

**SCHOOL DISTRICT OF THE
BOROUGH OF ENGLEWOOD CLIFFS
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

School District
of

Englewood Cliffs

ENGLEWOOD CLIFFS PUBLIC SCHOOLS
Englewood Cliffs, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2016

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2016

Prepared by

**Sue Anne Mather
Board Secretary/Business Administrator**

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INTRODUCTORY SECTION

ENGLEWOOD CLIFFS PUBLIC SCHOOLS

143 Charlotte Place

Englewood Cliffs, NJ 07632-2681

Telephone (201) 567-7292 FAX: (201) 567-2738



Jennifer Brower
Superintendent of Schools

Sue Anne Mather
**School Business Administrator/
Board Secretary**

November 15, 2016

**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, 2016 is hereby submitted. Responsibility for both the accuracy of the data 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08

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 2015-2016 fiscal year with an average daily enrollment of 546 students, which represents 6 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

Fiscal Year	Student Enrollment	Percent Change
2015-2016	546	1.1
2014-2015	540	3.2
2013-2014	523	5.2
2012-2013	497	-2.4
2011-2012	509	12.6

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 an impact on the district's revenues for the foreseeable future.

Another issue that will impact the economic conditions of our district is out-of-district tuition for the Academies at Englewood. Prior to July 1, 2016, Englewood Cliffs students attending the Academies at Englewood have received aid through the State's School Choice Program. Beginning with fiscal year 2016-2017, the Englewood Cliffs School District will be responsible for bearing the cost of that tuition. The cost for 2016-2017 is estimated to be anywhere between \$650,000 and \$750,000, which would constitute roughly a 6% increase in our local tax levy. As of September 2016, 40 students are attending the Academies at Englewood at a per pupil tuition cost of \$18,288 for a total of \$731,520. The district used banked cap in the 2016-2017 budget to cover this expenditure.

3) Major Initiatives: Our District has had three years of building our infrastructure. We define this as our foreign language immersion program and departmentalizing our academic areas in grades 5-8. We continue to increase the use of technology in our everyday curriculum and have begun Reading Workshop in Grades K-5.

With all of the initiatives it is now time for us to begin tracking the progress of these programs and refine our current programs to insure the success of each child in our district. With an international approach and the programs in place, the Englewood Cliffs School district is positioned to be a leader in educational reform movement.

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 principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits 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. 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, 2016.

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 (43 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, Wielkott, Cerullo & Cuva, P.A. was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, Part 2, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08. 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,



**Jennifer Brower
Superintendent of Schools**



**Sue Anne Mather
School Business Administrator/
Board Secretary**

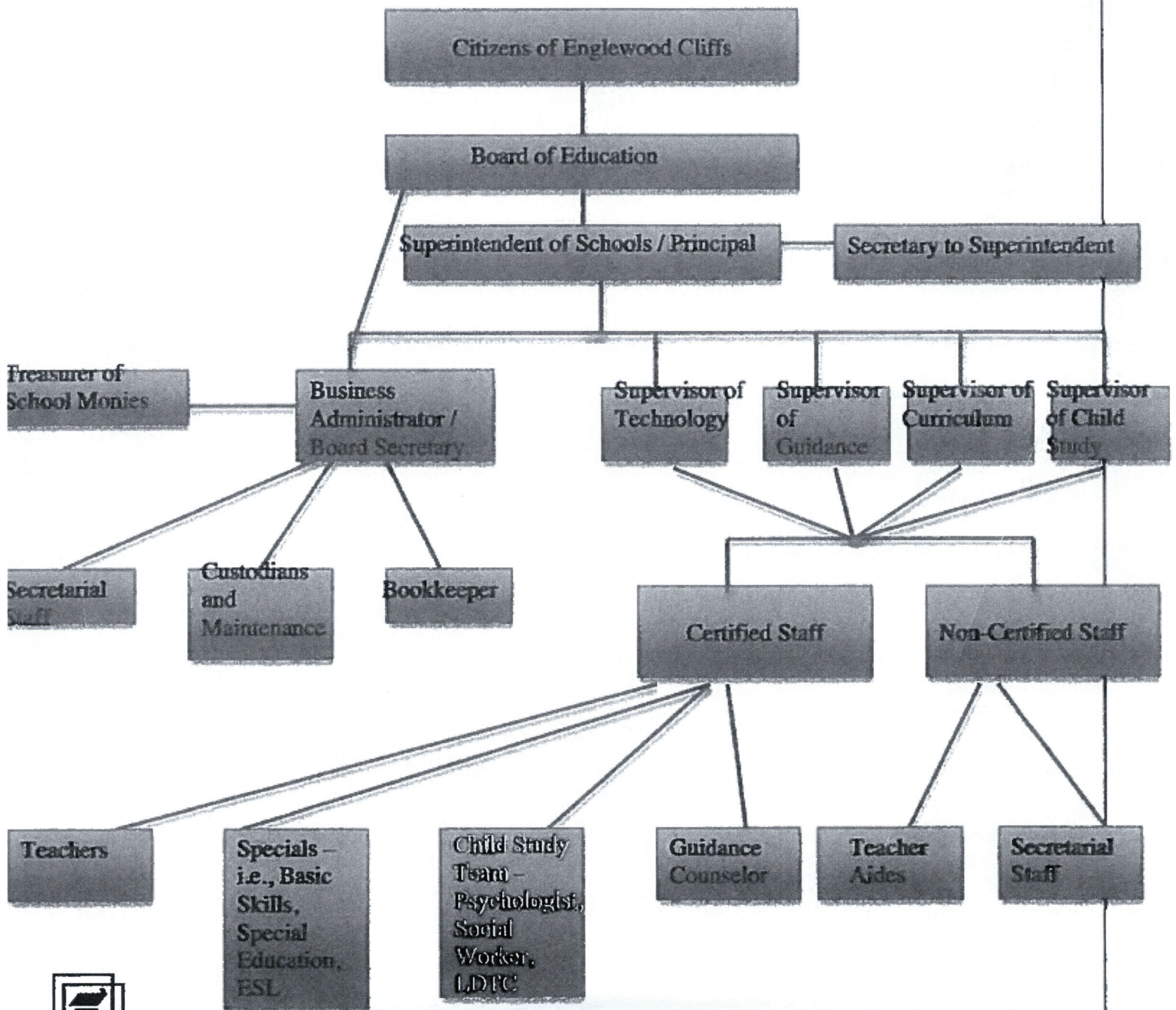
POLICY

ENGLEWOOD CLIFFS BOARD OF EDUCATION

ADMINISTRATION
1110/Page 1 of 1
ORGANIZATIONAL CHART

1110 ORGANIZATIONAL CHART

Adopted: 05 October 2009
Revised: March 3, 2014



ENGLEWOOD CLIFFS BOARD OF EDUCATION

ROSTER OF OFFICIALS

AS OF JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Frank Patti, Jr., President	2016
Marisa R. Pichigian, Vice President	2016
Carmelo Calabro	2016
Eugene Chang	2017
Audrey Yon Ho Choi	2017
George Drimones	2018
Gina I. Enriquez	2016
Shanna S. Jafri	2018
Edmond Duda	2018

Other Officials

Jennifer Brower, Superintendent of Schools
Deborah Trainor, Board Secretary/School Business Administrator
Charles A. Hangle, 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

Connect One Bank
180 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

FINANCIAL SECTION

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, NJ 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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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 year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 audit requirements prescribed by the Office of School Finance, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and
Members of the Board of Education
Page 2.

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

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

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, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Honorable President and
Members of the Board of Education
Page 3.

Other Information

Our audit was conducted 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 introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016 on our consideration of the Borough of Englewood Cliffs Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope

Honorable President and
Members of the Board of Education
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of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Englewood Cliffs Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkocz

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

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2016

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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, 2016. 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 position increased \$139,853. Net position of governmental activities increased \$139,023 and net position of business-type activity increased by \$830.
- General revenues accounted for \$13,301,805 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 \$300,772 or 2 percent of total revenues of \$13,602,577.
- The School District had \$13,457,634 in expenses related to governmental activities; only \$294,852 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$13,301,805 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 position 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, 2016
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 Position 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 position and changes in them. The change in net position 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 Position 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, 2016
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, 2016
UNAUDITED, (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position 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 position was \$1,856,625 at June 30, 2016. Restricted net position is reported separately to show legal constraints that limit the School District's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets						
Current and Other Assets	3,372,262	3,240,207	1,957	1,774	3,374,219	3,241,981
Capital Assets	<u>3,715,548</u>	<u>4,028,957</u>	—	—	<u>3,715,548</u>	<u>4,028,957</u>
Total Assets	<u>7,087,810</u>	<u>7,269,164</u>	<u>1,957</u>	<u>1,774</u>	<u>7,089,767</u>	<u>7,270,938</u>
Deferred Outflows:						
Deferred Outflows of Resources						
Related to PERS	<u>803,203</u>	<u>496,161</u>	—	—	<u>803,203</u>	<u>496,161</u>
Total Deferred Outflows	<u>803,203</u>	<u>496,161</u>	—	—	<u>803,203</u>	<u>496,161</u>
Liabilities						
Other Liabilities	320,574	426,723	309	956	320,883	427,679
Noncurrent Liabilities	<u>5,505,801</u>	<u>5,452,977</u>	—	—	<u>5,505,801</u>	<u>5,452,977</u>
Total Liabilities	<u>5,826,375</u>	<u>5,879,700</u>	<u>309</u>	<u>956</u>	<u>5,826,684</u>	<u>5,880,656</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>209,661</u>	<u>169,671</u>	—	—	<u>209,661</u>	<u>169,671</u>
Total Deferred Outflows	<u>209,661</u>	<u>169,671</u>	—	—	<u>209,661</u>	<u>169,671</u>
Net Position						
Invested in Capital Assets-						
Net of Related Debt	1,794,548	1,837,957			1,794,548	1,837,957
Restricted	2,670,011	2,418,546			2,670,011	2,418,546
Unrestricted	<u>(2,609,582)</u>	<u>(2,540,549)</u>	<u>1,648</u>	<u>818</u>	<u>(2,607,934)</u>	<u>(2,539,731)</u>
Total Net Position	<u>1,854,977</u>	<u>1,715,954</u>	<u>1,648</u>	<u>818</u>	<u>1,856,625</u>	<u>1,716,772</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED, (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues:						
Charges for Services and Sales			2,658	3,105	2,658	3,105
Operating Grants and Contributions	294,852	251,809	3,262	3,768	298,114	255,577
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	10,963,918	10,277,713			10,963,918	10,277,713
Property taxes, levied for debt service	262,463	262,668			262,463	262,668
Federal and State Aid not Restricted	1,598,074	2,228,154			1,598,074	2,228,154
Tuition Received	397,699	268,450			397,699	268,450
Miscellaneous Income	<u>79,651</u>	<u>12,438</u>			<u>79,651</u>	<u>12,438</u>
Total Revenues and Transfers	<u>13,596,657</u>	<u>13,301,232</u>	<u>5,920</u>	<u>6,873</u>	<u>13,602,577</u>	<u>13,308,105</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED, (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Functions/Program Expenses						
Instruction:						
Regular	4,799,343	4,327,314			4,799,343	4,327,314
Special Education	1,463,516	1,438,502			1,463,516	1,438,502
Other Special Instruction	261,988	285,924			261,988	285,924
Other Instruction		9,440				9,440
Support Services:						
Tuition	977,564	717,668			977,564	717,668
Student & Instruction Related Services	2,349,989	2,430,735			2,349,989	2,430,735
General Administrative Services	412,375	409,541			412,375	409,541
School Administrative Services	156,652	158,185			156,652	158,185
Central Administration	271,986	354,589			271,986	354,589
Administrative Information Technology	225,784	181,306			225,784	181,306
Plant Operations and Maintenance	1,155,542	1,237,537			1,155,542	1,237,537
Pupil Transportation	798,155	755,696			798,155	755,696
Unallocated Benefits	311,338	959,116			311,338	959,116
Capital Outlay - nondepreciable	195,212	95,291			195,212	95,291
Food Service			5,090	6,789	5,090	6,789
Debt Service:						
Interest and Other Charges	<u>78,190</u>	<u>93,510</u>	<u>—</u>	<u>—</u>	<u>78,190</u>	<u>93,510</u>
Total Expenses	<u>13,457,634</u>	<u>13,454,354</u>	<u>5,090</u>	<u>6,789</u>	<u>13,462,724</u>	<u>13,461,143</u>
Increase or (Decrease) in						
Net Position	<u>139,023</u>	<u>(153,122)</u>	<u>830</u>	<u>84</u>	<u>139,853</u>	<u>(153,038)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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 \$13,462,724. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$11,226,381 because some of the cost was paid by those who benefitted from the programs \$2,685, by other governments and organizations who subsidized certain programs with grants and contributions \$298,114, unrestricted federal and state aid \$1,598,074, and by miscellaneous sources \$477,350.

