,831	-
Total Revenues	344,609	-	344,609	344,608	(1)
EXPENDITURES:					
Regular Debt Service:					
Interest	119,609		119,609	119,609	-
Redemption of Principal	225,000		225,000	225,000	-
Total Regular Debt Service	344,609	-	344,609	344,609	-
Total expenditures	344,609	-	344,609	344,609	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(1)	(1)
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	1	-	1	-	(1)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	-	-	-	-	-

STATISTICAL SECTION

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents

Page

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 to J-15

Operating Information

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

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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- J-12 Direct and Overlapping Governmental Activities Debt
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

ENGLEWOOD CLIFFS BOARD OF EDUCATION

Net Assets by Component,
Last Ten Fiscal Years *

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Governmental activities										
Invested in capital assets, net of related debt	\$ 908,391	\$ 822,600	\$ 829,843	\$ 656,588	\$ 565,201	\$ 954,712	\$ 906,819	\$ 830,387	\$ 793,040	
Restricted	340,163	499,362	1,145,693	3,718,379	2,209,227	1,922,391	1,464,173	2,134,491	2,239,190	
Unrestricted	(336,050)	(424,823)	(275,183)	(2,297,398)	(10,418)	(137,414)	(113,289)	134,469	510,458	
Total governmental activities net assets	\$ 912,504	\$ 897,139	\$ 1,700,353	\$ 2,077,569	\$ 2,764,010	\$ 2,739,689	\$ 2,257,703	\$ 3,099,347	\$ 3,542,688	
Business-type activities										
Invested in capital assets, net of related debt	\$ 3,836	\$ 1,267	\$ 1,134	\$ 1,000	\$ 867	\$ 734	\$ 468	\$ 335	\$ 202	
Restricted	(3,537)	(4,178)	(4,741)	(5,383)	(4,566)	2,020	1,898	2,168	658	
Unrestricted	299	(2,911)	(3,607)	(4,383)	(3,699)	2,754	2,366	2,503	860	
Total business-type activities net assets	\$ 299	\$ (2,911)	\$ (3,607)	\$ (4,383)	\$ (3,699)	\$ 2,754	\$ 2,366	\$ 2,503	\$ 860	
District-wide										
Invested in capital assets, net of related debt	\$ 912,227	\$ 823,867	\$ 830,977	\$ 657,588	\$ 566,068	\$ 955,446	\$ 907,287	\$ 830,722	\$ 793,242	
Restricted	340,163	499,362	1,145,693	3,718,379	2,209,227	1,922,391	1,464,173	2,134,491	2,239,190	
Unrestricted	(339,587)	(429,001)	(279,924)	(2,302,781)	(14,984)	(135,394)	(111,391)	136,637	511,116	
Total district net assets	\$ 912,803	\$ 894,228	\$ 1,696,746	\$ 2,073,186	\$ 2,760,311	\$ 2,742,443	\$ 2,260,069	\$ 3,101,850	\$ 3,543,548	

Source: CAFR Schedule A-1

*Note: GASB requires that ten years of statistical data be presented. However, since 2004 was the first year of GASB 34 implementation, ten years are not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Changes in Net Assets
 Last Ten Fiscal Years*
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,154,768	\$ 2,968,642	\$ 3,402,191	\$ 3,348,198	\$ 3,500,610	\$ 4,311,901	\$ 3,905,034	\$ 2,971,597	\$ 3,224,341	
Special education	609,053	474,126	577,279	605,997	781,634	914,296	938,425	790,833	895,930	
Other special education	249,146	298,980	366,430	424,636	418,247	389,607	351,347	313,486	324,632	
Other instruction	135,925	57,111	23,304	28,259	11,683	23,818	8,200	6,086	4,770	
Support Services:										
Tuition	536,649	766,135	719,580	856,077	803,250	771,104	880,430	964,637	824,430	
Student & instruction related services	846,757	1,025,363	1,159,005	1,235,816	1,331,929	1,592,105	2,071,144	1,789,932	2,011,665	
General administration	426,229	409,600	555,102	347,095	322,250	304,905	323,998	357,097	341,793	
School Administrative Services	396,999	156,345	162,446	202,352	204,530	235,783	238,937	207,911	227,004	
Central Services		196,680	177,142	258,297	212,192	187,831	209,248	228,384	245,691	
Administrative information technology			94,318	11,550	12,774	19,213	21,929	30,941	59,610	
Plant Operations and Maintenance	811,527	670,910	757,048	837,888	820,807	754,958	1,184,584	1,001,025	1,006,390	
Pupil transportation	518,387	521,053	578,013	709,284	661,560	610,228	744,457	655,508	685,340	
Other support services	301,269			3,070						
Allocated benefits		804,302	77,218							
Unallocated benefits	74,420	539,751	675,727	1,016,923	1,074,589	565,544	619,163	726,604	881,060	
On-behalf Contributions			70,542							
Prior Year Encumbrances			21,438				2,250			
Capital Outlay - non-depreciable	48,141	28,986						48,336	110,260	
Debt Services:										
Interest and other charges				102,121	147,758	140,492	132,850	124,835	109,233	
Unallocated depreciation	85,456	92,727	83,322	100,883	119,411					
Total governmental activities expenses	8,754,984	9,010,711	9,500,105	10,088,446	10,425,474	10,821,785	11,629,746	10,217,212	10,952,149	

