

**SCHOOL DISTRICT OF THE  
BOROUGH OF ENGLEWOOD CLIFFS  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

School District  
of

# Englewood Cliffs

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

**Comprehensive Annual Financial Report**  
Year Ended June 30, 2017

# **Comprehensive Annual Financial Report**

**of the**

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

**Year Ended June 30, 2017**

**Prepared by**

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

# OUTLINE OF CAFR

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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

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September 26, 2017

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, 2017 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 2016-2017 fiscal year with an average daily enrollment of 525 students, which represents 21 students below 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**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2016-2017	525	-3.8
2015-2016	546	1.1
2014-2015	540	3.2
2013-2014	523	5.2
2012-2013	497	-2.4

**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 impacted 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 was responsible for bearing the cost of that tuition. The cost for 2016-2017 was actually \$765,830.40, per pupil cost of \$18,288. As of June 30, 2017, 39 students were attending the Academies at Englewood. As of September 2017, 41 students are attending the Academies at Englewood at an estimated per pupil tuition cost of \$17,638 for a total of \$723,158. 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, 2017.**

**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, Wielkocz, 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.

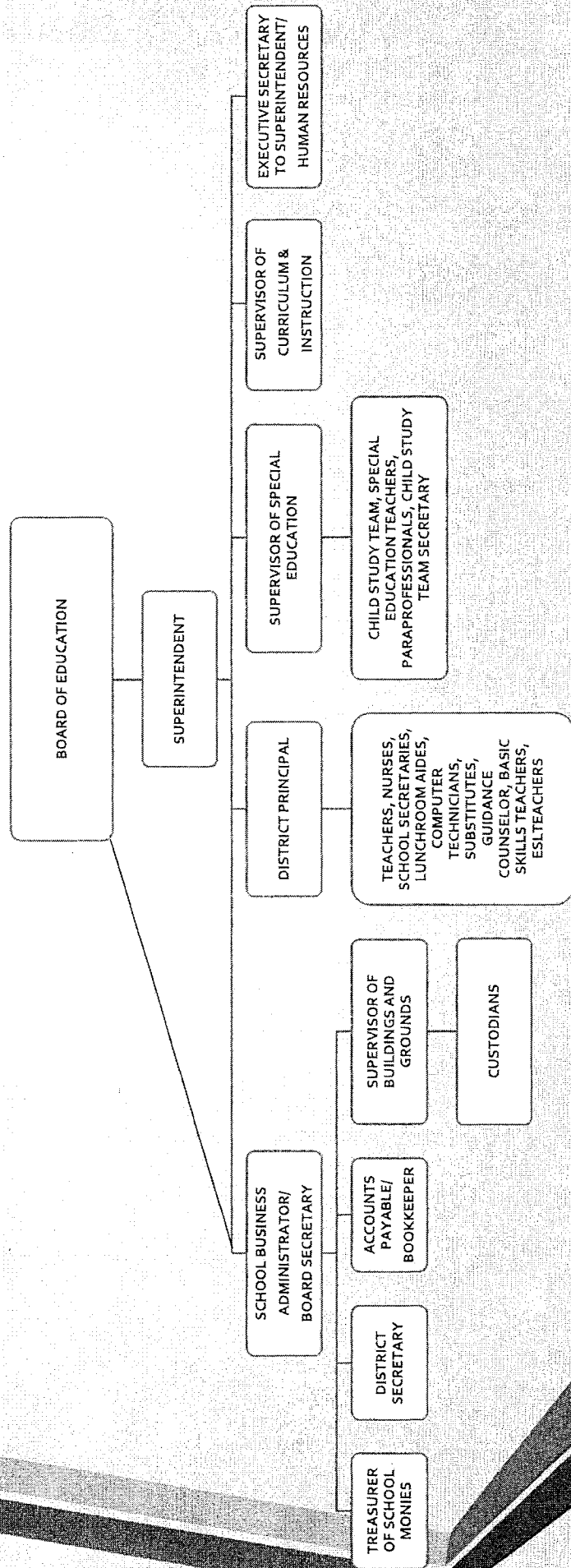
Respectfully submitted,

  
Jennifer Brower  
Superintendent of Schools

  
Sue Anne Mather  
School Business Administrator/  
Board Secretary

# ENGLEWOOD CLIFFS SCHOOL DISTRICT

## Organizational Chart



**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2017**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Frank Patti, Jr., President	2019
Marisa R. Pichigian, Vice President	2017
Eugene Chang	2017
Audrey Yon Ho Choi	2017
George Drimones	2018
Edmond Duda	2018
Shanna S. Jafri	2018
Ankur Pandya	2019
Susan Pak	2019

**Other Officials**

Jennifer Brower, Superintendent of Schools

Siobhan Tauchert, Principal

Sue Anne Mather, Board Secretary/Business Administrator

Charles A. Hangle, Treasurer of School Monies

Stephen R. Fogarty, Esq., Solicitor

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

Fogarty & Hara  
Attorneys at Law  
21-00 Route 208 South  
Fair Lawn, NJ 07410

**OFFICIAL DEPOSITORY**

Connect One Bank  
180 Sylvan Avenue  
Englewood Cliffs, NJ 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

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## 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, 2017, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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, 2017, 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.