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 revenues exceeded expenses by \$830.
- ✓ Charges for services provided totaled \$2,658. This represents amounts paid by consumers for daily milk purchases.
- ✓ Federal and state reimbursement for milks served was \$3,262.

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, 2016, 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 \$54,354 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$13,033,886. That amount is \$1,301,203 above the final amended budget of \$11,732,683. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,056,737 for TPAF social security reimbursements and on-behalf pension payments, \$130,990 for additional extraordinary state aid, and \$113,476 for increases in miscellaneous anticipated revenues excess in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$12,774,975 which is \$570,485 above the final amended budget of \$12,204,490. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$1,056,737 and \$1,627,222 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, 2016
UNAUDITED, (CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

Special Revenue Fund

The special revenue fund actual revenue was \$229,922. That amount is above the original budget estimate of \$141,783 and below the final amended budget. The \$54,354 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 \$33,785 variance between the final amended budget and the June 30, 2016 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 \$229,922, which is above the original budget of \$141,783 and below the final amended budget. The \$54,354 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 \$33,785 variance between the final amended budget and the June 30, 2016 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 2016 the School District had \$9,258,978 invested in sites, buildings and equipment. Of this amount, \$5,543,430 in depreciation has been taken over the years. We currently have a net book value of \$3,715,548. Total additions for the year were \$13,455 for building improvements and machinery and equipment. Table 3 shows fiscal year 2016 balances compared to 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Site Improvements	40,334	57,754			40,334	57,754
Buildings and Building Improvements	3,644,675	3,919,707			3,644,675	3,919,707
Machinery and Equipment	<u>30,539</u>	<u>51,496</u>	—	—	<u>30,539</u>	<u>51,496</u>
	<u>3,715,548</u>	<u>4,028,957</u>	=	=	<u>3,715,548</u>	<u>4,028,957</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED, (CONTINUED)**

Debt Administration

At June 30, 2016, the district had \$5,505,801 of outstanding debt. Of this amount, \$395,042 is for compensated absences, \$1,921,000 in school bonds payable, and \$3,189,759 is for net pension liability.

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

	<u>2016</u>	<u>2015</u>
2006 School Bonds	<u>1,921,000</u>	<u>2,191,000</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 2016-2017 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:

Sue Anne Mather
School Business Administrator/Board Secretary
Borough of Englewood Cliffs Board of Education
143 Charlotte Place
Englewood Cliffs, New Jersey 07632

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ENGLEWOOD CLIFFS BORD OF EDUCATION
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	849,241	1,705	850,946
Receivables, net	251,618	252	251,870
Restricted assets:			
Various reserve accounts - cash	2,271,403		2,271,403
Capital assets, net:			
Other capital assets, net	3,715,548	-	3,715,548
Total Assets	<u>7,087,810</u>	<u>1,957</u>	<u>7,089,767</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	803,203		803,203
Total Deferred Outflows	<u>803,203</u>	<u>-</u>	<u>803,203</u>
LIABILITIES			
Accounts payable and accrued liabilities	267,664	309	267,973
Prepaid Tuition			-
Interfund payable			-
Intergovernmental loans payable	17,689		17,689
Payable to federal government			-
Payable to state government	2,363		2,363
Unearned revenue	32,858		32,858
Noncurrent liabilities:			
Due within one year	285,000		285,000
Due beyond one year	5,220,801		5,220,801
Total liabilities	<u>5,826,375</u>	<u>309</u>	<u>5,826,684</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	209,661		209,661
Total Deferred Inflows	<u>209,661</u>	<u>-</u>	<u>209,661</u>
NET POSITION			
Invested in capital assets, net of related debt	1,794,548		1,794,548
Restricted for:			
Capital Projects	1,958,665		1,958,665
Other Purposes	711,346		711,346
Unrestricted (Deficit)	(2,609,582)	1,648	(2,607,934)
Total net position	<u>1,854,977</u>	<u>1,648</u>	<u>1,856,625</u>

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

ENGLEWOOD CLIFFS BORD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	3,465,168	1,334,175		195,175		(4,604,168)		(4,604,168)
Special education	1,005,994	459,522				(1,463,516)		(1,463,516)
Other special instruction	178,451	83,537				(261,988)		(261,988)
Support services:								
Tuition	977,564					(977,564)		(977,564)
Student & instruction related services	1,705,509	644,480		9,900		(2,340,089)		(2,340,089)
School administrative services	106,622	50,030				(156,652)		(156,652)
General administrative services	329,097	83,278				(412,375)		(412,375)
Central services	200,595	71,391				(271,986)		(271,986)
Administrative info. tech. services	169,503	56,281				(225,784)		(225,784)
Plant operations and maintenance	699,856	455,686				(1,155,542)		(1,155,542)
Pupil transportation	765,909	32,246				(798,155)		(798,155)
Unallocated benefits	311,338					(311,338)		(311,338)
Capital Outlay - non-depreciable	195,212					(195,212)		(195,212)
Debt Services:								
Interest and other Charges	78,190			89,777		11,587		11,587
Total governmental activities	10,187,008	3,270,626	-	294,852	-	(13,162,782)	-	(13,162,782)
Business-type activities:								
Special Milk Fund	5,090		2,658	3,262			830	830
Total business-type activities	5,090		2,658	3,262			830	830
Total primary government	10,192,098		2,658	298,114		(13,162,782)	830	(13,161,952)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						10,963,918		10,963,918
Property taxes, levied for debt services						262,463		262,463
Federal and State aid not restricted						1,598,074		1,598,074
Tuition						397,699		397,699
Miscellaneous income						79,651		79,651
Total general revenues, special items, extraordinary items and transfers						13,301,805		13,301,805
Change in Net Position						139,023	830	139,853
Net Position—beginning (restated)						1,715,954	818	1,716,772
Net Position—ending						1,854,977	1,648	1,856,625

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

FUND FINANCIAL STATEMENTS

ENGLEWOOD CLIFFS BORD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	650,676	9,671	188,894	849,241
Receivables, state	225,971			225,971
Receivables, federal		25,647		25,647
Restricted cash and cash equivalents	<u>2,271,403</u>			<u>2,271,403</u>
Total assets	<u>3,148,050</u>	<u>35,318</u>	<u>188,894</u>	<u>3,372,262</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	78,376	8,097		86,473
Payable to federal government				-
Payable to state government		2,363		2,363
Payable to local government	17,689			17,689
Unearned revenue	<u>8,000</u>	<u>24,858</u>		<u>32,858</u>
Total liabilities	<u>104,065</u>	<u>35,318</u>	<u>-</u>	<u>139,383</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	115,628			115,628
Excess Surplus - Designated for Subsequent Year's Expenditures	94,090			94,090
Maintenance reserve	251,632			251,632
Emergency reserve	250,000			250,000
Capital reserve account	1,769,771			1,769,771
Capital projects			188,894	188,894
Assigned to:				
Other Purposes	205,733			205,733
Unassigned:				
General fund	<u>357,132</u>			<u>357,132</u>
Total Fund balances	<u>3,043,986</u>	<u>-</u>	<u>188,894</u>	<u>3,232,880</u>
Total liabilities and fund balances	<u>3,148,051</u>	<u>35,318</u>	<u>188,894</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 \$9,245,523 and the accumulated depreciation is \$5,543,430.	3,715,548
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	(28,816)
Accounts payable for subsequent Pension payment is not a payable in the funds	(152,376)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	803,203
Deferred inflows of resources related to PERS Pension Liability	(209,661)
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)	<u>(5,505,801)</u>
Net assets of governmental activities	<u>1,854,977</u>

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

ENGLEWOOD CLIFFS BORD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local tax levy	10,963,918			262,463	11,226,381
Tuition	397,699				397,699
Miscellaneous	79,177		474		79,651
Total - Local Sources	<u>11,440,794</u>	-	<u>474</u>	<u>262,463</u>	<u>11,703,731</u>
State sources	1,598,074	17,007		89,777	1,704,858
Federal sources		188,068			188,068
Total revenues	<u>13,038,868</u>	<u>205,075</u>	<u>474</u>	<u>352,240</u>	<u>13,596,657</u>
EXPENDITURES					
Current:					
Regular instruction	3,269,993	195,175			3,465,168
Special education instruction	1,003,994				1,003,994
Other special instruction	178,451				178,451
Other instruction					-
Support services and undistributed costs:					
Tuition	977,564				977,564
Student & instruction related services	1,695,609	9,900			1,705,509
School administrative services	106,622				106,622
General administrative services	329,097				329,097
Central Services	200,595				200,595
Administrative information tech. services	169,503				169,503
Plant operations and maintenance	699,856				699,856
Pupil transportation	765,909				765,909
Unallocated benefits	2,112,378				2,112,378
On-behalf contributions	1,056,737				1,056,737
Capital Outlay	208,667	-			208,667
Debt Service:					
Principal				270,000	270,000
Interest and other Charges				82,240	82,240
Total expenditures	<u>12,774,975</u>	<u>205,075</u>	<u>-</u>	<u>352,240</u>	<u>13,332,290</u>
Excess (Deficiency) of revenues over expenditures	<u>263,893</u>	<u>-</u>	<u>474</u>	<u>-</u>	<u>264,367</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	474				474
Transfers Out			(474)		(474)
Total other financing sources and uses	<u>474</u>	<u>-</u>	<u>(474)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	264,367	-	-	-	264,367
Fund balance—July 1	2,779,619		188,894		2,968,513
Fund balance—June 30	<u>3,043,986</u>	<u>-</u>	<u>188,894</u>	<u>-</u>	<u>3,232,880</u>

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

ENGLEWOOD CLIFFS BORD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2016

Total net change in fund balances - governmental funds (from B-2)		264,367
<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>		
	Depreciation expense (326,864) Depreciable Capital outlays <u>13,455</u>	(313,409)
<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		270,000
<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>		
General Bond Obligations - Prior Year	32,865	
General Bond Obligations	<u>(28,816)</u>	4,049
<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>		
Decrease in compensated absences payable		19,844
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
	District Pension Contributions 122,164 Less: Pension Expense <u>(227,992)</u>	(105,828)
<p>Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.</p>		
Increase in On-behalf State Aid TPAF Pension		1,134,023
Increase in On-behalf TPAF Pension Expense		(1,134,023)
		139,023

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

ENGLEWOOD CLIFFS BORD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2016

	<u>Special Milk Program</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	1,705
Accounts receivable:	
Federal	252
Total current assets	<u>1,957</u>
Noncurrent assets:	
Capital assets:	
Equipment	2,000
Less accumulated depreciation	<u>(2,000)</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>
Total assets	<u><u>1,957</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts Payable	<u>309</u>
Total current liabilities	<u>309</u>
<u>NET POSITION</u>	
Unrestricted	<u>1,648</u>
Total net position	<u><u>1,648</u></u>