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Changes in Net Assets
Last Ten Fiscal Years*
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Business-type activities:										
Special Milk Fund	6,313	7,132	4,099	5,218	6,247	4,629	4,564	3,515	6,608	
Total business-type activities expense	6,313	7,132	4,099	5,218	6,247	4,629	4,564	3,515	6,608	
Total district expenses	\$ 8,761,297	\$ 9,017,843	\$ 9,504,204	\$ 10,093,664	\$ 10,431,721	\$ 10,826,414	\$ 11,634,310	\$ 10,220,727	\$ 10,958,757	
Program Revenues										
Governmental activities:										
Operating grants and contributions	\$ 125,639	120,041	128,134	123,429	250,020	217,174	332,168	211,317	206,591	
Total governmental activities program revenues	\$ 125,639	\$ 120,041	\$ 128,134	\$ 123,429	\$ 250,020	\$ 217,174	\$ 332,168	\$ 211,317	\$ 206,591	
Business-type activities:										
Charges for services:										
Special Milk Fund	\$ 1,850	1,892	1,900	2,550	2,820	2,829	2,433	2,288	2,619	
Operating grants and contributions	1,905	2,030	1,636	1,892	4,111	2,338	1,743	1,364	2,346	
Total business type activities program revenues	3,755	3,922	3,536	4,442	6,931	5,167	4,176	3,652	4,965	
Total district program revenues	\$ 129,394	\$ 123,963	\$ 131,670	\$ 127,871	\$ 256,951	\$ 222,341	\$ 336,344	\$ 214,969	\$ 211,556	
Net (Expense)/Revenue										
Governmental activities	\$ (8,629,345)	\$ (8,890,670)	\$ (9,371,971)	\$ (9,965,017)	\$ (10,175,454)	\$ (10,604,611)	\$ (11,297,578)	\$ (10,005,895)	\$ (10,745,558)	
Business-type activities	(2,558)	(3,210)	(563)	(776)	684	538	(388)	137	(1,643)	
Total district-wide net expense	\$ (8,631,903)	\$ (8,893,880)	\$ (9,372,534)	\$ (9,965,793)	\$ (10,174,770)	\$ (10,604,073)	\$ (11,297,966)	\$ (10,005,758)	\$ (10,747,201)	

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Changes in Net Assets
Last Ten Fiscal Years*
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 7,145,000	\$ 7,512,586	\$ 8,088,766	\$ 8,376,177	\$ 8,711,224	\$ 9,059,673	\$ 9,299,800	\$ 9,720,381	\$ 9,795,381	
Taxes levied for debt service			1,293,377	99,000	221,482	70,869	163,555	255,474	256,777	
Federal and state aid not restricted			573,721	1,576,663	1,603,304	1,161,587	1,135,998	884,449	1,042,529	
Grants and contributions	1,281,721	1,285,734			75,000					
Tuition Received				82,100	109,200	223,355	185,610	179,908	75,757	
Miscellaneous income	222,331	76,985	219,321	208,293	164,073	61,658	30,629	20,244	18,455	
State Aid - SCC Capital Projects grant receivable cancelled								(227,018)		
Transfers					(22,388)					
Total governmental activities	8,649,052	8,875,305	10,175,185	10,342,233	10,861,895	10,577,142	10,815,592	10,833,438	11,188,899	
Business-type activities:										
Liabilities canceled						5,915				
Total business-type activities	8,649,052	8,875,305	10,175,185	10,342,233	10,861,895	10,583,057	10,815,592	10,833,438	11,188,899	
Total district-wide	\$ 17,298,104	\$ 17,750,610	\$ 20,350,370	\$ 20,684,466	\$ 21,723,790	\$ 21,160,200	\$ 21,631,184	\$ 21,666,876	\$ 22,377,798	
Change in Net Assets	\$ 19,707	\$ (15,365)	\$ 803,214	\$ 377,216	\$ 686,441	\$ (27,469)	\$ (481,986)	\$ 827,543	\$ 443,341	
Governmental activities	(2,558)	(3,210)	(563)	(776)	684	6,453	(388)	137	(1,643)	
Business-type activities	17,149	(18,575)	802,651	376,440	687,125	(21,016)	(482,374)	827,680	441,698	
Total district	\$ 14,591	\$ (31,845)	\$ 802,088	\$ 375,664	\$ 687,809	\$ (14,029)	\$ (482,762)	\$ 827,447	\$ 439,755	