*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 September 26, 2017 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  
Page 4.

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

September 26, 2017

**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**

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, 2017. 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 \$88,455. Net position of governmental activities increased \$69,526 and net position of business-type activity increased by \$18,929.
- General revenues accounted for \$14,962,448 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 \$321,199 or 2 percent of total revenues of \$15,283,647.
- The School District had \$15,162,209 in expenses related to governmental activities; only \$269,287 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$14,962,448 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, 2017  
(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 and Enrichment Program are reported as business activities.

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, 2017  
(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 and enrichment programs.

**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, 2017  
(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 \$1,945,080 at June 30, 2017. 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>						
Current and Other Assets	3,896,517	3,372,262	20,877	1,957	3,917,394	3,374,219
Capital Assets	<u>3,451,991</u>	<u>3,715,548</u>	_____	_____	<u>3,451,991</u>	<u>3,715,548</u>
Total Assets	<u>7,348,508</u>	<u>7,087,810</u>	<u>20,877</u>	<u>1,957</u>	<u>7,369,385</u>	<u>7,089,767</u>
<b>Deferred Outflows:</b>						
Deferred Outflows of Resources						
Related to PERS	<u>2,159,865</u>	<u>803,203</u>	_____	_____	<u>2,159,865</u>	<u>803,203</u>
Total Deferred Outflows	<u>2,159,865</u>	<u>803,203</u>	_____	_____	<u>2,159,865</u>	<u>803,203</u>
<b>Liabilities</b>						
Other Liabilities	339,151	320,574	300	309	339,451	320,883
Noncurrent Liabilities	<u>7,119,897</u>	<u>5,505,801</u>	_____	_____	<u>7,119,897</u>	<u>5,505,801</u>
Total Liabilities	<u>7,459,048</u>	<u>5,826,375</u>	<u>300</u>	<u>309</u>	<u>7,459,348</u>	<u>5,826,684</u>
<b>Deferred Inflows:</b>						
Deferred Inflows of Resources						
Related to PERS	<u>124,822</u>	<u>209,661</u>	_____	_____	<u>124,822</u>	<u>209,661</u>
Total Deferred Outflows	<u>124,822</u>	<u>209,661</u>	_____	_____	<u>124,822</u>	<u>209,661</u>
<b>Net Position</b>						
Invested in Capital Assets	1,766,991	1,794,548			1,766,991	1,794,548
Restricted	3,506,024	2,670,011			3,506,024	2,670,011
Unrestricted	<u>(3,348,512)</u>	<u>(2,609,582)</u>	<u>20,577</u>	<u>1,648</u>	<u>(3,327,935)</u>	<u>(2,607,934)</u>
Total Net Position	<u>1,924,503</u>	<u>1,854,977</u>	<u>20,577</u>	<u>1,648</u>	<u>1,945,080</u>	<u>1,856,625</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			49,029	2,658	49,029	2,658
Operating Grants and Contributions	269,287	294,852	2,883	3,262	272,170	298,114
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	12,421,223	10,963,918			12,421,223	10,963,918
Property taxes, levied for debt service	265,370	262,463			265,370	262,463
Federal and State Aid not Restricted	1,877,119	1,598,074			1,877,119	1,598,074
Tuition Received	300,427	397,699			300,427	397,699
Miscellaneous Income	<u>98,309</u>	<u>79,651</u>			<u>98,309</u>	<u>79,651</u>
Total Revenues and Transfers	<u>15,231,735</u>	<u>13,596,657</u>	<u>51,912</u>	<u>5,920</u>	<u>15,283,647</u>	<u>13,602,577</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	4,543,476	4,799,343			4,543,476	4,799,343
Special Education	1,468,399	1,463,516			1,468,399	1,463,516
Other Special Instruction	182,652	261,988			182,652	261,988
Other Instruction	24,292				24,292	0
Support Services:						
Tuition	1,973,131	977,564			1,973,131	977,564
Student & Instruction Related Services	2,225,026	2,349,989			2,225,026	2,349,989
General Administrative Services	456,753	412,375			456,753	412,375
School Administrative Services	207,811	156,652			207,811	156,652
Central Administration	347,766	271,986			347,766	271,986
Administrative Information Technology	157,717	225,784			157,717	225,784
Plant Operations and Maintenance	1,038,254	1,155,542			1,038,254	1,155,542
Pupil Transportation	906,858	798,155			906,858	798,155
Unallocated Benefits	1,205,340	311,338			1,205,340	311,338
Capital Outlay - nondepreciable	5,993	195,212			5,993	195,212
Food Service			6,141	5,090	6,141	5,090
Enrichment Program:			26,842		26,842	
Debt Service:						
Interest and Other Charges	66,864	78,190			66,864	78,190
Bond Issuance Costs	49,000				49,000	
Unallocated Depreciation	<u>302,877</u>				<u>302,877</u>	
Total Expenses	<u>15,162,209</u>	<u>13,457,634</u>	<u>32,983</u>	<u>5,090</u>	<u>15,195,192</u>	<u>13,462,724</u>
Increase or (Decrease) in						
Net Position	<u>69,526</u>	<u>139,023</u>	<u>18,929</u>	<u>830</u>	<u>88,455</u>	<u>139,853</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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 \$15,195,192. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$12,686,593 because some of the cost was paid by those who benefitted from the programs \$49,029, by other governments and organizations who subsidized certain programs with grants and contributions \$272,170, unrestricted federal and state aid \$1,877,119, tuition \$300,427, and by miscellaneous sources \$98,309.