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

ENGLEWOOD CLIFFS BORD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2016

	Special Milk Program
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	2,658
Total operating revenues	2,658
Operating expenses:	
Cost of sales	5,090
Total Operating Expenses	5,090
Operating income (loss)	(2,432)
Nonoperating revenues (expenses):	
Federal sources:	
Special milk program	3,262
Total nonoperating revenues (expenses)	3,262
Change in net position	830
Total net position-beginning	818
Total net position—ending	1,648

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

ENGLEWOOD CLIFFS BORD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2016

	Special Milk Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	2,658
Payments for milk purchases	(5,737)
Net cash provided by (used for) operating activities	(3,079)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal sources	3,343
Net cash provided by (used for) non-capital financing activities	3,343
Net increase (decrease) in cash and cash equivalents	264
Balances—beginning of year	1,441
Balances—end of year	1,705
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(2,432)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Increase (decrease) in accounts payable	(647)
Total adjustments	(647)
Net cash provided by (used for) operating activities	(3,079)

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

ENGLEWOOD CLIFFS BORD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	21,611	215,376
Total assets	<u>21,611</u>	<u>215,376</u>
LIABILITIES		
Payable to student groups	-	6,987
Payroll deductions and withholdings	-	208,389
Total liabilities	<u>-</u>	<u>215,376</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>21,611</u>	

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

ENGLEWOOD CLIFFS BORD OF EDUCATION
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2016

	Unemployment Compensation Trust Fund
ADDITIONS	
Investment earnings:	
Interest	22
Net Investment earnings	22
Total additions	22
DEDUCTIONS	
Disbursed to General Fund	14
Total deductions	14
Change in net position	8
Net position - beginning of the year	21,603
Net position - end of the year	21,611

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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 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, 2016**

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 position 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 position 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 position 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 - *government*, *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, 2016**

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, 2016**

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 position, 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 position and changes in net position. 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 position 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 position, except for fiduciary funds.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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 position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. 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, 2016**

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 \$50,615 to regular programs - instruction from prior year extraordinary aid.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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 unearned 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, 2016**

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, 2016, 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 position, 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, 2016**

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 position 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 position 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, 2016**

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. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

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

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

O. Accounting and Financial Reporting for Pensions: (continued)

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

Q. 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.
- **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.

R. Net Position:

Net position represent the difference between assets and liabilities. Net position 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 position 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.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

R. Net Position: (continued)

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

S. 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.

T. 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.

U. 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.

V. 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.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

W. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014, was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement is effective for fiscal years beginning after June 15, 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016

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

W. Recent Accounting Pronouncements:(continued)

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 77, Tax Abatement Disclosures, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District believes this Statement will have no impact on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans, which establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition for pension liabilities, expense and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contributions items; and required supplementary information presenting required contribution amounts for the past 10 fiscal years. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participation, which permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. The District is currently reviewing what effect this Statement might have on future financial statements.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

W. Recent Accounting Pronouncements:(continued)

The Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

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, 2016, \$-0- of the District's bank balance of \$3,965,496 was exposed to custodial credit

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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, 2016, 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	\$225,971	\$	\$225,971
Federal Aid	<u>25,647</u>	<u>252</u>	<u>25,899</u>
Gross Receivables	251,618	252	251,870
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$251,618</u>	<u>\$252</u>	<u>\$251,870</u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets that are not being Depreciated:				
Land	\$	\$	\$	\$
Construction in Progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Assets not being Depreciated	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital Assets Being Depreciated				
Site Improvements	348,399			348,399
Buildings and Building Improvements	8,368,802	8,775		8,377,577
Machinery and Equipment	<u>528,322</u>	<u>4,680</u>		<u>533,002</u>
Totals at Historical Cost	<u>9,245,523</u>	<u>13,455</u>	<u> </u>	<u>9,258,978</u>
Less Accumulated Depreciation:				
Site Improvements	(290,645)	(17,420)		(308,065)
Buildings and Improvements	(4,449,095)	(283,807)		(4,732,902)
Equipment	<u>(476,826)</u>	<u>(25,637)</u>		<u>(502,463)</u>
Total Accumulated Depreciation	<u>(5,216,566)</u>	<u>(326,864)</u>	<u> </u>	<u>(5,543,430)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>4,028,957</u>	<u>(313,409)</u>	<u> </u>	<u>3,715,548</u>
Governmental Activities Capital Assets, Net	<u><u>\$4,028,957</u></u>	<u><u>(\$313,409)</u></u>	<u><u>\$ </u></u>	<u><u>\$3,715,548</u></u>
	<u>Balance</u>			<u>Balance</u>
	<u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>6/30/16</u>
Business-Type Activity				
Equipment	\$2,000	\$	\$	\$2,000
Less Accumulated Depreciation for:				
Equipment	<u>(2,000)</u>	<u> </u>	<u> </u>	<u>(2,000)</u>
Business-Type Activity Capital Assets, Net	<u><u>\$ </u></u>	<u><u>\$ </u></u>	<u><u>\$ </u></u>	<u><u>\$ </u></u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 5. CAPITAL ASSETS, (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$4,808
Support Services:	
Instruction	13,797
School Administration	3,547
Operations	1,928
Business and Other Support Service	1,557
Buildings	18,480
Building Improvements	265,327
Land Improvements	<u>17,420</u>
Total Depreciation Expense	<u>\$326,864</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2016 were as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$2,191,000	\$ _____	(\$270,000)	\$1,921,000	\$285,000
Total Bonds Payable	2,191,000		(270,000)	1,921,000	285,000
Other Liabilities:					
Compensated Absences Payable	414,886	84,147	(103,991)	395,042	
Net Pension Liability PERS	<u>2,847,091</u>	<u>342,668</u>		<u>3,189,759</u>	
Total Other Liabilities	<u>\$5,452,977</u>	<u>\$426,815</u>	<u>(\$373,991)</u>	<u>\$5,505,801</u>	<u>\$285,000</u>

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, 2016, 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, 2016</u>
School Improvement Bonds 2006	\$3,956,000	11/01/2006	3.75%-4.00%	08/15/2021	<u>\$1,921,000</u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY, (continued)

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$356,140	\$285,000	\$71,140
2018	359,440	300,000	59,440
2019	362,140	315,000	47,140
2020	364,240	330,000	34,240
2021-2022	<u>718,660</u>	<u>691,000</u>	<u>27,660</u>
	<u>\$2,160,620</u>	<u>\$1,921,000</u>	<u>\$239,620</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016 the Board had authorized but not issued bonds of \$-0-.

NOTE 7. OPERATING LEASES

The District has entered into various operating leases for copying equipment and computers which expire in 2020. Total operating lease payments made during the year ended June 30, 2016 were \$90,069. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2017	\$90,263
June 30, 2018	15,382
June 30, 2019	15,382
June 30, 2020	<u>2,840</u>
	<u>\$123,867</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.

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016

NOTE 8. PENSION PLANS, (continued)

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.

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.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - 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 fiscal year. Employers 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, 2016 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.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS, (continued)

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/16	\$122,164	\$ -0-
6/30/15	125,361	-0-
6/30/14	101,302	-0-

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u> 6/30/16	<u>Contributions</u> \$320,053	<u>Contributions</u> \$400,079	<u>Premium</u> \$15,943
6/30/15	192,114	326,988	13,822
6/30/14	140,211	250,185	12,376

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$320,662 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$3,189,759 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.0142095476 percent, which was a decrease of .0009970503 percent from its proportion measured as of June 30, 2014.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS, (continued)

For the year ended June 30, 2016, the District recognized pension expense of \$227,993. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$76,096	\$
Actual investment earnings on pension plan investments		51,285
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	342,555	
Changes in proportion and differences between District contributions and proportionate share of contributions	232,176	158,376
District contributions subsequent to the measurement date	<u>152,376</u>	<u> </u>
Total	<u>\$803,203</u>	<u>\$209,661</u>

The \$152,376 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$66,879
2018	66,879
2019	106,516
2020	60,213

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances at June 30, 2015 and 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
District's Proportion	0.0142095476%	0.0152065979%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the July 1, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS, (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
Reit	4.25%	5.12%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS, (continued)

last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
District's proportionate share of the pension liability	\$3,964,480	\$3,189,759	\$2,540,238

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>24,075,386</u>
	<u>\$24,075,386</u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS, (continued)

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was 0.0380913907%.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$1,470,019 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS, (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - Multi Strategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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.

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:

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 11. RISK MANAGEMENT, (continued)

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$22	\$	\$4	\$21,611
2014-2015	21			21,603
2013-2014	22			21,582

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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$1,634,182
Increased by:	
Interest Earnings	2,133
Board Transfer	250,000
Refunds - Projects Cancelled	28,456
Withdrawal from Capital Reserve	<u>(145,000)</u>
Ending balance, June 30, 2016	<u>\$1,769,771</u>

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$251,380
Interest Earnings	<u>252</u>
Ending balance, June 30, 2016	<u><u>\$251,632</u></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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	<u>\$250,000</u>
Ending balance, June 30, 2016	<u><u>\$250,000</u></u>

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$3,043,986 General Fund fund balance at June 30, 2016, \$205,733 is reserved for encumbrances; \$209,718 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$94,090 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2017); \$1,769,771 has been reserved in the Capital Reserve Account; \$251,632 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; and \$357,132 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, 2016 is \$209,718 of which \$115,628 is the result of current year's operations and \$94,090 is prior year excess surplus.

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.

NOTE 18. SUBSEQUENT EVENTS

The Board has evaluated subsequent events through November 15, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	10,963,918		10,963,918	10,963,918	
Tuition	333,000		333,000	397,699	64,699
Unrestricted Miscellaneous Revenues	28,400		28,400	76,792	48,392
Interest Earned on Maintenance Reserve				252	252
Interest Earned on Capital Reserve Funds	2,000		2,000	2,133	133
Total - Local Sources	<u>11,327,318</u>		<u>11,327,318</u>	<u>11,440,794</u>	<u>113,476</u>
Revenues from State Sources:					
Categorical Special Education Aid	237,308		237,308	237,308	
Categorical Security Aid	7,650		7,650	7,650	
Categorical Transportation Aid	37,453		37,453	37,453	
Extraordinary Aid	111,394		111,394	242,384	130,990
Other Unrestricted State Aid	11,560		11,560	11,560	
On-behalf TPAF Post-Retirement Medical (non-budgeted)				400,079	400,079
On-behalf TPAF Pension (non-budgeted)				320,053	320,053
On-behalf TPAF NCGI Premium (non-budgeted)				15,943	15,943
Reimbursed TPAF Social Security Contributions (non-budgeted)				320,662	320,662
Total - State Sources	<u>405,365</u>		<u>405,365</u>	<u>1,593,092</u>	<u>1,187,727</u>
TOTAL REVENUES	<u>11,732,683</u>		<u>11,732,683</u>	<u>13,033,886</u>	<u>1,301,203</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	228,033	677	228,710	228,710	
Grades 1-5 - Salaries of Teachers	1,647,741	58,817	1,706,558	1,706,558	
Grades 6-8 - Salaries of Teachers	955,468	(67,406)	888,062	888,062	
Regular Programs - Home Instruction:					
Salaries of Teachers		360	360	360	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		550	550	550	
Purchased Professional-Educational Services	7,127	1,199	8,326	8,326	
Purchased Technical Services	23,089	4,453	27,542	27,542	
Other Purchased Services (400-500 series)	125,711	16,853	142,564	142,564	
General Supplies	156,225	127,826	284,051	247,223	36,828
Textbooks	4,000	226	4,226	4,226	
Other Objects	16,082	(210)	15,872	15,872	
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>3,163,476</u>	<u>143,345</u>	<u>3,306,821</u>	<u>3,269,993</u>	<u>36,828</u>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	609,879	94,198	704,077	704,077	
General Supplies	800	(281)	519	519	
Other Salaries for Instruction	70	415	485	70	415
Total Resource Room/Resource Center	<u>610,749</u>	<u>94,332</u>	<u>705,081</u>	<u>704,666</u>	<u>415</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	141,675	1,675	143,350	143,350	
Other Salaries for Instruction	104,704	23,481	128,185	128,185	
General Supplies	1,500	(847)	653	653	
Total Preschool Disabilities - Full-Time	<u>247,879</u>	<u>24,309</u>	<u>272,188</u>	<u>272,188</u>	
Home Instruction					
Salaries of Teachers					
Purchased Professional-Education Services	26,163	977	27,140	27,140	
Total Home Instruction	<u>26,163</u>	<u>977</u>	<u>27,140</u>	<u>27,140</u>	
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>884,791</u>	<u>119,618</u>	<u>1,004,409</u>	<u>1,003,994</u>	<u>415</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	74,700	640	75,340	75,255	85
Other Objects	500	(300)	200	200	
Total Basic Skills/Remedial - Instruction	<u>75,200</u>	<u>340</u>	<u>75,540</u>	<u>75,455</u>	<u>85</u>