Source: CAFR Schedule A-2

*Note: GASB requires that ten years of statistical data be presented. However, since 2004 was the first year of GASB 34 implementation, ten years are not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
Fund Balances, Governmental Funds,
Last Ten Fiscal Years*
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ 298,683	\$ 457,882	\$ 611,852	\$ 702,287	\$ 1,173,888	\$ 1,256,478	\$ 890,851	\$ 1,426,061	\$ 1,931,435
Unreserved	540,696	155,153	208,312	274,271	350,672	237,284	180,697	362,126	450,781
Restricted								418,171	407,350
Committed									
Unassigned									
Total general fund	\$ 839,379	\$ 613,035	\$ 820,164	\$ 976,558	\$ 1,524,560	\$ 1,493,762	\$ 1,071,548	\$ 2,206,358	\$ 2,789,566
All Other Governmental Funds									
Reserved - capital projects fund				\$ 1,342,308	\$ 185,090	\$ 35,887			
Unreserved, reported in:									
Capital projects fund	41,480	41,480	533,841	1,507,834	609,299	555,026	573,321		
Debt service fund				165,950	240,950	75,000	1		
Restricted, reported in:									
Capital projects fund								346,303	307,755
Debt service fund								1	
Total all other governmental funds	\$ 41,480	\$ 41,480	\$ 533,841	\$ 3,016,092	\$ 1,035,339	\$ 665,913	\$ 573,322	\$ 346,304	\$ 307,755

*Note: GASB requires that ten years of statistical data be presented. However, since 2004 was the first year of GASB 34 implementation, ten years are not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Source: CAFR B-1

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ENGLEWOOD CLIFFS BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 6,670,524	\$ 7,145,000	\$ 7,512,586	\$ 8,088,766	\$ 8,475,177	\$ 8,932,706	\$ 9,130,542	\$ 9,463,355	\$ 9,975,855	\$ 10,052,158
Tuition charges	221,549	55,576	41,300		82,100	109,200	223,355	185,610	179,908	75,757
Interest earnings	5,126		3,580							
Miscellaneous	68,522	166,755	32,105	219,321	88,602	93,396	35,189	30,629	20,244	17,134
State sources	1,026,301	1,294,175	1,294,831	1,302,593	1,576,663	1,726,151	1,271,494	1,243,813	976,818	1,118,560
Federal sources	83,679	113,185	110,944	118,918	123,429	127,173	107,267	224,353	118,948	130,560
Total revenue	8,075,701	8,774,691	8,995,346	9,729,598	10,345,971	10,988,626	10,767,847	11,147,760	11,271,773	11,394,169
Expenditures										
Instruction										
Regular instruction	2,487,850	2,641,409	2,757,025	2,724,553	2,742,558	2,834,962	3,517,449	3,205,834	2,434,920	2,653,786
Special education instruction	493,538	696,562	435,011	449,318	482,738	631,414	759,865	769,394	638,976	722,876
Other special instruction	311,003	110,362	326,646	286,274	337,794	329,195	314,148	281,718	251,414	259,868
Other instruction				19,530	25,155	11,410	22,108	7,055	5,683	4,489
Support Services:										
Tuition	320,299	536,649	766,135	719,580	856,077	803,250	771,104	880,430	964,637	824,430
Student & inst. related services		704,443	969,491	955,046	1,032,773	1,115,507	1,322,804	1,725,419	1,499,774	1,690,817
Support services - students	433,779									
Other support services - Inst. Staff	36,972									
Health services	70,949									
Educational/Media services	39,256									
Attendance	7,344									
General administration	369,066	373,992	390,197	495,141	307,545	283,611	277,167	294,882	319,706	305,210
School administrative services	310,171	329,062	341,600	123,137	168,338	165,787	166,824	179,547	155,028	173,474
Central services				141,240	205,903	172,260	155,671	170,418	190,854	205,095
Admin. information technology				77,529	11,550	12,774	19,213	21,929	30,941	59,610
Plant operations and maintenance	589,570	724,448	635,101	668,953	735,760	711,237	712,468	808,046	663,054	688,716
Pupil transportation	527,537	513,326	519,507	572,181	703,554	653,431	601,974	744,457	652,870	678,919
Business and other support servs	186,090	216,478								
Other support services				655,121	3,070	932,402	524,576	551,890	519,821	620,638
On behalf contributions				70,542						
Prior year encumbrances				1,408,820	1,411,343	1,445,503	1,380,525	1,551,295	1,395,114	1,472,168
Employee benefits	1,338,824	1,630,373	1,827,854	1,408,820	1,411,343	1,445,503	1,380,525	1,551,295	1,395,114	1,472,168

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Special Schools	511,946	199,724	253,123	155,504	130,196	50,811	106,934	129,518	71,312	107,578
Charter Schools										
Capital outlay										
Debt service:										
Principal										
Interest and other charges										
Total expenditures	8,034,194	8,676,828	9,221,690	9,522,469	10,135,013	10,488,913	10,991,064	11,662,565	10,136,963	10,812,283
Excess (Deficiency) of revenues over (under) expenditures	41,507	97,863	(226,344)	207,129	210,958	499,713	(223,217)	(514,805)	1,134,810	581,886
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	111,386	145,677	26,469	13,403	2,180	1,321
Transfers out	-	-	-	-	-	(22,388)	-	(13,403)	(2,180)	1,321
State sources - SCC grant cancelled	-	-	-	-	-	-	-	-	(227,018)	-
Total other financing sources (uses)	-	-	-	-	111,386	123,289	26,469	-	(227,018)	2,642
Net change in fund balances	\$ 41,507	\$ 97,863	\$ (226,344)	\$ 207,129	\$ 322,344	\$ 623,002	\$ (196,748)	\$ (514,805)	\$ 907,792	\$ 584,528
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.44%	3.21%	3.11%	2.95%	3.41%	3.22%

Source: District records

Note: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be meaningful for comparative purposes if these were included.