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

- ✓ Special milk and enrichment program revenues exceeded expenses by \$18,929.
- ✓ Charges for services provided totaled \$49,029. This represents amounts paid by consumers for daily milk purchases and tuition payments.
- ✓ Federal and state reimbursement for milks served was \$2,883.

**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, 2017, 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 \$94,676 for increases in federal and state grant awards.

**General Fund**

The general fund actual revenue was \$14,694,767. That amount is \$1,443,124 above the final amended budget of \$13,251,643. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,245,974 for TPAF social security reimbursements and on-behalf pension payments, \$143,259 for additional extraordinary state aid, \$16,704 in additional other unrestricted state aid, and \$37,187 in excess miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$14,188,057 which is \$505,601 above the final amended budget of \$13,682,456. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$1,245,974 and \$740,373 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, 2017  
(CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)**

**Special Revenue Fund**

The special revenue fund actual revenue was \$178,517. That amount is above the original budget estimate of \$110,000 and below the final amended budget. The \$94,676 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 \$26,159 variance between the final amended budget and the June 30, 2017 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 \$178,517, which is above the original budget of \$110,000 and below the final amended budget. The \$94,676 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 \$26,159 variance between the final amended budget and the June 30, 2017 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 2017 the School District had \$9,322,687 invested in sites, buildings and equipment. Of this amount, \$5,870,696 in depreciation has been taken over the years. We currently have a net book value of \$3,451,991. Total additions for the year were \$61,709 for building improvements and machinery and equipment. Table 3 shows fiscal year 2017 balances compared to 2016.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Site Improvements	35,074	40,334			35,074	40,334
Buildings and Building Improvements	3,388,583	3,644,675			3,388,583	3,644,675
Machinery and Equipment	<u>28,334</u>	<u>30,539</u>	—	—	<u>28,334</u>	<u>30,539</u>
	<u>3,451,991</u>	<u>3,715,548</u>	=	=	<u>3,451,991</u>	<u>3,715,548</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**Debt Administration**

At June 30, 2017, the district had \$7,119,897 of outstanding debt. Of this amount, \$354,964 is for compensated absences, \$1,685,000 in school bonds payable, and \$5,079,933 is for the net pension liability.

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

	<u>2017</u>	<u>2016</u>
2006 School Bonds		1,921,000
2017 School Refunding Bonds	<u>1,685,000</u>	<u>                    </u>
	<u>1,685,000</u>	<u>1,921,000</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 2017-2018 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, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	678,305	20,125	698,430
Receivables, net	354,979	752	355,731
Restricted assets:			
Various reserve accounts - cash	2,863,233		2,863,233
Capital assets, net:			
Other capital assets, net	3,451,991	-	3,451,991
Total Assets	<u>7,348,508</u>	<u>20,877</u>	<u>7,369,385</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	2,159,865		2,159,865
Total Deferred Outflows	<u>2,159,865</u>	-	<u>2,159,865</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	328,205	300	328,505
Payable to state government	5,446		5,446
Unearned revenue	5,500		5,500
Noncurrent liabilities:			
Due within one year	335,000		335,000
Due beyond one year	6,784,897		6,784,897
Total liabilities	<u>7,459,048</u>	<u>300</u>	<u>7,459,348</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	124,822		124,822
Total Deferred Inflows	<u>124,822</u>	-	<u>124,822</u>
<b>NET POSITION</b>			
Invested in capital assets	1,766,991		1,766,991
Restricted for:			
Capital Projects	2,360,908		2,360,908
Debt Service	188,894		188,894
Other Purposes	956,222		956,222
Unrestricted (Deficit)	(3,348,512)	20,577	(3,327,935)
Total net position	<u>1,924,503</u>	<u>20,577</u>	<u>1,945,080</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, 2017

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:				168,969				
Regular	3,454,283	1,089,193				(4,374,507)		(4,374,507)
Special education	1,055,704	412,695				(1,468,399)		(1,468,399)
Other special instruction	131,222	51,430				(182,652)		(182,652)
Other instruction	18,769	5,523				(24,292)		(24,292)
Support services:								
Tuition	1,973,131			9,180		(1,973,131)		(1,973,131)
Student & instruction related services	1,678,622	546,404				(2,215,846)		(2,215,846)
School administrative services	149,606	58,205				(207,811)		(207,811)
General administrative services	381,901	74,852				(456,753)		(456,753)
Central services	260,806	86,960				(347,766)		(347,766)
Administrative info. tech. services	129,484	28,233				(157,717)		(157,717)
Plant operations and maintenance	880,164	158,090				(1,038,254)		(1,038,254)
Pupil transportation	879,625	27,233				(906,858)		(906,858)
Unallocated benefits	1,205,340					(1,205,340)		(1,205,340)
Capital Outlay - non-depreciable	5,993			368		(5,625)		(5,625)
Debt Services:								
Interest and other Charges	66,864			90,770		23,906		23,906
Bond Issuance Costs	49,000					(49,000)		(49,000)
Unallocated depreciation		302,877				(302,877)		(302,877)
Total governmental activities	12,320,514	2,841,695	-	269,287	-	(14,892,922)	-	(14,892,922)
Business-type activities:								
Special Milk Fund	6,141		2,094	2,883		(1,164)		(1,164)
Enrichment Program	26,842		46,935			20,093		20,093
Total business-type activities	32,983		49,029	2,883	-	18,929		18,929
Total primary government	12,353,497		49,029	272,170	-	(14,892,922)	18,929	(14,873,993)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						12,421,223		12,421,223
Property taxes, levied for debt services						265,370		265,370
Federal and State aid not restricted						1,877,119		1,877,119
Tuition						300,427		300,427
Miscellaneous income						98,309		98,309
Total general revenues, special items, extraordinary items and transfers						14,962,448		14,962,448
Change in Net Position						69,526	18,929	88,455
Net Position—beginning						1,854,977	1,648	1,856,625
Net Position—ending						1,924,503	20,577	1,945,080