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries of Teachers	89,744	12,452	102,196	101,796	400
General Supplies	500	(300)	200	200	
Total Bilingual Education - Instruction	<u>90,244</u>	<u>12,152</u>	<u>102,396</u>	<u>101,996</u>	<u>400</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries		1,000	1,000	1,000	
Supplies and Materials	3,000		3,000		3,000
Total School-Sponsored Cocurricular Activities - Instruction	<u>3,000</u>	<u>1,000</u>	<u>4,000</u>	<u>1,000</u>	<u>3,000</u>
TOTAL INSTRUCTION	<u>4,216,711</u>	<u>276,455</u>	<u>4,493,166</u>	<u>4,452,438</u>	<u>40,728</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	17,771	6,200	23,971	23,971	
Tuition to Other LEAs Within the State - Special	353,391	(91,327)	262,064	258,182	3,882
Tuition to County Voc. School Dist. - Regular	288,090	(26,190)	261,900	261,900	
Tuition to County Voc. School Dist. - Special	141,024	(58,401)	82,623	82,623	
Tuition to CSSD & Regional Day Schools	70,740	59,040	129,780	129,780	
Tuition to Private Schools for the Handicapped - Within State	242,674	13,557	256,231	221,108	35,123
Total Undistributed Expenditures - Instruction:	<u>1,113,690</u>	<u>(97,121)</u>	<u>1,016,569</u>	<u>977,564</u>	<u>39,005</u>
Undistributed Expend. - Attend. & Social Work					
Purchased Professional and Technical Services	5,213	1,419	6,632	6,632	
Total Undistributed Expend. - Attend. & Social Work	<u>5,213</u>	<u>1,419</u>	<u>6,632</u>	<u>6,632</u>	
Undist. Expend. - Health Services					
Salaries	137,865	2,678	140,543	140,543	
Purchased Professional and Technical Services	3,489	(1,815)	1,674	461	1,213
Other Purchased Services (400-500 series)					
Supplies and Materials	3,110	629	3,739	3,615	124
Total Undistributed Expenditures - Health Services	<u>144,464</u>	<u>1,492</u>	<u>145,956</u>	<u>144,619</u>	<u>1,337</u>
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	76,087	13,086	89,173	89,173	
Purchased Prof. Services-Educational Services	352,529	(83,108)	269,421	248,356	21,065
Supplies and Materials	4,600	(1,339)	3,261	3,261	
Total Undist. Expend. - Speech, OT, PT & Related Serv.	<u>433,216</u>	<u>(71,361)</u>	<u>361,855</u>	<u>340,790</u>	<u>21,065</u>
Undist. Expend. - Other Supp. Serv. Students-Extra. Serv.					
Salaries	351,426	80,988	432,414	431,814	600
Purchased Prof. Services-Educational Services	3,672	(592)	3,080	2,930	150
Other Objects		718	718	717	1
Total Undist. Expend. -Other Supp. Serv. Students-Extra. Serv.	<u>355,098</u>	<u>81,114</u>	<u>436,212</u>	<u>435,461</u>	<u>751</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	152,060	3,225	155,285	155,285	
Other Purchased Services (400-500 series)	1,200	(1,103)	97	97	
Supplies and Materials	3,300	(2,811)	489	489	
Total Undist. Expend. - Guidance	<u>156,560</u>	<u>(689)</u>	<u>155,871</u>	<u>155,871</u>	
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	279,025	(18,115)	260,910	260,910	
Salaries of Secretarial and Clerical Assistants	46,009	1,008	47,017	47,017	
Purchased Prof. Services-Educational Services	16,581	(1,851)	14,730	9,608	5,122
Othr Purchased Prof. and Tech Services	44,900	4,287	49,187	46,767	2,420
Misc. Pur Services (400-500 Series O/than Resid Costs)	5,650	(4,378)	1,272	1,272	
Supplies and Materials	5,300	(917)	4,383	4,383	
Other Objects	1,225	(155)	1,070	1,070	
Total Undist. Expend. - Child Study Teams	<u>398,690</u>	<u>(20,121)</u>	<u>378,569</u>	<u>371,027</u>	<u>7,542</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	92,700	(16,785)	75,915	26,028	49,887
Salaries of Other Professional Staff		1,020	1,020	1,020	
Purchased Prof. Services-Educational Services					
Supplies and Materials	300	323	623	623	
Other Purch Services (400-500)					
Total Undist. Expend. - Improvement of Inst. Services	<u>93,000</u>	<u>(15,442)</u>	<u>77,558</u>	<u>27,671</u>	<u>49,887</u>

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	65,310	985	66,295	66,295	
Salaries of Technology Coordinators	115,903	4,728	120,631	120,631	
Purchased Professional and Technical Services	9,656	(1,135)	8,521	8,521	
Other Purch Services (400-500)	295	110	405	405	
Supplies and Materials	5,316	1,791	7,107	7,107	
Other Objects	870	835	1,705	1,705	
Total Undist. Expend. - Educational Media Serv./Sch. Library	197,350	7,314	204,664	204,664	
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Serv	120	2,387	2,507	239	2,268
Other Purchased Services (400-500 series)	7,003	3,180	10,183	8,635	1,548
Total Undist. Expend. - Instructional Staff Training Serv.	7,123	5,567	12,690	8,874	3,816
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	174,250	(1,443)	172,807	172,807	
Legal Services	50,000	53,181	103,181	71,027	32,154
Audit Fees	41,000		41,000	20,000	21,000
Architectural/Engineering Services	33,416	(10,637)	22,779	3,919	18,860
Other Purchased Professional Services	6,750	1,600	8,350	8,350	
Communications/Telephone	31,414	(17,553)	13,861	13,494	367
BOE Other Purchased Services	1,600	(1,309)	291	291	
Misc . Purch Services (400-500 Series)	8,546	9,959	18,505	17,462	1,043
General Supplies	8,456	(3,663)	4,793	4,464	329
BOE In House Training/Meeting Supplies	375	(41)	334	299	35
Misc. Expenditures	4,000	2,370	6,370	6,370	
BOE Membership Dues and Fees	10,250	364	10,614	10,614	
Total Undist. Expend. - Supp. Serv. - General Administration	370,057	32,828	402,885	329,097	73,788
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals					
Salaries of Secretarial and Clerical Assistants	96,199	2,647	98,846	98,741	105
Purchased Prof & Technical Services		8,195	8,195		8,195
Other Purchased Services (400-500 series)	2,550	18	2,568	2,550	18
Supplies and Materials	12,141	(543)	11,598	5,417	6,181
Other Objects	2,065		2,065	(86)	2,151
Total Undist. Expend. - Support Serv. - School Administration	112,955	10,317	123,272	106,622	16,650
Undist. Expend. - Support Serv. - Central Services					
Salaries	188,163	(26,905)	161,258	148,344	12,914
Purchased Professional Services	35,875	3,290	39,165	39,083	82
Purchased Technical Services	5,750	35	5,785	3,803	1,982
Misc. Pur Services (400-500 Series)	1,400	814	2,214	775	1,439
Supplies and Materials	10,825	(2,856)	7,969	7,440	529
Other Objects		1,215	1,215	1,150	65
Miscellaneous Expenditures	1,215	(1,215)			
Total Undist. Expend. - Support Serv. - Central Services	243,228	(25,622)	217,606	200,595	17,011
Undist. Expend. -Admin. Info. Tech					
Salaries	120,613	1,809	122,422	119,554	2,868
Purchased Professional Services	2,350		2,350	2,350	
Purchased Technical Services	56,329	(1,809)	54,520	45,555	8,965
Supplies and Materials	7,000		7,000	2,044	4,956
Total Undist. Expend. - Admin. Info. Tech	186,292		186,292	169,503	16,789
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries					
Purchased Technical Services					
Supplies and Materials					
Other Objects					
Total Undist. Expend. - Support Serv. - Administrative					
Information Technology					
Undist. Expend. - Required Maint. for School Facilities (261)					
Cleaning, Repair and Maintenance Services	58,825	22,816	81,641	74,797	6,844
General Supplies	15,000	(13,308)	1,692	1,645	47
Other Objects	680	(5)	675	675	
Total Undist. Expend. - Required Maint. for School Facilities	74,505	9,503	84,008	77,117	6,891
Undist. Expend. - Custodial Services (262)					
Salaries	291,021	(3,397)	287,624	287,414	210
Cleaning, Repair and Maintenance Services	8,000	2,465	10,465	7,170	3,295
Other Purchased Property Services	7,900	3,380	11,280	8,494	2,786
Insurance	45,000		45,000	45,000	
Miscellaneous Purchased Services	2,500		2,500	2,500	
General Supplies	36,520	(4,602)	31,918	31,129	789
Energy (Energy and Electricity)	95,079	(6,679)	88,400	88,367	33
Other Objects	1,000	(1,000)			
Salaries of Non-Instructional Aides	29,200	(20,038)	9,162	9,162	
Energy (Natural Gas)	61,500	(12,611)	48,889	48,604	285
Total Undist. Expend. - Custodial Services (262)	577,720	(42,482)	535,238	527,840	7,398