Source: CAFR, Schedule B-2

Englewood Cliffs Board of Education
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Tuition	Donations	Interest	Refunds	Cancelled Liabilities	Prior Year Voided Checks	Balance of Unemployment Closed to General Fund	Miscellaneous	Annual Totals
	2003	\$ 221,549	5,000	5,126	54,822				8,700
2004	55,576				67,166	58,388		41,201	222,331
2005	41,300		3,580					32,105	76,985
2006	72,000	27,552	10,911	95,885				12,973	219,321
2007		8,000	28,521	26,804			20,888	4,389	88,602
2008		45,035	25,400					22,961	93,396
2009			31,836					3,353	35,189
2010	185,610		20,138			7,921		2,570	216,239
2011	179,908		16,812					1,252	197,972
2012	75,757		12,477					4,657	92,891

Source: District records

Englewood Cliffs Board of Education
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized) Value	% of Net Assessed to Estimated Full Cash Valuations
2002	\$ 42,950,300	\$ 1,245,316,800	\$ 2,106,984,650	\$ 1,383,600	\$ 910,000	\$ 3,397,545,350	\$ 1,495,130,550	\$ 2,437,562	\$ 1,904,852,362	0.350	\$ 1,863,718,063	102.21%
2003	53,357,800	1,241,523,100	2,594,702,800	1,383,600	972,500	3,891,959,800	1,945,969,900	2,082,775	1,948,052,675	0.367	1,962,560,208	99.26%
2004	44,349,000	1,273,813,900	2,173,649,425	1,383,600	972,500	3,494,168,425	1,502,035,025	2,001,324	1,994,134,724	0.377	2,217,698,577	89.92%
2005	38,990,500	1,297,156,300	2,183,088,275	1,383,600	972,500	3,521,591,175	1,501,931,075	1,406,188	2,021,066,288	0.400	2,557,614,389	79.02%
2006	32,504,400	1,346,253,100	2,154,312,275	1,383,600	972,500	3,535,425,875	1,502,255,675	1,272,597	2,034,442,797	0.417	3,086,979,346	65.90%
2007	36,930,800	1,367,120,100	2,141,597,975	1,383,600	972,500	3,548,004,975	1,502,255,675	1,610,678	2,047,359,978	0.436	3,140,779,023	65.19%
2008	62,999,000	2,386,943,400	986,983,800	1,886,500	1,750,000	3,440,562,700	911,902,000	1,711,475	2,530,372,175	0.265	3,313,450,107	76.37%
2009	54,487,100	2,393,393,200	1,003,351,100	1,886,500	1,750,000	3,454,867,900	911,902,000	1,980,256	2,544,946,156	0.274	3,371,508,439	75.48%
2010	47,202,000	2,427,408,700	944,271,600	1,886,500	1,750,000	3,422,518,800	918,228,300	1,925,179	2,506,215,679	0.292	3,465,127,857	72.53%
2011	50,562,700	2,420,689,700	952,029,800	1,886,500	1,750,000	3,426,918,700	917,466,200	1,725,842	2,511,178,342	0.293	3,369,668,246	74.52%

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

N/A At the time of CAFR completion, this data was not yet available

**Englewood Cliffs Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)**

Year Ended Dec. 31,	Englewood Cliffs Board of Education General			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Debt Service b	Obligation Total Direct School	Borough of Englewood Cliffs	Bergen County		
2002	0.350	-	0.350	0.357	0.223		0.930
2003	0.367	-	0.367	0.362	0.211		0.940
2004	0.380	-	0.380	0.359	0.211		0.950
2005	0.400	-	0.400	0.401	0.219		1.020
2006	0.417	-	0.417	0.428	0.235		1.080
2007	0.436	-	0.436	0.459	0.265		1.160
2008	0.258	0.007	0.265	0.278	0.178		0.721
2009	0.256	0.018	0.274	0.291	0.186		0.751
2010	0.287	0.005	0.292	0.307	0.196		0.795
2011	0.285	0.008	0.293	0.305	0.197		0.795

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

Englewood Cliffs Board of Education
Principal Property Taxpayers,
Current Year and Nine Years Ago

	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 107,100,000	1	4.26%			0.00%
Taxpayer 2	100,981,500	2	4.02%	70,785,000	2	
Taxpayer 3	90,000,000	3	3.58%			
Taxpayer 4	89,145,700	4	3.55%	40,800,000	3	2.09%
Taxpayer 5	37,194,600	5	1.48%			0.00%
Taxpayer 6	35,719,500	6	1.42%			
Taxpayer 7	35,500,000	7	1.41%			
Taxpayer 8	29,957,300	8	1.19%	29,825,000	4	
Taxpayer 9	20,618,200	9	0.82%	20,790,000	6	
Taxpayer 10	17,780,600	10	0.71%			
Taxpayer 11				97,500,000	1	5.00%
Taxpayer 12				27,475,000	5	1.41%
Taxpayer 13				12,825,000	7	0.66%
Taxpayer 14				11,550,000	8	0.59%
Taxpayer 15				11,000,000	9	0.56%
Taxpayer 16				10,890,000	10	0.56%
Total	\$ 563,997,400		22.46%	\$ 333,440,000		10.88%
Total Net Assessed Value	2,511,178,342			1,948,052,675		