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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	478,441	10,970	188,894	678,305
Receivables, interfund	11,795			11,795
Receivables, state	343,184			343,184
Receivables, federal				-
Restricted cash and cash equivalents	<u>2,863,233</u>			<u>2,863,233</u>
Total assets	<u>3,696,653</u>	<u>10,970</u>	<u>188,894</u>	<u>3,896,517</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	138,146	5,524		143,670
Payable to state government		5,446		5,446
Unearned revenue	<u>5,500</u>			<u>5,500</u>
Total liabilities	<u>143,646</u>	<u>10,970</u>	<u>-</u>	<u>154,616</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Designated for				
Subsequent Year's Expenditures	115,628			115,628
Maintenance reserve	252,325			252,325
Emergency reserve	250,000			250,000
Capital reserve account	2,360,908			2,360,908
Debt service			188,894	188,894
Assigned to:				
Other Purposes	338,269			338,269
Unassigned:				
General fund	<u>235,877</u>			<u>235,877</u>
Total Fund balances	<u>3,553,007</u>	<u>-</u>	<u>188,894</u>	<u>3,741,901</u>
Total liabilities and fund balances	<u>3,696,653</u>	<u>10,970</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 \$9,320,687 and the accumulated depreciation is \$5,868,696.	3,451,991
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	(24,540)
Accounts payable for subsequent Pension payment is not a payable in the funds	(159,995)
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	2,159,865
Deferred inflows of resources related to PERS Pension Liability	(124,822)
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>(7,119,897)</u>
Net assets of governmental activities	<u>1,924,503</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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Local tax levy	12,421,223			265,370	12,686,593
Tuition	300,427				300,427
Miscellaneous	98,160		149		98,309
Total - Local Sources	<u>12,819,810</u>	-	<u>149</u>	<u>265,370</u>	<u>13,085,329</u>
State sources	1,877,119	15,107		90,770	1,982,996
Federal sources		163,410			163,410
Total revenues	<u>14,696,929</u>	<u>178,517</u>	<u>149</u>	<u>356,140</u>	<u>15,231,735</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	3,285,314	168,969			3,454,283
Special education instruction	1,055,704				1,055,704
Other special instruction	131,222				131,222
Other instruction	18,769				18,769
Support services and undistributed costs:					
Tuition	1,973,131				1,973,131
Student & instruction related services	1,669,442	9,180			1,678,622
School administrative services	149,606				149,606
General administrative services	381,901				381,901
Central Services	260,806				260,806
Administrative information tech. services	129,484				129,484
Plant operations and maintenance	909,505				909,505
Pupil transportation	879,621				879,621
Unallocated benefits	2,059,585				2,059,585
On-behalf contributions	1,245,974				1,245,974
Capital Outlay	37,993	368			38,361
Debt Service:					
Principal				285,000	285,000
Interest and other Charges				71,140	71,140
Total expenditures	<u>14,188,057</u>	<u>178,517</u>	<u>-</u>	<u>356,140</u>	<u>14,722,714</u>
Excess (Deficiency) of revenues over expenditures	<u>508,872</u>	<u>-</u>	<u>149</u>	<u>-</u>	<u>509,021</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	149			188,894	189,043
Transfers Out			(189,043)		(189,043)
Total other financing sources and uses	<u>149</u>	<u>-</u>	<u>(189,043)</u>	<u>188,894</u>	<u>-</u>
Net change in fund balances	509,021	-	(188,894)	188,894	509,021
Fund balance—July 1	3,043,986		188,894		3,232,880
Fund balance—June 30	<u>3,553,007</u>	<u>-</u>	<u>-</u>	<u>188,894</u>	<u>3,741,901</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, 2017**