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	36,895	(12,440)	24,455	24,355	100
General Supplies	4,799	2,184	6,983	3,383	3,600
Total Undist. Expend. - Care & Upkeep of Grounds	<u>41,694</u>	<u>(10,256)</u>	<u>31,438</u>	<u>27,738</u>	<u>3,700</u>
Undist. Expend. - Security					
Salaries	41,163	(472)	40,691	40,691	
Cleaning, Repair and Maintenance Services	10,000	27,266	37,266	14,632	22,634
General Supplies	9,000	18,007	27,007	11,838	15,169
Total Undist. Expend. - Security	<u>60,163</u>	<u>44,801</u>	<u>104,964</u>	<u>67,161</u>	<u>37,803</u>
Undist. Expend. - Student Transportation Services (270)					
Salaries of Non-Instructional Aides	50,600	4,170	54,770	54,770	
Sal. For Pupil Trans (Bet Home & Sch)-Reg	13,527	202	13,729	13,729	
Contr Serv. (Bet. Home and Sch) Vendors	15,000	3,734	18,734	14,411	4,323
Contr Serv. (Oth than Bet. Home and Sch)-Vendors	25,000	300	25,300	22,666	2,634
Contr Serv. (Bet. Home & Sch) Joint Agrmnts	430,000	9,770	439,770	432,424	7,346
Contract Serv. (Sp Ed Stds)-Joint Agrmnts	272,680	(67,050)	205,630	165,587	40,043
Contract Serv.-Aid in Lieu Pymts-NonPub Sch	58,344	6,147	64,491	62,322	2,169
Total Undist. Expend. - Student Transportation Services	<u>865,151</u>	<u>(42,727)</u>	<u>822,424</u>	<u>765,909</u>	<u>56,515</u>
UNALLOCATED BENEFITS					
Social Security Contributions	135,000	902	135,902	135,902	
Other Retirement Contributions-PERS	144,850	(22,686)	122,164	122,164	
Unused Vacation Payment to Term/Retired Staff	100,000	(17,683)	82,317	50,000	32,317
Unemployment Compensation	25,000	(145)	24,855	24,855	
Workmen's Compensation	76,600	8,799	85,399	85,399	
Health Benefits	1,765,325	(79,965)	1,685,360	1,652,654	32,706
Tuition Reimbursement	23,000	1,110	24,110	24,110	
Other Employee Benefits		17,294	17,294	17,294	
TOTAL UNALLOCATED BENEFITS	<u>2,269,775</u>	<u>(92,374)</u>	<u>2,177,401</u>	<u>2,112,378</u>	<u>65,023</u>
On-behalf TPAF Post-Retirement Medical (non-budgeted)				400,079	400,079
On-behalf TPAF Pension (non-budgeted)				320,053	320,053
On-behalf TPAF NCGI Premium (non-budgeted)				15,943	15,943
Reimbursed TPAF Social Security Contributions (non-budgeted)				320,662	320,662
TOTAL ON-BEHALF CONTRIBUTIONS				<u>1,056,737</u>	<u>(1,056,737)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,269,775</u>	<u>(92,374)</u>	<u>2,177,401</u>	<u>3,169,115</u>	<u>(991,714)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>7,705,944</u>	<u>(223,840)</u>	<u>7,482,104</u>	<u>8,113,870</u>	<u>(631,766)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>11,922,655</u>	<u>52,615</u>	<u>11,975,270</u>	<u>12,566,308</u>	<u>(591,038)</u>
Equipment					
Undist. Expenditures:					
Instruction	6,000		6,000	4,500	1,500
Admin Info Tech	10,000		10,000	9,465	535
Total Undist. Expend.	<u>16,000</u>		<u>16,000</u>	<u>13,965</u>	<u>2,035</u>
Facilities Acquisition and Construction Services					
Construction Services	2,595		2,595		2,595
Assessment for Debt Service on SDA Funding	5,625		5,625	5,625	
Capital Projects - Interest on Investments	2,000	(2,000)			
Bldgs. Other than Lease Purchase Agreement	205,000		205,000	189,077	15,923
Total Facilities Acquisition and Construction Services	<u>215,220</u>	<u>(2,000)</u>	<u>213,220</u>	<u>194,702</u>	<u>18,518</u>
TOTAL CAPITAL OUTLAY	<u>231,220</u>	<u>(2,000)</u>	<u>229,220</u>	<u>208,667</u>	<u>20,553</u>
TOTAL EXPENDITURES	<u>12,153,875</u>	<u>50,615</u>	<u>12,204,490</u>	<u>12,774,975</u>	<u>(570,485)</u>

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(421,192)	(50,615)	(471,807)	258,911	730,718
Other Financing Sources/(Uses):					
Transfers In:					
Capital Projects - Interest on Investments				474	
Total Other Financing Sources/(Uses):				474	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(421,192)	(50,615)	(471,807)	259,385	730,718
Fund Balance, July 1	2,808,459		2,808,459	2,808,459	
Fund Balance, June 30	<u>2,387,267</u>	<u>(50,615)</u>	<u>2,336,652</u>	<u>3,067,844</u>	<u>730,718</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(276,192)		(276,192)	(276,192)	
Increase:					
Capital Reserve - Principal				250,000	(250,000)
Capital Reserve - Interest				2,133	(2,133)
Capital Reserve - Capital Projects Cancelled				28,456	(28,456)
Maintenance Reserve - Interest				252	(252)
Withdrawal from Capital Reserve	(145,000)		(145,000)	(145,000)	
Budgeted Fund Balance		(50,615)	(50,615)	399,736	1,011,559
	<u>(421,192)</u>	<u>(50,615)</u>	<u>(471,807)</u>	<u>259,385</u>	<u>730,718</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Years' Expenditures				94,090	
Excess Surplus - Current Year				115,628	
Capital Reserve				1,769,771	
Maintenance Reserve				251,632	
Emergency Reserve				250,000	
Assigned Fund Balance:					
Year-End Encumbrances				205,733	
Unassigned Fund Balance:				380,990	
				<u>3,067,844</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				23,859	
Total Fund Balance per Governmental Funds (GAAP)				<u>3,043,985</u>	

ENGLEWOOD CLIFFS BORD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	12,006	4,625	16,631	17,007	376
Federal Sources	129,777	49,729	179,506	212,915	33,409
Total Revenues	141,783	54,354	196,137	229,922	33,785
EXPENDITURES:					
Instruction:					
Other Purchased Services (400-500 Series)	100,000	32,466	132,466	182,810	(50,344)
General Supplies	29,777	17,263	47,040	32,844	14,196
Textbooks		4,625	4,625	4,368	257
Total instruction	129,777	54,354	184,131	220,022	(35,891)
Support services:					
Miscellaneous Purchased Services	9,900	-	9,900	9,900	-
Total support services	9,900	-	9,900	9,900	-
Facilities acquisition and constuction services:					
Instructional Equipment	2,106	-	2,106	-	2,106
Total facilities acquisition and constuction services	2,106	-	2,106	-	2,106
Total Expenditures	141,783	54,354	196,137	229,922	(33,785)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

ENGLEWOOD CLIFFS BORD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2016

**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]	13,033,886	229,922
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(24,847)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		28,840	
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)		(23,858)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	13,038,868	205,075
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	12,774,975	229,922
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.			(24,847)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	12,774,975	205,075

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Exhibit L-1

ENGLEWOOD CLIFFS BORD OF EDUCATION
 Schedules of Required Supplementary Information
 Schedule of District's Share of Net Pension Liability - PERS
 Last 10 Fiscal Years*

Fiscal Year Ending June 30,	District's	District's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Net Position as a Percentage of the Total Pension Liability
2015	0.0152065979%	\$ 2,847,091	\$ 1,080,524	\$ 1,080,524	263.49%	52.08%
2016	0.0142095476%	\$ 3,189,759	\$ 1,180,020	\$ 1,180,020	270.31%	47.93%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

ENGLEWOOD CLIFFS BORD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relations to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$ 125,361	\$ (125,361)	\$ -	\$ 1,080,524	11.60%
2016	122,164	(122,164)	-	\$ 1,180,020	10.35%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

ENGLEWOOD CLIFFS BORD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)</u>	<u>District's Covered Payroll - TPAF Employee's</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.0360689950%	\$ -	\$ 19,277,704	\$ 4,335,126	0.00%	33.64%
2016	0.0380913907%	-	24,075,386	4,393,888	0.00%	28.71%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

ENGLEWOOD CLIFFS BORD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2016

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

Supplementary Schedules

SPECIAL REVENUE FUND

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2016

	Title I Part A	Title II Part A - Basic	Title III, English, Language Acq. & Enhancement	IDEA Part Basic	IDEA Part B Preschool	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Services	N.J. Nonpublic Security Aid	Totals 2016
REVENUES									
State Sources	38,762	14,302	28,219	127,201	4,431	4,368	9,900	2,739	17,007
Federal Sources									212,915
Total Revenues	38,762	14,302	28,219	127,201	4,431	4,368	9,900	2,739	229,922
EXPENDITURES:									
Instruction:									
Other Purchased Services (400-500 series)	34,137	14,302	28,219	127,201	4,431			2,739	182,810
General Supplies	4,625					4,368			32,844
Textbooks									4,368
Total instruction	38,762	14,302	28,219	127,201	4,431	4,368	-	2,739	220,022
Support Services:									
Miscellaneous Purchased Services							9,900		9,900
Total support services	-	-	-	-	-	-	9,900	-	9,900
Total Expenditures	38,762	14,302	28,219	127,201	4,431	4,368	9,900	2,739	229,922
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-

CAPITAL PROJECTS FUND

ENGLEWOOD CLIFFS BORD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2016

Revenues	
Interest on Investments	474
	474
 Expenditures	
Transfer to General Fund	474
	474
Excess (deficiency) of revenues over (under) expenditures	-
Fund balance - beginning	188,894
Fund balance - ending	188,894

ENGLEWOOD CLIFFS BORD 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 Fiscal Year Ended June 30, 2016

	<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			-	
Tranfers out - Northcliff School Renovation Project	(150,000)		(150,000)	(150,000)
	<u>(150,000)</u>	<u>-</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>114,707</u>	<u>-</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 BORD 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 Fiscal Year Ended June 30, 2016

	<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	2,165,499	-	2,165,499	2,239,876
Equipment purchases	99,382		99,382	99,382
	<u>2,433,662</u>	<u>-</u>	<u>2,433,662</u>	<u>2,508,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(75,813)</u>	<u>-</u>	<u>(75,813)</u>	<u>(150,000)</u>
Other Financing Sources(Uses)				
Transfers in - Upper School Renovation Project	150,000		150,000	150,000
Tranfers out - Northcliff School Renovation Project			-	
	<u>150,000</u>	<u>-</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>74,187</u>	<u>-</u>	<u>74,187</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	97%			
Original target completion date	August 2007			
Revised target completion date	December 2008			

ENGLEWOOD CLIFFS BORD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2016

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2016
			Prior Years	Current Year	
Renovations - North Cliff School	Dec. 13, 2005	962,731	848,024	-	114,707
Renovations - Upper School	Dec. 13, 2005	2,508,039	2,433,662	-	74,377
		<u>4,098,596</u>	<u>3,909,512</u>	<u>-</u>	<u>189,084</u>
Analysis					
			Project Balance - June 30, 2016		188,894
			Unfunded Authorizations		
			Fund Balance (Deficit) - June 30, 2016		<u>188,894</u>

PROPRIETARY FUNDS

ENGLEWOOD CLIFFS BORD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2016

	Special Milk Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	1,705	1,705
Accounts receivable:		
Federal	252	252
Total current assets	1,957	1,957
Noncurrent assets:		
Capital assets:		
Equipment	2,000	2,000
Less accumulated depreciation	(2,000)	(2,000)
Total capital assets (net of accumulated depreciation)		
Total assets	1,957	1,957
LIABILITIES		
Current liabilities:		
Account payable	309	309
Total current liabilities	309	309
NET POSITION		
Unrestricted	1,648	1,648
Total net position	1,648	1,648

ENGLEWOOD CLIFFS BORD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2016

	<u>Special Milk Program</u>	<u>Totals</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	2,658	2,658
Total operating revenues	<u>2,658</u>	<u>2,658</u>
Operating expenses:		
Cost of sales	5,090	5,090
Salaries		-
Total Operating Expenses	<u>5,090</u>	<u>5,090</u>
Operating income (loss)	<u>(2,432)</u>	<u>(2,432)</u>
Nonoperating revenues (expenses):		
Federal sources:		
Special milk program	3,262	3,262
Total nonoperating revenues (expenses)	<u>3,262</u>	<u>3,262</u>
Change in net position	830	830
Total net position—beginning	<u>818</u>	<u>818</u>
Total net position—ending	<u><u>1,648</u></u>	<u><u>1,648</u></u>

ENGLEWOOD CLIFFS BORD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2016

	Special Milk Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,658	2,658
Payments for milk purchases	(5,737)	(5,737)
Net cash provided by (used for) operating activities	(3,079)	(3,079)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal sources	3,343	3,343
Net cash provided by (used for) non-capital financing activities	3,343	3,343
Net increase (decrease) in cash and cash equivalents	264	264
Balances—beginning of year	1,441	1,441
Balances—end of year	1,705	1,705
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(2,432)	(2,432)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Increase (decrease) in accounts payable	(647)	(647)
Total adjustments	(647)	(647)
Net cash provided by (used for) operating activities	(3,079)	(3,079)