Source: Municipal Tax Assessor

**Englewood Cliffs Board of Education
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	6,670,524	6,670,203	99.995%	321
2004	7,145,000	7,144,833	99.998%	167
2005	7,512,586	7,512,419	99.998%	167
2006	8,088,766	8,088,766	100.00%	-
2007	8,475,177	8,475,177	100.00%	-
2008	8,932,706	8,932,706	100.00%	-
2009	9,130,542	9,130,542	100.00%	-
2010	9,463,355	9,463,349	100.00%	6
2011	9,975,855	9,975,847	100.00%	8
2012	10,052,158	10,052,158	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

- a** - School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

**Englewood Cliffs Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Personal Income ^a			
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
2004	-	-	477,326	-	-	-	477,326	477,326	0.16%	9
2005	-	-	260,125	-	-	-	260,125	260,125	0.08%	5
2006	-	-	143,048	-	-	-	143,048	143,048	0.04%	2
2007	3,956,000	-	20,957	-	-	-	3,976,957	3,976,957	1.04%	59
2008	3,771,000	-	-	-	-	-	3,771,000	3,771,000	0.95%	55
2009	3,576,000	-	-	-	-	-	3,576,000	3,576,000	0.95%	56
2010	3,371,000	-	-	-	-	-	3,371,000	3,371,000	0.97%	51
2011	3,156,000	-	-	-	-	-	3,156,000	3,156,000	Not Available	Not Available
2012	2,931,000	-	-	-	-	-	2,931,000	2,931,000	Not Available	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Englewood Cliffs Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	-	-	-	0.00%	50,682
2004	-	-	-	0.00%	54,095
2005	-	-	-	0.00%	56,435
2006	-	-	-	0.00%	61,264
2007	3,956,000	-	3,956,000	0.19%	67,125
2008	3,771,000	-	3,771,000	0.11%	67,696
2009	3,576,000	-	3,576,000	0.10%	64,388
2010	3,371,000	-	3,371,000	0.10%	65,486
2011	3,156,000	-	3,156,000	0.09%	Not Available
2012	2,931,000	-	2,931,000	Not Available	Not Available

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

**Englewood Cliffs Board of Education
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2012		\$	2,931,000
Debt repaid with property taxes			
Borough of Englewood Cliffs	100.00%	\$ 15,877,779	
County of Bergen - Borough's Share	2.149%	15,008,892	
Bergen County Utilities Authority - Borough's Share	1.557%	3,935,805	
Subtotal, overlapping debt		34,822,475	
Total direct and overlapping debt		\$ 37,753,475	

Sources: Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Englewood Cliffs. This process recognizes that, when considering the District's ability to issue and repay long-term debt, entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Englewood Cliffs Board of Education
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

		Average equalized valuation of taxable property										Debt limit (3 % ^a)		
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	[B]	[C]	[B-C]
Debt limit	\$	66,458,109	73,341,454	80,586,358	67,378,732	78,576,092	88,868,016	97,003,904	99,844,836	101,531,253	99,664,220	99,664,220	2,931,000	96,733,220
Total net debt applicable to limit	\$	2,003	2,004	2,005	2,006	3,956,000	3,771,000	3,576,000	3,371,000	3,156,000	3,371,000	3,156,000	2,931,000	96,733,220
Legal debt margin	\$	66,456,106	73,339,450	80,584,353	67,376,726	74,620,092	85,097,016	93,427,904	96,473,836	98,375,253	96,473,836	98,375,253	96,733,220	96,733,220
Total net debt applicable to the limit as a percentage of debt limit		0.00%	0.00%	0.00%	0.00%	5.03%	4.24%	3.69%	3.38%	3.11%	3.38%	3.11%	2.94%	2.94%

Equalized valuation basis	
2011	\$ 3,183,093,721
2010	3,326,386,238
2009	3,456,942,065
[A]	\$ 9,966,422,024
[A/3]	\$ 3,322,140,675

The debt applicable to the limit may be offset only by amounts that the applicable law expressly allows.

Average equalized valuation of taxable property

Debt limit (3 %^a)
 Total Net Debt Applicable to Limit
 Legal debt margin

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

^a Limit set by NISA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**Englewood Cliffs Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2003	5,514	\$ 279,460,548	\$ 50,682	2.70%
2004	5,576	301,633,720	54,095	3.80%
2005	5,641	318,349,835	56,435	3.36%
2006	5,669	347,305,616	61,264	3.50%
2007	5,710	383,283,750	67,125	3.20%
2008	5,773	390,809,008	67,696	4.10%
2009	5,855	370,024,290	63,198	7.60%
2010	5,287	346,224,482	65,486	7.60%
2011	Not Available	Not Available	Not Available	7.50%
2012	Not Available	Not Available	Not Available	Not Available

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the April 2011 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Englewood Cliffs Board of Education
Principal Employers,
Current Year and Nine Years Ago**

	2011			2002		
	Employer	Rank [Optional]	Percentage of Total Municipal Employment	Rank [Optional]	Percentage of Total Municipal Employment	

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.