<b>Total net change in fund balances - governmental funds (from B-2)</b>		509,021
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
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.		
	Depreciation expense	(325,266)
	Depreciable Capital outlays - Fund 11	29,341
	Depreciable Capital outlays - Fund 12	<u>32,368</u>
		(263,557)
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:		
	Principal payment on serial bonds	285,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	2006 School Bonds Refunded	1,636,000
	2017 School Refunding Bonds Issued	<u>(1,685,000)</u>
		(49,000)
Bond Issuance Costs		
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.(-)		
	General Bond Obligations - Prior Year	28,816
	General Bond Obligations	<u>(24,540)</u>
		4,276
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 (+).		
	Decrease in compensated absences payable	40,078
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.		
	District Pension Contributions	152,376
	Less: Pension Expense	<u>(608,668)</u>
	(Increase)/Decrease in Pension Expense	(456,292)
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.		
	Increase in On-behalf State Aid TPAF Pension	1,975,729
	Increase in On-behalf TPAF Pension Expense	<u>(1,975,729)</u>
		<u>69,526</u>

**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	32	20,093	20,125
Accounts receivable:			
Federal	752		752
Total current assets	<u>784</u>	<u>20,093</u>	<u>20,877</u>
Noncurrent assets:			
Capital assets:			
Equipment	2,000		2,000
Less accumulated depreciation	(2,000)		(2,000)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>784</u></u>	<u><u>20,093</u></u>	<u><u>20,877</u></u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts Payable	300		300
Total current liabilities	<u>300</u>	<u>-</u>	<u>300</u>
<b><u>NET POSITION</u></b>			
Unrestricted	484	20,093	20,577
Total net position	<u><u>484</u></u>	<u><u>20,093</u></u>	<u><u>20,577</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, 2017**

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	2,094		2,094
Tuition Charges		46,935	46,935
Total operating revenues	<u>2,094</u>	<u>46,935</u>	<u>49,029</u>
Operating expenses:			
Cost of sales - reimbursable programs	6,141		6,141
Salaries and wages		22,701	22,701
Supplies and materials		4,141	4,141
Total Operating Expenses	<u>6,141</u>	<u>26,842</u>	<u>32,983</u>
Operating income (loss)	<u>(4,047)</u>	<u>20,093</u>	<u>16,046</u>
Nonoperating revenues (expenses):			
Federal sources:			
Special milk program - prior year revenue	373		373
Special milk program	2,510	-	2,510
Total nonoperating revenues (expenses)	<u>2,883</u>	<u>-</u>	<u>2,883</u>
Income (loss) before contributions & transfers	(1,164)	20,093	18,929
Change in net position	(1,164)	20,093	18,929
Total net position-beginning	<u>1,648</u>	<u>-</u>	<u>1,648</u>
Total net position—ending	<u><u>484</u></u>	<u><u>20,093</u></u>	<u><u>20,577</u></u>

**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, 2017**

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	2,094	46,935	49,029
Payments for milk purchases	(6,150)		(6,150)
Payments for salaries and wagers		(22,701)	(22,701)
Payments for supplies		(4,141)	(4,141)
Net cash provided by (used for) operating activities	<u>(4,056)</u>	<u>20,093</u>	<u>16,037</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal sources	<u>2,383</u>	-	<u>2,383</u>
Net cash provided by (used for) non-capital financing activities	<u>2,383</u>	-	<u>2,383</u>
Net increase (decrease) in cash and cash equivalents	(1,673)	20,093	18,420
Balances—beginning of year	<u>1,705</u>	-	<u>1,705</u>
Balances—end of year	<u>32</u>	<u>20,093</u>	<u>20,125</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(4,047)	20,093	16,046
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			-
Increase (decrease) in accounts payable	<u>(9)</u>		<u>(9)</u>
Total adjustments	<u>(9)</u>	-	<u>(9)</u>
Net cash provided by (used for) operating activities	<u>(4,056)</u>	<u>20,093</u>	<u>16,037</u>

**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, 2017**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	184,252
Total assets	184,252
<b>LIABILITIES</b>	
Payable to student groups	16,533
Payroll deductions and withholdings	155,924
Interfund - General Fund	11,795
Total liabilities	184,252
<b>NET POSITION</b>	
Held in trust for unemployment claims and other purposes	

**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, 2017**

	<b>Unemployment Compensation Trust Fund</b>
<b>ADDITIONS</b>	
Investment earnings:	
Interest	6
Net Investment earnings	6
Total additions	6
<b>DEDUCTIONS</b>	
Disbursed to General Fund	21,617
Total deductions	21,617
Change in net position	(21,611)
Net position - beginning of the year	21,611
Net position - end of the year	-

**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, 2017**

**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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Financial Reporting Entity” establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools and a middle school, located in the Borough of Englewood Cliffs. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District 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, 2017**

**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, 2017**

**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, 2017**

**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 and Enrichment Programs.

**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, 2017**

**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, 2017**

**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 \$130,990 required maintenance – cleaning, repair and maintenance service from prior year extraordinary aid.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**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, 2017**

**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, 2017, 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, 2017**

**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, 2017**

**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.

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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

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

**W. Recent Accounting Pronouncements:**

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 had no transactions of this type for the year ended June 30, 2017.

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.

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.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2017**

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

**W. Recent Accounting Pronouncements:(continued)**

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.