FIDUCIARY FUND

ENGLEWOOD CLIFFS BORD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Trust Fund	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	21,611	215,376
Total assets	<u>21,611</u>	<u>215,376</u>
LIABILITIES		
Payable to student groups		6,987
Payroll deductions and withholdings		208,389
Total liabilities		<u>215,376</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>21,611</u>	

ENGLEWOOD CLIFFS BORD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2016

	Unemployment Compensation Trust Fund
	<u> </u>
ADDITIONS	
Investment earnings:	
Interest	22
Net investment earnings	<u>22</u>
Total additions	<u>22</u>
DEDUCTIONS	
Disbursed to General Fund	<u>14</u>
Total deductions	<u>14</u>
Change in net position	8
Net position—beginning of the year	<u>21,603</u>
Net position—end of the year	<u><u>21,611</u></u>

ENGLEWOOD CLIFFS BORD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Upper School	<u>7,487</u>	<u>113,964</u>	<u>114,464</u>	<u>6,987</u>
Total All Schools	<u><u>7,487</u></u>	<u><u>113,964</u></u>	<u><u>114,464</u></u>	<u><u>6,987</u></u>

ENGLEWOOD CLIFFS BORD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursed	Balance June 30, 2016
Net Payroll	124,836	3,547,838	3,666,549	6,125
Flexible Spending Account	3,289	5,303	2,628	5,964
Payroll Deductions and Withholdings	11,612	3,258,346	3,243,026	26,932
Summer Pay		169,384	16	169,368
	<u>139,737</u>	<u>6,980,871</u>	<u>6,912,219</u>	<u>208,389</u>

LONG-TERM DEBT

ENGLEWOOD CLIFFS BORD OF EDUCATION
 General Long Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2016

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2015	Retired	Balance June 30, 2016
Improvement to School Facilities	10/18/2006	3,956,000	8/15/2016	285,000	4.000%	2,191,000	270,000	1,921,000
			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%			
						2,191,000	270,000	1,921,000

ENGLEWOOD CLIFFS BORD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	262,463		262,463	262,463	-
State Sources:					
Debt Service Aid Type II	89,777		89,777	89,777	-
Total - State Sources	89,777	-	89,777	89,777	-
Total Revenues	352,240	-	352,240	352,240	-
EXPENDITURES:					
Regular Debt Service:					
Interest	82,240		82,240	82,240	-
Redemption of Principal	270,000		270,000	270,000	-
Total Regular Debt Service	352,240	-	352,240	352,240	-
Total expenditures	352,240	-	352,240	352,240	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Budgeted Fund Balance	-	-	-	-	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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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, 2004; schedules presenting district-wide information include information beginning in that year.	

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Net Assets/Position* by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	656,588	565,201	954,712	906,819	830,387	793,040	1,615,883	1,773,540	1,837,957	1,794,548
Restricted	3,718,379	2,209,227	1,922,391	1,464,173	2,134,491	2,239,190	2,427,845	2,461,642	2,418,546	2,670,011
Unrestricted	(2,297,598)	(10,418)	(137,414)	(113,289)	134,469	510,458	632,696	203,416	(2,540,549)	(2,609,582)
Total governmental activities net assets/position	\$ 2,077,569	\$ 2,764,010	\$ 2,739,689	\$ 2,257,703	\$ 3,099,347	\$ 3,542,688	\$ 4,676,424	\$ 4,438,598	\$ 1,715,954	\$ 1,854,977
Business-type activities										
Invested in capital assets, net of related debt	\$ 1,000	\$ 867	\$ 734	\$ 468	\$ 335	\$ 202	\$ 69			
Restricted	(5,383)	(4,566)	2,020	1,898	2,168	658	801	734	818	1,648
Unrestricted	(4,383)	(3,699)	(2,754)	(2,366)	(2,503)	(860)	(870)	(734)	(818)	(1,648)
Total business-type activities net assets/position	\$ (4,383)	\$ (3,699)	\$ (2,754)	\$ (2,366)	\$ (2,503)	\$ (860)	\$ (870)	\$ (734)	\$ (818)	\$ (1,648)
District-wide										
Invested in capital assets, net of related debt	\$ 657,588	\$ 566,068	\$ 955,446	\$ 907,287	\$ 830,722	\$ 793,242	\$ 1,615,952	\$ 1,773,540	\$ 1,837,957	\$ 1,794,548
Restricted	3,718,379	2,209,227	1,922,391	1,464,173	2,134,491	2,239,190	2,427,845	2,461,642	2,418,546	2,670,011
Unrestricted	(2,302,781)	(14,984)	(135,394)	(111,391)	136,637	511,116	633,497	204,150	(2,539,731)	(2,607,934)
Total district net assets/position	\$ 2,073,186	\$ 2,760,311	\$ 2,742,443	\$ 2,260,069	\$ 3,101,850	\$ 3,543,548	\$ 4,677,294	\$ 4,439,332	\$ 1,716,772	\$ 1,856,625

Source: CAFR Schedule A-1

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,348,198	\$ 3,500,610	\$ 4,311,901	\$ 3,905,034	\$ 2,971,597	\$ 3,224,341	\$ 3,301,980	\$ 4,024,684	\$ 4,327,314	\$ 4,799,343
Special education	605,997	781,634	914,296	938,425	790,833	895,930	1,053,436	1,109,731	1,438,502	1,463,516
Other special education	424,636	418,247	389,607	351,347	313,486	324,632	375,651	311,881	285,924	261,988
Other instruction	28,259	11,683	23,818	8,200	6,086	4,770	10,599	4,758	9,440	
Support Services:										
Tuition	856,077	803,250	771,104	880,430	964,637	824,430	729,025	669,693	717,668	977,564
Student & instruction related services	1,235,816	1,331,929	1,592,105	2,071,144	1,789,932	2,011,665	2,310,222	2,471,219	2,430,735	2,349,989
School Administrative Services	202,352	204,530	235,783	238,937	207,911	227,004	388,293	157,084	158,185	156,652
General administration	347,095	322,250	304,905	323,998	357,097	341,793	223,647	349,291	409,541	412,375
Central Services	258,297	212,192	187,831	209,248	228,384	245,691	257,900	317,435	354,589	271,986
Administrative information technology	11,550	12,774	19,213	21,929	30,941	59,610	101,899	81,329	181,306	225,784
Plant Operations and Maintenance	837,888	820,807	754,958	1,184,584	1,001,025	1,006,390	1,040,444	1,134,175	1,237,537	1,155,542
Pupil transportation	709,284	661,560	610,228	744,457	655,508	685,340	776,161	691,206	755,696	798,155
Other support services	3,070									
Allocated benefits										
Unallocated benefits	1,016,923	1,074,589	565,544	619,163	726,604	881,060	728,928	762,093	959,116	311,338
On-behalf Contributions										
Prior Year Encumbrances										
Capital Outlay - non-depreciable		2,250								
Debt Services:										
Interest and other charges	102,121	147,758	140,492	132,850	48,336	110,260	4,203	322,369	95,291	195,212
Unallocated depreciation	100,883	119,411			124,835	109,233	108,231	100,548	93,510	78,190
Total governmental activities expenses	10,088,446	10,425,474	10,821,785	11,629,746	10,217,212	10,952,149	11,410,619	12,507,496	13,451,354	13,457,634

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Special Milk Fund	5,218	6,247	4,629	4,564	3,515	6,608	4,364	5,882	6,789	5,090
Total business-type activities expense	5,218	6,247	4,629	4,564	3,515	6,608	4,364	5,882	6,789	5,090
Total district expenses	\$ 10,093,664	\$ 10,431,721	\$ 10,826,414	\$ 11,634,310	\$ 10,220,727	\$ 10,958,757	\$ 11,414,983	\$ 12,513,378	\$ 13,461,143	\$ 13,462,724
Program Revenues										
Governmental activities:										
Operating grants and contributions	123,429	250,020	217,174	332,168	211,317	206,591	231,429	243,862	251,809	294,852
Total governmental activities program revenues	123,429	250,020	217,174	332,168	211,317	206,591	231,429	243,862	251,809	294,852
Business-type activities:										
Charges for services										
Special Milk Fund	2,550	2,820	2,829	2,433	2,288	2,619	2,047	2,631	3,105	2,658
Operating grants and contributions	1,892	4,111	2,338	1,743	1,364	2,346	2,327	3,115	3,768	3,262
Total business type activities program revenues	4,442	6,931	5,167	4,176	3,652	4,965	4,374	5,746	6,873	5,920
Total district program revenues	\$ 127,871	\$ 256,951	\$ 222,341	\$ 336,344	\$ 214,969	\$ 211,556	\$ 235,803	\$ 249,608	\$ 258,682	\$ 300,772
Net (Expense)/Revenue										
Governmental activities	\$ (9,965,017)	\$ (10,175,454)	\$ (10,604,611)	\$ (11,297,578)	\$ (10,005,895)	\$ (10,745,558)	\$ (11,179,190)	\$ (12,263,634)	\$ (13,202,545)	\$ (13,162,782)
Business-type activities	(776)	684	538	(388)	137	(1,643)	10	(136)	84	830
Total district-wide net expense	\$ (9,965,793)	\$ (10,174,770)	\$ (10,604,073)	\$ (11,297,966)	\$ (10,005,758)	\$ (10,747,201)	\$ (11,179,180)	\$ (12,263,770)	\$ (13,202,461)	\$ (13,161,952)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,376,177	\$ 8,711,224	\$ 9,059,673	\$ 9,299,800	\$ 9,720,381	\$ 9,795,381	\$ 9,878,618	\$ 10,076,190	\$ 10,277,713	\$ 10,963,918
Taxes levied for debt service	99,000	221,482	70,869	163,555	255,474	256,777	257,802	258,547	262,668	262,463
Federal and state aid not restricted	1,576,663	1,603,304	1,161,587	1,135,998	884,449	1,042,529	1,280,176	1,307,200	2,228,154	1,598,074
Grants and contributions		75,000								
Tuition Received	82,100	109,200	223,355	185,610	179,908	75,757	248,861	91,083	268,450	397,699
Miscellaneous income	208,293	164,073	61,658	30,629	20,244	18,455	8,180	5,488	12,438	79,651
State Aid - SCC Capital Projects grant receivable cancelled					(227,018)			287,300		
Transfers		(22,388)								
Total governmental activities	10,342,233	10,861,895	10,577,142	10,815,592	10,833,438	11,188,899	11,673,637	12,025,808	13,049,423	13,301,805
Business-type activities:										
Liabilities canceled			5,915							
Total business-type activities			5,915							
Total district-wide	\$ 10,342,233	\$ 10,861,895	\$ 10,583,057	\$ 10,815,592	\$ 10,833,438	\$ 11,188,899	\$ 11,673,637	\$ 12,025,808	\$ 13,049,423	\$ 13,301,805
Change in Net Assets/Position										
Governmental activities	\$ 377,216	\$ 686,441	\$ (27,469)	\$ (481,986)	\$ 827,543	\$ 443,341	\$ 494,447	\$ (237,826)	\$ (153,122)	\$ 139,023
Business-type activities	(776)	684	6,453	(388)	137	(1,643)	10	(136)	84	830
Total district	\$ 376,440	\$ 687,125	\$ (21,016)	\$ (482,374)	\$ 827,680	\$ 441,698	\$ 494,457	\$ (237,962)	\$ (153,038)	\$ 139,853