**Englewood Cliffs Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

<u>Function/Program</u>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction										
Regular	44	45	45	46	47	43	44	43.4	35.9	35.0
Special education	11	13	10	12	11	13	12	10.0	7.7	13.0
Other special education	8	6	6	8	9	9	9	7.0	8.0	10.0
Vocational										
Other instruction								4.0	2.0	2.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	2	2	2	2	2	2	2	3.4	3.0	4.0
General administration	2	2	2	2	2	2	2	2.0	2.0	3.0
School administrative services	5	9	8	6	5	5	5	5.0	5.0	4.0
Other administrative services										
Central services	3	3	3	4	4	4	4	4.0	2.1	3.0
Administrative Information Technology	1	1	1	1	1	1	1	2.0	2.0	-
Plant operations and maintenance	7	7	6	6	6	7	6	6.4	5.4	6.0
Pupil transportation										
Other support services								0.6	0.4	4.0
Special Schools	1	1	1	1						
Food Service										
Child Care										
Total	84	89	84	88	87	86	85	87.8	73.5	84.0

Source: District Personnel Records

Englewood Cliffs Board of Education
Operating Statistics,
Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2003	433	\$ 8,034,194	\$ 18,555	14.82%	84.00	1:12.7	1:12.7	433.00	415.00	-3.22%	95.84%	
2004	422	8,676,828	20,561	10.81%	89.00	1:8.68	1:8.68	422.00	397.00	-2.54%	94.08%	
2005	427	9,221,690	21,596	5.04%	84.00	1:8.54	1:8.54	426.90	410.60	1.16%	96.18%	
2006	451	9,522,469	21,114	-2.23%	88.00	1:9.4	1:9.4	420.63	404.47	-1.47%	96.16%	
2007	421	10,090,577	23,968	13.52%	87.00	1:8.9	1:8.9	400.40	386.60	-4.81%	96.55%	
2008	425	10,102,743	23,771	-0.82%	86.00	1:8.3	1:8.3	425.42	409.86	6.25%	96.34%	
2009	424	10,545,896	24,872	4.63%	85.00	1:9.3	1:9.3	428.52	411.85	0.73%	96.11%	
2010	426	11,192,314	26,273	5.63%	87.80	1:9.2	1:9.2	447.69	412.85	4.47%	92.22%	
2011	450	9,722,792	21,606	-17.76%	43.00	1:11.6	1:11.6	452.50	413.85	1.07%	91.46%	
2012	492	10,467,674	21,276	-1.53%	48.00	1:11.2	1:11.2	493.70	414.85	9.10%	84.03%	

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Englewood Cliffs Board of Education
School Building Information
Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>										
<u>Elementary</u>										
Northcliff School										
Square Feet GSF	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971
Square Feet NSF	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036
Capacity (students)	179	179	179	179	179	179	179	179	230	230
Enrollment	158	150	130	136	133	170	164	173	201	212
<u>Upper School</u>										
Square Feet GSF	76,050	76,050	76,050	76,050	76,050	76,050	76,050	76,050	76,050	76,050
Square Feet NSF	51,536	51,536	51,536	51,536	51,536	51,536	51,536	51,536	51,536	51,536
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment a	279	282	294	295	278	255	264	262	252	276

Number of Schools at June 30, 2011
Elementary = 2

Source: District Facilities Office

Englewood Cliffs Board of Education
 Schedule of Required Maintenance
 Last Ten Fiscal Years

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXXX

School Facilities	Project No.'s	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Northcliff School	N/A	7,669	23,702	48,942	22,549	12,304	3,682	8,126	13,144	19,321	28,960
Upper School	N/A	108,768	47,051	76,305	46,746	23,043	9,560	24,379	39,430	57,961	80,761
Grand Total		\$ 116,437	\$ 70,753	\$ 125,247	\$ 69,295	\$ 35,347	\$ 13,242	\$ 32,505	\$ 52,574	\$ 77,282	\$ 109,721

Source: District records

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Englewood Cliffs Board of Education
 Insurance Schedule
 June 30, 2011

Company	Type of Coverage	Coverage	Deductible
Selective Way Ins. Co.	Spec. Multi Peril w/ Auto		
	Blanket Bldgs & Personal Property		
	Blanket Buildings and Personal Property	as per statement of values	5,000
	Flood & Earthquake	5,000,000	50,000
	Flood - Zone A	1,000,000	500,000
	Extra Expense	5,000,000	
	Bldg Ordinance Demolition Cost	2,000,000	
	Bldg Ordinance Incr Cost of Construction	2,000,000	
	Pollutant Clean Up & Removal	100,000	
	Loss of Income-Planned Events & Tuition	100,000	
	Claim Data Expenses	25,000	
	Fire Dept Service Chg	25,000	
	Fire Protection Device Recharge	5,000	
	Food Contamination Shutdown	10,000	
	Lock Replacement	2,500/loss, 7,500 agg.	
	Constructed Property-Building	1,000,000	
	Personal Property	500,000	
	Non-owned Detached Trailers	5,000	
	Personal Effects & Property of Others	1,000/loss, 25,000 agg.	
	Pollutant Cleanup & Removal: Planned Events	10,000	
	Tuition and Fees	20,000	
	Valuable Papers & Records	5,000,000	