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*,

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2017**

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

**W. Recent Accounting Pronouncements:(continued)**

*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.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The District does not believe this Statement will have any effect on future financial statements.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. 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, 2017**

**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, 2017, \$-0- of the District's bank balance of \$4,372,208 was exposed to custodial credit

**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.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2017, 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	\$343,184	\$	\$343,184
Federal Aid		752	752
Interfund Receivables	<u>11,795</u>	<u>      </u>	<u>11,795</u>
Gross Receivables	354,979	752	355,731
Less: Allowance for Uncollectibles	<u>      </u>	<u>      </u>	<u>      </u>
Total Receivables, Net	<u>\$354,979</u>	<u>\$752</u>	<u>\$355,731</u>

**NOTE 5. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at June 30, 2017 consist of the following:

<u>\$11,795</u>	Due to the General Fund from the Payroll Agency Fund to transfer amounts in excess of that needed to satisfy outstanding payroll deduction liabilities.
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During the fiscal year ended June 30, 2017, the District transferred \$188,894 of unexpended bond proceeds related to Capital Projects to the Debt Service Fund and transferred \$21,617 from the Unemployment Compensation Insurance Trust Fund to the General Fund as the account is no longer needed.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
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	12,800		361,199
Buildings and Building Improvements	8,377,577	28,725		8,406,302
Machinery and Equipment	533,002	20,184		553,186
Totals at Historical Cost	<u>9,258,978</u>	<u>61,709</u>	<u>          </u>	<u>9,320,687</u>
Less Accumulated Depreciation:				
Site Improvements	(308,065)	(18,060)		(326,125)
Buildings and Improvements	(4,732,902)	(284,817)		(5,017,719)
Machinery and Equipment	<u>(502,463)</u>	<u>(22,389)</u>	<u>          </u>	<u>(524,852)</u>
Total Accumulated Depreciation	<u>(5,543,430)</u>	<u>(325,266)</u>	<u>          </u>	<u>(5,868,696)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>3,715,548</u>	<u>(263,557)</u>	<u>          </u>	<u>3,451,991</u>
Governmental Activities Capital Assets, Net	<u>\$3,715,548</u>	<u>(\$263,557)</u>	<u>\$          </u>	<u>\$3,451,991</u>
	<u>Balance 6/30/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/17</u>
<b>Business-Type Activity</b>				
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>

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2017**

**NOTE 6. CAPITAL ASSETS, (continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$3,505
Support Services:	
Instruction	14,332
School Administration	3,932
Operations	620
Buildings	18,480
Building Improvements	266,337
Land Improvements	<u>18,060</u>
Total Depreciation Expense	<u>\$325,266</u>

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the year ended June 30, 2017 were as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>	<u>Long-Term</u> <u>Portion</u>
<b>Governmental Activities:</b>						
Bonds Payable:						
General Obligation Debt	<u>\$1,921,000</u>	<u>\$1,685,000</u>	<u>(\$1,921,000)</u>	<u>\$1,685,000</u>	<u>\$335,000</u>	<u>\$1,350,000</u>
Total Bonds Payable	1,921,000	1,685,000	(1,921,000)	1,685,000	335,000	1,350,000
Other Liabilities:						
Compensated Absences Payable	395,042	8,487	(48,565)	354,964		354,964
Net Pension Liability PERS	<u>3,189,759</u>	<u>1,890,174</u>	<u>                    </u>	<u>5,079,933</u>	<u>                    </u>	<u>5,079,933</u>
Total Other Liabilities	<u>\$5,505,801</u>	<u>\$3,583,661</u>	<u>(\$1,969,565)</u>	<u>\$7,119,897</u>	<u>\$335,000</u>	<u>\$6,784,897</u>



**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)**

**A. Bonds and Loans Payable:**

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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, 2017, consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2017</u>
School Refunding Bonds	\$1,685,000	04/19/2017	1.700%	08/15/2021	<u>\$1,636,000</u>

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

2018	\$355,705	\$335,000	\$20,705
2019	350,145	330,000	20,145
2020	349,492	335,000	14,492
2021	353,713	345,000	8,713
2022	<u>342,890</u>	<u>340,000</u>	<u>2,890</u>
	<u>\$1,751,945</u>	<u>\$1,685,000</u>	<u>\$66,945</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2017 the Board had authorized but not issued bonds of \$-0-.

**C. Refunding Bonds**

On April 19, 2017, the District issued \$1,685,000 in School Refunding Bonds with an interest rate of 1.70% to refund \$1,636,000 of the \$3,956,000 school bonds dated October 18, 2006 with an interest rate of 4%. The refunding bonds will mature on August 15, 2017 through August 15, 2021 and constitute a current refunding. The net proceeds from the issuance of the school refunding bonds were used to purchase U.S. government securities and those securities were deposited with an escrow agent who paid the debt service requirements of the refunded bonds on May 24, 2017 at a redemption price equal to 100% of par.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2017**

**NOTE 8. OPERATING LEASES**

The District has entered into various operating leases for copying equipment and computers which expire in 2022. Total operating lease payments made during the year ended June 30, 2017 were \$90,532. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2018	\$16,762
June 30, 2019	16,762
June 30, 2020	4,972
June 30, 2021	1,380
June 30, 2022	<u>1,150</u>
	<u>\$41,026</u>

**NOTE 9. 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](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

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

**Benefits Provided**

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60a of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**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.