Source: CAFR Schedule A-2

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 702,287	\$ 1,173,888	\$ 1,256,478	\$ 890,851	\$ 1,426,061	\$ 1,931,435	\$ 2,238,951	\$ 2,272,748	\$ 2,229,652	\$ 2,481,121
Unreserved	274,271	350,672	237,284	180,697	362,126	450,781	718,420	335,442	276,193	205,733
Restricted					418,171	407,580	287,965	293,132	273,774	357,131
Assigned										
Unassigned										
Total general fund	\$ 976,558	\$ 1,524,560	\$ 1,493,762	\$ 1,071,548	\$ 2,206,358	\$ 2,789,566	\$ 3,245,336	\$ 2,901,322	\$ 2,779,619	\$ 3,043,985
All Other Governmental Funds										
Reserved - capital projects fund	\$ 1,342,308	\$ 185,090	\$ 35,887							
Unreserved, reported in:										
Capital projects fund	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	188,894	188,894	188,894	188,894
Debt service fund					1					
Total all other governmental funds	\$ 3,016,092	\$ 1,035,339	\$ 665,913	\$ 573,322	\$ 346,304	\$ 307,755	\$ 188,894	\$ 188,894	\$ 188,894	\$ 188,894

Source: CAFR B-1

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 8,475,177	\$ 8,932,706	\$ 9,130,542	\$ 9,463,355	\$ 9,975,855	\$ 10,052,158	\$ 10,136,420	\$ 10,334,737	\$ 10,540,381	\$ 11,226,381
Tuition charges	82,100	109,200	223,355	185,610	179,908	75,757	248,861	91,083	268,450	397,699
Interest earnings										
Miscellaneous	88,602	93,396	35,189	30,629	20,244	17,134	6,799	5,488	12,438	79,651
State sources	1,576,663	1,726,151	1,271,494	1,243,813	976,818	1,118,560	1,379,519	1,407,599	1,501,628	1,704,858
Federal sources	123,429	127,173	107,267	224,353	118,948	130,560	131,944	143,463	148,106	188,068
Total revenue	10,345,971	10,988,626	10,767,847	11,147,760	11,271,773	11,394,169	11,903,543	11,982,370	12,471,003	13,596,657
Expenditures										
Instruction										
Regular instruction	2,742,558	2,834,962	3,517,449	3,205,834	2,434,920	2,653,786	2,621,942	3,229,683	3,213,930	3,465,168
Special education instruction	482,738	631,414	759,865	769,394	638,976	722,876	793,801	857,586	1,017,441	1,003,994
Other special instruction	337,794	329,195	314,148	281,718	251,414	259,868	288,784	239,511	199,161	178,451
Other instruction	25,155	11,410	22,108	7,055	5,683	4,489	9,006	4,758	9,440	-
Support Services:										
Tuition	856,077	803,250	771,104	880,430	964,637	824,430	729,025	669,693	717,668	977,564
Student & inst. related services	1,032,773	1,115,507	1,322,804	1,725,419	1,499,774	1,690,817	2,013,317	2,001,914	1,860,860	1,705,509
Support services - students										
Other support services - Inst. Staff										
Health services										
Educational/Media services										
Attendance										
School administrative services	168,338	165,787	166,824	179,547	155,028	173,474	163,127	115,084	111,846	106,622
General administration	307,545	283,611	277,167	294,882	319,706	305,210	346,608	307,513	339,030	329,097
Central services	205,903	172,260	155,671	170,418	190,854	205,095	209,226	254,243	264,287	200,595
Admin. information technology	11,550	12,774	19,213	21,929	30,941	59,610	101,899	81,329	181,306	169,503
Plant operations and maintenance	735,760	711,237	712,468	808,046	663,054	688,716	657,246	746,890	783,542	699,856
Pupil transportation	703,554	653,431	601,974	744,457	652,870	678,919	747,452	673,338	730,494	765,909
Business and other support servs										
Other support services	3,070									
Employee benefits	1,411,343	1,445,503	1,380,525	1,551,295	1,395,114	1,472,168	1,521,771	1,813,073	1,715,804	2,112,378
On behalf contributions	936,223	932,402	524,576	551,890	519,821	620,638	722,033	709,128	864,275	1,056,737
Prior year encumbrances										

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Special Schools										
Charter Schools										
Capital outlay	130,196	50,811	106,934	129,518	71,312	107,578	218,092	562,897	229,951	208,667
Debt service:										
Principal		185,000	195,000	205,000	215,000	225,000	235,000	245,000	260,000	270,000
Interest and other charges	44,436	150,359	143,234	135,733	127,859	119,609	110,984	101,984	92,515	82,240
Total expenditures	10,135,013	10,488,913	10,991,064	11,662,565	10,136,963	10,812,283	11,489,313	12,613,624	12,591,550	13,332,290
Excess (Deficiency) of revenues over (under) expenditures	210,958	499,713	(223,217)	(514,805)	1,134,810	581,886	414,230	(631,254)	(120,547)	264,367
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	42,861	448	472	474
Transfers out	-	(22,388)	-	(13,403)	(2,180)	(1,321)	(42,861)	(448)	(472)	(474)
Capital Reserve - Capital Outlay	-	-	-	-	(227,018)	-	-	287,300	-	-
Capital Reserve - Capital Outlay	111,386	123,289	26,469	-	(227,018)	-	-	287,300	-	-
Total other financing sources (uses)										
Net change in fund balances	\$ 322,344	\$ 623,002	\$ (196,748)	\$ (514,805)	\$ 907,792	\$ 581,886	\$ 414,230	\$ (343,954)	\$ (120,547)	\$ 264,367
Debt service as a percentage of noncapital expenditures	0.44%	3.21%	3.11%	2.95%	3.41%	3.22%	3.07%	2.88%	2.85%	2.68%

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	Settlements	Prior Year Voided Checks	Balance of Unemployment Closed to General Fund	Miscellaneous	Annual Totals
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
2013	248,861		2,765			2,078		575	254,279
2014	91,083		1,828					3,212	96,123
2015	268,450		1,055	984	4,983			5,416	280,888
2016	397,699		3,065		62,160			13,952	476,876

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
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	72.33%
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%
2012	44,347,400	2,431,499,800	935,926,300	1,675,000	1,750,000	3,415,198,500	917,566,200	1,634,938	2,499,267,238	0.297	3,210,144,692	77.86%
2013	43,625,600	2,431,098,700	926,889,700	1,675,000	1,750,000	3,405,039,000	917,566,200	1,472,537	2,488,945,337	0.303	3,148,458,674	79.05%
2014	44,036,500	2,432,909,900	884,930,300	-	1,750,000	3,363,626,700	917,566,200	1,270,044	2,447,330,544	0.313	3,108,990,336	78.72%
2015	40,944,400	2,445,230,900	878,792,500	-	1,750,000	3,366,717,800	921,055,400	1,270,044	2,446,932,444	0.333	3,221,160,824	75.96%

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			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	6) Total Direct School	Borough of Englewood Cliffs	Bergen County	
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
2012	0.289	0.008	0.297	0.324	0.204	0.825
2013	0.295	0.008	0.303	0.332	0.214	0.849
2014	0.305	0.008	0.313	0.339	0.218	0.870
2015	0.325	0.008	0.333	0.370	0.227	0.930

Source: Municipal Tax Collector

Note: NJSIA 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**

	2016			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 109,310,000	1	4.47%	\$ 98,413,600	1	4.84%
Taxpayer 2	89,145,700	2	3.64%	82,400,000	2	4.05%
Taxpayer 3	82,500,000	3	3.37%	74,285,000	3	3.65%
Taxpayer 4	72,100,000	4	2.95%	25,500,000	4	1.25%
Taxpayer 5	37,194,600	5	1.52%	50,800,000	5	2.50%
Taxpayer 6	35,719,500	6	1.46%	23,550,000	6	1.16%
Taxpayer 7	35,500,000	7	1.45%	20,790,000	7	1.02%
Taxpayer 8	25,125,000	8	1.03%	13,150,000	8	0.65%
Taxpayer 9	17,780,600	9	0.73%	12,919,000	9	0.64%
Taxpayer 10	14,624,800	10	0.60%	11,220,000	10	0.55%
Total	\$ 519,000,200		21.21%	\$ 413,027,600		20.30%
Total Net Assessed Value	2,446,932,444			2,034,442,797		

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	
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%	-
2013	10,136,420	10,136,420	100.00%	-
2014	10,334,737	10,334,737	100.00%	-
2015	10,540,381	10,540,381	100.00%	-
2016	11,226,381	11,226,381	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.

The Statement requires that the information in this schedule be shown for each "period for which levied" as consistent with the periods shown in the schedule of taxable assessed value of property and schedule of dir case of this illustrative government, the period for which levied coincides with the fiscal year.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007	3,956,000	-	20,957	-	-	3,976,957	1.02%	\$ 58.36
2008	3,771,000	-	-	-	-	3,771,000	0.95%	\$ 55.01
2009	3,576,000	-	-	-	-	3,576,000	0.95%	\$ 55.38
2010	3,371,000	-	-	-	-	3,371,000	0.97%	\$ 51.64
2011	3,156,000	-	-	-	-	3,156,000	0.87%	\$ 46.25
2012	2,931,000	-	-	-	-	2,931,000	0.77%	\$ 41.06
2013	2,696,000	-	-	-	-	2,696,000	0.71%	\$ 38.24
2014	2,451,000	-	-	-	-	2,451,000	0.62%	\$ 33.33
2015	2,191,000	-	-	-	-	2,191,000	Not Available	Not Available
2016	1,921,000	-	-	-	-	1,921,000	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		
2007	3,956,000	-	3,956,000	0.19%	68,147
2008	3,771,000	-	3,771,000	0.15%	68,548
2009	3,576,000	-	3,576,000	0.14%	64,571
2010	3,371,000	-	3,371,000	0.13%	65,275
2011	3,156,000	-	3,156,000	0.13%	68,244
2012	2,931,000	-	2,931,000	0.12%	71,380
2013	2,696,000	-	2,696,000	0.11%	70,498
2014	2,451,000	-	2,451,000	0.10%	73,536
2015	2,191,000	-	2,191,000	0.09%	Not Available
2016	1,921,000	-	1,921,000	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, 2016**

<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, 2016			\$ 1,921,000
Debt repaid with property taxes			
Borough of Englewood Cliffs	100.00%	\$ 24,189,058	
County of Bergen - Borough's Share	2.202%	19,066,877	
Bergen County Utilities Authority - Borough's Share	1.505%	<u>3,033,685</u>	
Subtotal, overlapping debt			<u>46,289,620</u>
Total direct and overlapping debt			<u><u>\$ 48,210,620</u></u>

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, the 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 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 78,576,092	\$ 88,868,016	\$ 97,003,904	\$ 99,844,836	\$ 101,531,253	\$ 96,925,737	\$ 97,356,728	\$ 95,577,452	\$ 95,621,040	\$ 94,786,098
Total net debt applicable to limit	3,956,000	3,771,000	3,576,000	3,371,000	3,156,000	2,931,000	2,696,000	2,451,000	2,191,000	1,921,000
Legal debt margin	\$ 74,620,092	\$ 85,097,016	\$ 93,427,904	\$ 96,473,836	\$ 98,375,253	\$ 93,994,737	\$ 94,660,728	\$ 93,126,452	\$ 93,430,040	\$ 92,865,098
Total net debt applicable to the limit as a percentage of debt limit	5.03%	4.24%	3.69%	3.38%	3.11%	3.02%	2.77%	2.56%	2.29%	2.03%

Equalized valuation basis	
2015	\$ 3,221,160,824
2014	\$ 3,108,990,336
2013	3,148,458,674
[A]	\$ 9,478,609,834
[A/3]	\$ 3,159,536,611

Average equalized valuation of taxable property	
[B]	94,786,098 ^a
[C]	1,921,000
[B-C]	\$ 92,865,098

Debt limit (3% of average equalization value)	
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
2007	5,710	389,119,370	68,147	3.20%
2008	5,773	395,727,604	68,548	4.10%
2009	5,855	378,063,205	64,571	7.60%
2010	5,299	345,892,225	65,275	7.60%
2011	5,335	364,081,740	68,244	7.50%
2012	5,349	381,811,620	71,380	7.60%
2013	5,378	379,138,244	70,498	8.00%
2014	5,395	396,726,720	73,536	4.40%
2015	5,403	Not Available	Not Available	3.40%
2016	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 - Bergen County - provided by NJ Dept of Labor and Workforce Development