Englewood Cliffs Board of Education
 Insurance Schedule
 June 30, 2011

Company	Type of Coverage	Coverage	Deductible
	Accts Receivable	100,000	
	Fine Arts	25,000	
	Computer Equipment	2,500,000	
	Musical Instruments	250,000	
	Cameras, Audio/Video Equip	250,000	
	Misc School Property	100,000	
	Contractors Equipment	250,000	
	Systems Power Pac - Equip Breakdown		5,000
	Expediting Expenses	250,000	5,000
	Hazardous Substances	250,000	5,000
	Spoilage		1,000
	Theft, Disappearance & Destruction	50,000	1,000
	Computer Fraud	50,000	1,000
	General Liability		
	General Aggregate	2,000,000	
	Products & Completed Operations	2,000,000	
	Personal & Advertising Injury	1,000,000	
	Each Occurrence	1,000,000	
	Fire Legal Liability Limit	1,000,000	
	Medical Expense	5,000	
	Employee Benefits Liability	1,000,000	1,000
	Sexual Abuse & Molestation	1,000,000/occurrence	

Selective Way Ins. Co.

**Englewood Cliffs Board of Education
Insurance Schedule
June 30, 2011**

Company	Type of Coverage	Coverage	Deductible
	Commercial Auto	1,000,000 annual aggregate	
	Automobile Liability	1,000,000	250
	PIP		
	Medical Payments	10,000	
	Uninsured Motorist	1,000,000	
	Underinsured Motorist	1,000,000	
	Comprehensive		1,000
	Collision		1,000
	Environmental Impairment-Pollution Liability	3,000,000	15,000
American Safety Casualty Ins.	Crime		
Selective Ins. Co. of America	Public Employee Dishonesty-Per Employee	100,000	5,000
	Public Employee Dishonesty-Per Loss	400,000	
	Form B Forgery or Alteration	50,000	1,000
Gerber Life Ins. Co.	Accident Coverage		
	Accidental Death & Dismemberment	100,000	
	Total Limit of Liability/Conveyance Accident	500,000	
	Total Limit of Liability/All Other Accidents	500,000	
Star Insurance Co.	Workers Compensation		
	Bodily Injury by Accident	1,000,000	
	Bodily Injury by Disease-Each Employee	1,000,000	
	Bodily Injury by Disease-Policy Limit	1,000,000	

**Englewood Cliffs Board of Education
Insurance Schedule
June 30, 2011**

Company	Type of Coverage	Coverage	Deductible
American Alternatives Ins. Co.	Commercial Umbrella		
	Per Occurrence	9,000,000	
	Aggregate Limit	9,000,000	
Firemans Fund Ins. Co.	Retention	10,000	
	Commercial Umbrella		
	Per Occurrence	50,000,000	
ACE USA	Aggregate Limit	50,000,000	
	Educator's Legal Liability		
	Each Claim	1,000,000	
	Aggregate	1,000,000	

Source: District Records

SINGLE AUDIT SECTION

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Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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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

Honorable President and
Members of the Board of Education
Borough of Englewood Cliffs School District
County of Bergen, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Englewood Cliffs School District in the County of Bergen as of and for the fiscal year ended June 30, 2012 which collectively comprise the basic financial statements of the Board of Education of the Borough of Englewood Cliffs School District in the County of Bergen, and have issued our report thereon dated September 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Administration and Finance and Regulatory Compliance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Board of Education of the Borough of Englewood Cliffs School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Englewood Cliffs School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Englewood Cliffs School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Englewood Cliffs School District Board of Education's internal control over financial reporting.

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 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.



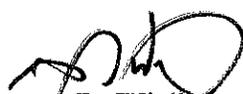
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Englewood Cliffs School District Board of Education's financial statements are free of 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 Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of the Borough of Englewood Cliffs School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated September 19, 2012.

This report is intended solely for the information of management, the Borough of Englewood Cliffs Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.


Steven D. Wielkötz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 19, 2012

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
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Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Borough of Englewood Cliffs School District
County of Bergen, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Borough of Englewood Cliffs School District in the County of Bergen 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 State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2012. Borough of Englewood Cliffs School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Borough of Englewood Cliffs School District Board of Education's management. Our responsibility is to express an opinion on the Borough of Englewood Cliffs School District Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions of New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, 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 state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Englewood Cliffs School District 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. Our audit does not provide a legal determination on the Borough of Englewood Cliffs School District Board of Education's compliance with those requirements.



In our opinion, the Borough of Englewood Cliffs School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2012.