**Benefits Provided**

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>a</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

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>		
6/30/17	\$152,376	\$ -0-
6/30/16	122,164	-0-
6/30/15	125,361	-0-

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

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	NCGI	Long-Term
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Premium</u>	<u>Disability Insurance</u>
6/30/17	\$487,098	\$420,568	\$17,649	\$1,351
6/30/16	320,053	400,079	15,943	
6/30/15	192,114	326,988	13,822	

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 \$319,308 during the year ended June 30, 2017 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, 2017, the District had a liability of \$5,079,933 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016, 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 governmental entities, actuarially determined. At June 30, 2016, the District's proportion was 0.0171520092 percent, which was an increase of .00294246 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$608,658 . At June 30, 2017, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$94,471	\$
Actual investment earnings on pension plan investments	193,702	
Changes of assumptions	1,052,291	
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions	659,406	124,822
District contributions subsequent to the measurement date	<u>159,995</u>	<u>          </u>
Total	<u>\$2,159,865</u>	<u>\$124,822</u>

The \$159,995 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, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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	\$301,793
2018	301,793
2019	349,638
2020	293,747
2021	93,493

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for 2016, 2015 and 2014 amounts, respectively.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

**Additional Information**

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$8,685,338,380	\$3,578,755,666
Collective deferred inflows of resources	870,133,595	993,410,455
Collective net pension liability	29,617,131,759	22,447,996,119
District's Proportion	0.0171520092%	0.0142095476%

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases:	
Through 2016	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%



**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
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**NOTE 9. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, 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, 2016, 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, 2016		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>2.98%</u>	<u>3.98%</u>	<u>4.98%</u>
District's proportionate share of the pension liability	\$6,224,865	\$5,079,933	\$4,134,693

**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). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

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, 2017 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>33,013,111</u>
	<u>\$33,013,111</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. 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, 2016, the proportion of the TPAF net pension liability associated with the District was .0419659794%.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$2,480,476 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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. 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	7.65%

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

**Mortality Rates**

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	<u>100.00%</u>	

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 9. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuary determined 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, 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 10. 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 10. 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 11. 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 12. 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, 2017**

**NOTE 12. 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>
2016-2017	6			\$-0-
2015-2016	22		4	21,611
2014-2015	21			21,603

**NOTE 13. 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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$1,769,771
Increased by:	
Interest Earnings	3,670
Board Transfer	600,000
Refunds - Projects Cancelled	15,923
Withdrawal from Capital Reserve	<u>(28,456)</u>
Ending balance, June 30, 2017	<u>\$2,360,908</u>

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 14. 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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$251,632
Interest Earnings	<u>693</u>
Ending balance, June 30, 2017	<u>\$252,325</u>

**NOTE 15. 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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	<u>\$250,000</u>
Ending balance, June 30, 2017	<u>\$250,000</u>

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2017**

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$3,553,007 General Fund fund balance at June 30, 2017, \$338,269 is reserved for encumbrances; \$115,628 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$115,628 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2018); \$2,360,908 has been reserved in the Capital Reserve Account; \$252,325 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; and \$235,877 is unreserved and undesignated.

**Debt Service Fund:** Of the Debt Service Fund balance at June 30, 2017, \$188,894 is unreserved and undesignated.

**NOTE 17. 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, 2017 is \$115,628 of which \$-0- is the result of current year's operations and \$115,628 is prior year excess surplus.