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

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

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>

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>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	47	43	44	43.4	35.9	35.0	36.0	38.5	40.9	40.5
Special education	11	13	12	10.0	7.7	13.0	14.0	11.5	10.9	12.0
Other special education	9	9	9	7.0	8.0	10.0	12.0	2.0	2.0	3.0
Vocational										
Other instruction				4.0	2.0	2.0	2.0	2.0	2.3	2.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	2	2	2	3.4	3.0	4.0	4.0	25.7	25.7	25.5
General administration	2	2	2	2.0	2.0	3.0	4.0	1.6	1.7	1.9
School administrative services	5	5	5	5.0	5.0	4.0	4.0	2.5	2.0	2.0
Other administrative services										
Central services	4	4	4	4.0	2.1	3.0	4.0	2.3	2.3	2.3
Administrative Information Technology	1	1	1	2.0	2.0				2.5	1.5
Plant operations and maintenance	6	7	6	6.4	5.4	6.0	8.0	7.5	8.0	7.6
Pupil transportation									0.3	0.3
Other support services				0.6	0.4	4.0	3.0	0.3		
Special Schools										
Food Service										
Child Care										
Total	<u>87</u>	<u>86</u>	<u>85</u>	<u>87.8</u>	<u>73.5</u>	<u>84.0</u>	<u>91.0</u>	<u>93.8</u>	<u>98.6</u>	<u>98.4</u>

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				
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%	
2013	498	10,925,237	21,938	3.11%	55,00	1:11.2	1:11.2	498.00	473.10	0.87%	95.00%	
2014	496	11,703,743	23,596	7.56%	52,00	1:10.0	1:10.0	523.03	506.08	5.03%	96.76%	
2015	567	12,009,084	21,180	-10.24%	56,00	1:10.0	1:10.0	540.00	523.00	3.24%	96.85%	
2016	584	12,771,383	21,869	3.25%	54,60	1:10.7	1:10.7	546.25	528.65	1.16%	96.78%	

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>District Building</u>										
<u>Elementary</u>										
Northcliff School	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971
Square Feet GSF	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036
Square Feet NSF	179	179	179	179	230	230	230	230	230	230
Capacity (students)	133	170	164	173	201	212	196	201	224	230
Enrollment										
Upper School										
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	51,531	51,531	51,531	51,531
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment a	278	255	264	262	252	276	286	295	343	354

Number of Schools at June 30, 2016
 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-XXX

School Facilities	Project. No.'s	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Northcliff School	N/A	15,324	14,054	14,890	10,473	7,669	23,702	48,942	22,549	12,304	3,682
Upper School	N/A	61,793	48,237	48,357	38,717	108,768	47,051	76,305	46,746	23,043	9,560
Grand Total		\$ 77,117	\$ 62,291	\$ 63,247	\$ 49,190	\$ 116,437	\$ 70,753	\$ 125,247	\$ 69,295	\$ 35,347	\$ 13,242

Source: District records

**Englewood Cliffs Board of Education
Insurance Schedule
June 30, 2016**

Company	Type of Coverage	Coverage	Deductible
Selective Way Ins. Co.	Pollution-Per Incident	1,000,000	1,000
	Pollution-Annual Aggregate	1,000,000	
	Valuable Papers & Records	4,925,000	1,000
	Accts Receivable	25,000	
	Fine Arts	423,196	5,000
	Electronic Information Systems	4,925,000	1,000
	Musical Instruments	250,000	1,000
	Cameras, Audio/Video Equip	250,000	1,000
	Misc School Property	100,000	500
	Misc Property - Tools Coverage	1,000	500
	Contractors Equipment	250,000	1,000
	Installation Floater	500,000	1,000
	Theft of Money & Securities-Inside Premises	50,000	1,000
	Theft of Money & Securities-Outside Premises	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	
Employee Benefits Liability	1,000,000/per claim 2,000,000 annual aggregate		
Selective Way Ins. Co.	School Board Legal Liability	1,000,000/per claim 1,000,000 annual aggregate	
	Sexual Abuse & Molestation	1,000,000/occurrence 1,000,000 annual aggregate	
	Commercial Auto		
	Automobile Liability	1,000,000	
	Medical Payments	5,000	
	Uninsured Motorist	1,000,000	
	Underinsured Motorist	1,000,000	
	Comprehensive		1,000
	Collision		1,000
	Selective Ins. Co. of America	Crime	
Public Employee Theft-Per Employee		100,000	5,000
Public Employee Theft-Per Loss		400,000	100,000
Forgery or Alteration		50,000	1,000
Funds Transfer Fraud		50,000	1,000
Computer Fraud		50,000	1,000
Firemans Fund Ins. Co.	Commercial Umbrella		
	Per Occurrence	50,000,000	329,541
ACE USA	Aggregate Limit	50,000,000	
	Environmental Pollution Liability		
Safety National Group	Each Claim	2,000,000	15,000
	Aggregate	20,000,000	
Safety National Group	Employers Liability-Each Accident	1,000,000	
	Disease-Each Employee	1,000,000	
	Disease-Each Policy	1,000,000	
X.L. America, Inc.	Technology & Misc. Professional Services		
	Technology, Network Security, Privacy, & Media Communications	1,000,000/claim 6,000,000 annual aggregate	15,000 25,000
Darwin	Educators Errors & Omissions	1,000,000	5,000
	Employment Practices Liability	1,000,000	20,000
	Policy Aggregate	1,000,000	5,000

Source: District Records

SINGLE AUDIT SECTION

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, NJ 07860
973-579-3212
Fax 973-579-7128

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**INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, 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, the 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, New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Englewood Cliffs Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Englewood Cliffs Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Englewood Cliffs Board of Education's internal control.

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



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Englewood Cliffs 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Englewood Cliffs School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 15, 2016.

Purpose of this Report

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

Steven D. Wielkotz

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

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2016



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

Charles J. Ferraioli, Jr., MBA, 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, NJ 07860
973-579-3212
Fax 973-579-7128

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Englewood Cliffs School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Englewood Cliffs Board of Education's major federal and state programs for the year ended June 30, 2016. The Borough of Englewood Cliffs Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Englewood Cliffs Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we



plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Englewood Cliffs Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Englewood Cliffs Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Steven D. Wielkocz

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

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2016

ENGLEWOOD CLIFFS BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2016

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Prior Year Payables Cancelled	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2016	Deferred Revenue at June 30, 2016	Due to Grantor at June 30, 2016
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Special Milk Program	10.556	16161NJ304N1099	N/A	7/1/14-6/30/15	3,768	(333)		333							
Special Milk Program	10.556	16161NJ304N1099	N/A	7/1/15-6/30/16	3,262	(333)		3,010	3,262				(252)		
Total U.S. Department of Agriculture								3,343	3,262				(252)		
Special Revenue Fund:															
Title I, Part A - NCLB	84.010	S010A150030	NCLB-xxxx-15	7/1/15-6/30/16	66,556			38,762	38,762						
Title II, Part A - NCLB	84.367A	S367A150029	NCLB-xxxx-14	7/1/14-6/30/15	18,178	(280)		280							
Title II, Part A - NCLB	84.367A	S367A150029	NCLB-xxxx-15	7/1/15-6/30/16	18,007			14,302	14,302						
Title III, English and Language Acquisition and Language Enhancement	84.365A	S365A150030	NCLB-xxxx-14	7/1/14-6/30/15	28,746	(2,489)		2,489							
Title III, English and Language Acquisition and Language Enhancement	84.365A	S365A150030	NCLB-xxxx-15	7/1/15-6/30/16	25,152			2,572	28,219				(25,647)		
I.D.E.A. Part B, Basic	84.027	H027A150100	IDEA-xxxx-15	7/1/15-6/30/16	127,201			127,201	127,201						
I.D.E.A. Part B, Preschool	84.173	H027A150100	IDEA-xxxx-15	7/1/15-6/30/16	4,431			4,431	4,431						
Total U.S. Department of Education								190,037	212,915				(25,647)		
Total Federal Financial Assistance							\$ (3,102)	193,380	216,177				(25,899)		

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

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance.

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2016

State Grantor/Program Title	Balance at June 30, 2015										Balance at June 30, 2016				MEMO	
	Grant or State Project Numbers	Grant Period	Program or Award Amount	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor		Budgetary Reservable
State Department of Education:																
Special Fund:																
General Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 237,308				218,138	237,308							19,170	237,308
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	37,453			34,354	34,354	37,453							3,099	37,453
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	7,650			7,017	7,017	7,650							633	7,650
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	5,780			5,302	5,302	5,780							478	5,780
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	5,780			5,302	5,302	5,780							478	5,780
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	239,679	(239,679)		239,679	239,679									239,679
Extraordinary Aid	16-100-034-5120-473	7/1/14-6/30/15	242,384			16,297	242,384		(242,384)							242,384
TPAF Social Security	15-495-034-5094-003	7/1/15-6/30/16	331,416	(16,297)		320,662	320,662									331,416
TPAF Social Security	16-495-034-5094-003	7/1/15-6/30/16	320,662			400,079	400,079									320,662
On-behalf TPAF Postretirement Medical Cont.	16-495-034-5094-001	7/1/15-6/30/16	400,079			320,053	320,053									400,079
On-behalf TPAF Pension	16-495-034-5094-006	7/1/15-6/30/16	320,053			15,943	320,053									320,053
On-behalf TPAF NCGI Premium	16-495-034-5094-007	7/1/15-6/30/16	15,943	(255,976)		1,582,826	1,593,092				(242,384)			23,858	15,943	
Total General Fund																2,164,187
Special Revenue Fund:																
N.J. Nonpublic Aid:																
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	2,750			2,750	2,750						11			2,739
Feedback Aid	15-100-034-5120-064	7/1/14-6/30/15	4,528			4,625	4,625			2,968						4,528
Feedback Aid	16-100-034-5120-064	7/1/15-6/30/16	4,625			9,900	9,900							257		4,568
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	9,900			2,106	2,106									9,900
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	2,106			19,381	17,007						11			2,106
Total Special Revenue Fund																21,535
Debt Service Fund:																
Debt Service Aid Type II	16-495-034-5120-017	7/1/15-6/30/16	89,777			89,777	89,777									89,847
Total State Financial Assistance																89,847
Less: On-Behalf TPAF Pension System Contributions	16-495-034-5094-007	7/1/15-6/30/16		(255,976)		1,691,984	1,699,876			2,968	(242,384)	11	2,363	23,858		2,275,569
Total State Financial Assistance							736,075									
							963,801									

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 Awards and 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 this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from 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 \$4,982 for the General Fund and \$(24,847) 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	\$	\$1,598,074	\$1,598,074
Special Revenue Fund	188,068	17,007	205,075
Debt Service Fund		89,777	89,777
Food Service Fund	<u>3,262</u>		<u>3,262</u>
Total Awards and Financial	<u>\$191,330</u>	<u>\$1,704,858</u>	<u>\$1,896,188</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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. 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, 2016. 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, 2016.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$532,859 of on-behalf payments is excluded from major program determination.

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

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: \$ 750,000

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

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

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 15-08 as applicable?? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-089/
495-034-5120-084/
495-034-5120-098/
495-034-5120-097 (B)

State Aid Cluster:
Special Education Categorical Aid/Security
Aid/PARCC Readlines Aid/Per Pupil Growth
Aid

Note: (B) – Tested as Major Type B Program.

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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, 2016**

Status of Prior Year Findings

STATE AWARDS

Finding 2016-001:

Condition

The District did not submit the Annual Report to the Board and the Executive County Superintendent by August 1.