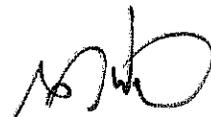
Internal Control Over Compliance

The management of the Borough of Englewood Cliffs School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Englewood Cliffs School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Englewood Cliffs School District 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 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 state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management, the Borough of Englewood Cliffs Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

ENGLEWOOD CLIFFS BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable) at June 30, 2012	Deferred Revenue at June 30, 2012	Due to Grantor at June 30, 2012
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
Special Milk Program	10.556		7/1/10-6/30/11	1,364	(281)		281				
Special Milk Program	10.556		7/1/11-6/30/12	2,346	(281)		1,849	2,346	(497)		
Total U.S. Department of Agriculture							2,130	2,346	(497)		
U.S. Department of Education											
Passed-through State Department of Education:											
General Fund											
Federal Supplemental Education Jobs	84.410A		9/1/11-8/31/12	17,674			17,674	17,674			
Ed Jobs							17,674	17,674			
Special Revenue Fund:											
Title II, Part A - Teacher/Principal Training and Recruiting											
Title II, Part A - NCLB	84.367A	NCLB138010	9/1/10-8/31/11	20,889	(17,797)	17,797					
ID.E.A. Part B, Preschool	84.173	NCLB138011	9/1/11-8/31/12	20,128		(17,797)	27,026	6,087		3,142	
ID.E.A. Part B, Basic	84.027	IDEA138010	9/1/10-8/31/11	3,884	(1,584)		1,584				
ID.E.A. Part B, Preschool	84.173	IDEA138011	9/1/11-8/31/12	102,467			102,467	102,467			
Total U.S. Department of Education				4,332	(19,381)		4,332	4,332		3,142	
Total Federal Financial Assistance				\$ 155,213	(19,662)		135,409	132,906	(497)	3,142	

See accompanying notes to schedules of expenditures of federal and state awards.

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

ENGLEWOOD CLIFFS BOARD OF EDUCATION

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2012

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance at June 30, 2011				Balance at June 30, 2012				MEMO			
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Cancelled	Repayment of Prior Years Balances	(Accounts Receivable)		Deferred Revenue	Due to Grantor	Budgetary Receivable
State Department of Education:															
General Fund:															
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	\$ 210,813				210,813	210,813					*	20,672	210,813
Non-Public Transportation	11-495-034-5120-014	7/1/10-6/30/11	19,368	(19,368)			19,368						*	*	19,368
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	288,395	(288,395)			288,395						*	*	288,395
On-behalf TPAF Postretirement Medical Cont.	12-495-034-5095-001	7/1/11-6/30/12	234,481				234,481	199,074		(199,074)			*	*	199,074
On-behalf TPAF Postretirement -								234,481					*	*	234,481
Non-contributory Insurance Contributions	12-495-034-5095-007	7/1/11-6/30/12	11,304				11,304	11,304					*	*	11,304
TPAF Social Security	12-495-034-5095-002	7/1/11-6/30/12	269,249	(266)			256,653	269,249		(12,594)			*	*	269,249
TPAF Social Security	11-495-034-5095-002	7/1/10-6/30/11	259,749	(266)			259,483	259,749					*	*	259,749
Total General Fund				(308,029)			1,021,282	934,921		(211,668)			*	20,672	1,492,433
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	3,324				3,324						*	*	3,324
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	4,206				4,206	4,206					*	*	4,206
Nursing Services	12-100-034-5120-070	7/1/11-6/30/12	4,748				4,748	4,748					*	*	4,748
Chapter 193 - Exam and Class	12-100-034-5120-066	7/1/11-6/30/12	1,126				1,126	1,126					*	*	1,126
Total Special Revenue Fund							9,198	5,874					*	3,324	5,874
Debt Service Fund:															
Debt Service Aid Type II															
	12-495-034-5120-017	7/1/11-6/30/12	87,831				87,831	87,831					*	*	87,831
							87,831	87,831					*	*	87,831
Total State Financial Assistance				(308,029)			1,118,311	1,018,626		(211,668)		4,206	3,324	20,672	1,586,138

See accompanying notes to schedules of expenditures for federal and state awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Englewood Cliffs School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on 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 bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(20,678) for the General Fund and \$-0- for the Special Revenue Fund. See Notes to Required Supplemental 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 follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$17,674	\$924,921	\$942,595
Special Revenue Fund	112,886	5,874	118,760
Debt Service Fund		87,831	87,831
Food Service Fund	<u>2,346</u>		<u>2,346</u>
Total Awards and Financial	<u>\$132,906</u>	<u>\$1,018,626</u>	<u>\$1,151,532</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes _____ X no
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes _____ X none reported

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

Federal Awards

Not Applicable

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

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

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

Internal Control over major programs:

1. Material weakness(es) identified? _____ yes _____ X no
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes _____ X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? _____ yes _____ X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>12-495-034-5095-002</u>	<u>T.P.A.F. Social Security</u>

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section II - Financial Statement Findings

None

Section III - State Financial Assistance Findings and Questioned Costs

None

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Status of Prior Year Findings

Corrective action was taken on all prior year findings.