**NOTE 18. 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 19. SUBSEQUENT EVENTS**

The Board has evaluated subsequent events through September 26, 2017, 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, 2017**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	12,421,223		12,421,223	12,421,223	
Tuition	332,750		332,750	300,427	(32,323)
Unrestricted Miscellaneous Revenues	26,650		26,650	93,797	67,147
Interest Earned on Maintenance Reserve				693	693
Interest Earned on Capital Reserve Funds	2,000		2,000	3,670	1,670
<b>Total - Local Sources</b>	<u>12,782,623</u>		<u>12,782,623</u>	<u>12,819,810</u>	<u>37,187</u>
Revenues from State Sources:					
Categorical Special Education Aid	232,059		232,059	232,059	
Categorical Security Aid	8,968		8,968	8,968	
Categorical Transportation Aid	42,818		42,818	42,818	
PARCC Readiness Aid	5,780		5,780	5,780	
Per Pupil Growth	5,780		5,780	5,780	
Professional Learning Community Aid	5,840		5,840	5,840	
Extraordinary Aid	167,775		167,775	311,034	143,259
Other Unrestricted State Aid - NonPublic Transportation Aid				16,704	16,704
On-behalf TPAF Post-Retirement Medical (non-budgeted)				420,568	420,568
On-behalf TPAF Pension (non-budgeted)				487,098	487,098
On-behalf TPAF NCGI Premium (non-budgeted)				17,649	17,649
On-behalf TPAF LTDI (non-budgeted)				1,351	1,351
Reimbursed TPAF Social Security Contributions (non-budgeted)				319,308	319,308
<b>Total - State Sources</b>	<u>469,020</u>		<u>469,020</u>	<u>1,874,957</u>	<u>1,405,937</u>
<b>TOTAL REVENUES</b>	<u>13,251,643</u>		<u>13,251,643</u>	<u>14,694,767</u>	<u>1,443,124</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	230,329	84,753	315,082	315,082	
Grades 1-5 - Salaries of Teachers	1,714,287	(224,074)	1,490,213	1,488,013	2,200
Grades 6-8 - Salaries of Teachers	911,889	56,139	968,028	959,909	8,119
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers		1,159	1,159	1,159	
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction		1,600	1,600	1,400	200
Purchased Professional-Educational Services	7,637	2,000	9,637	8,097	1,540
Purchased Technical Services	22,674	(4,005)	18,669	17,684	985
Other Purchased Services (400-500 series)	170,711	34,353	205,064	204,654	410
General Supplies	176,719	102,929	279,648	255,177	24,471
Textbooks	18,099	173,022	191,121	13,831	177,290
Other Objects	27,219	(6,832)	20,387	20,308	79
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>3,279,564</u>	<u>221,044</u>	<u>3,500,608</u>	<u>3,285,314</u>	<u>215,294</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	704,422	92,748	797,170	794,584	2,586
General Supplies		954	954	954	
Other Salaries for Instruction		85	85	85	
<b>Total Resource Room/Resource Center</b>	<u>704,422</u>	<u>93,787</u>	<u>798,209</u>	<u>795,623</u>	<u>2,586</u>
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	143,295	2,960	146,255	146,255	
Other Salaries for Instruction	66,316	43,139	109,455	109,455	
General Supplies	1,500	(379)	1,121	1,121	
<b>Total Preschool Disabilities - Full-Time</b>	<u>211,111</u>	<u>45,720</u>	<u>256,831</u>	<u>256,831</u>	
<b>Home Instruction</b>					
Purchased Professional-Education Services		3,250	3,250	3,250	
<b>Total Home Instruction</b>		<u>3,250</u>	<u>3,250</u>	<u>3,250</u>	
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>915,533</u>	<u>142,757</u>	<u>1,058,290</u>	<u>1,055,704</u>	<u>2,586</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	76,560	(37,765)	38,795	38,795	
General Supplies	500	(314)	186	186	
<b>Total Basic Skills/Remedial - Instruction</b>	<u>77,060</u>	<u>(38,079)</u>	<u>38,981</u>	<u>38,981</u>	

Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	89,744	2,770	92,514	92,024	490
General Supplies	500	(283)	217	217	
<b>Total Bilingual Education - Instruction</b>	<u>90,244</u>	<u>2,487</u>	<u>92,731</u>	<u>92,241</u>	<u>490</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries		14,068	14,068	14,068	
Supplies and Materials	6,000	(660)	5,340	4,578	762
Other Objects		123	123	123	
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>6,000</u>	<u>13,531</u>	<u>19,531</u>	<u>18,769</u>	<u>762</u>
<b>TOTAL INSTRUCTION</b>	<u>4,368,401</u>	<u>341,740</u>	<u>4,710,141</u>	<u>4,491,009</u>	<u>219,132</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	804,672	(32,720)	771,952	765,830	6,122
Tuition to Other LEAs Within the State - Special	418,887	(15,317)	403,570	403,569	1
Tuition to County Voc. School Dist. - Regular	347,490	(17,820)	329,670	322,790	6,880
Tuition to County Voc. School Dist. - Special	68,376		68,376	68,376	
Tuition to CSSD & Regional Day Schools	138,280	21,820	160,100	160,100	
Tuition to Private Schools for the Handicapped - Within State	336,425	(62,023)	274,402	252,466	21,936
Tuition to Priv Sch Disabled&Oth Lea's Spl,O/S St	52,428	(51,716)	712		712
<b>Total Undistributed Expenditures - Instruction:</b>	<u>2,166,558</u>	<u>(157,776)</u>	<u>2,008,782</u>	<u>1,973,131</u>	<u>35,651</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Purchased Professional and Technical Services	6,850	3,456	10,306	10,306	
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>6,850</u>	<u>3,456</u>	<u>10,306</u>	<u>10,306</u>	
<b>Undist. Expend. - Health Services</b>					
Salaries	139,290	3,015	142,305	141,400	905
Purchased Professional and Technical Services	3,541	(263)	3,278	808	2,470
Other Purchased Services (400-500 series)		55	55	55	
Supplies and Materials	8,198	7,945	16,143	5,685	10,458
<b>Total Undistributed Expenditures - Health Services</b>	<u>151,029</u>	<u>10,752</u>	<u>161,781</u>	<u>147,948</u>	<u>13,833</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries	90,477	891	91,368	91,368	
Purchased Prof. Services-Educational Services	290,883	(57,056)	233,827	179,026	54,801
Supplies and Materials	3,600		3,600	2,322	1,278
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<u>384,960</u>	<u>(56,165)</u>	<u>328,795</u>	<u>272,716</u>	<u>56,079</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Extra. Serv.</b>					
Salaries	519,026	(82,557)	436,469	435,469	1,000
Purchased Prof. Services-Educational Services	4,000	10,303	14,303	13,253	1,050
Other Objects	7,000	(5,434)	1,566	780	786
<b>Total Undist. Expend. -Other Supp. Serv. Students-Extra. Serv.</b>	<u>530,026</u>	<u>(77,688)</u>	<u>452,338</u>	<u>449,502</u>	<u>2,836</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	153,951	(90,738)	63,213	63,213	
Other Purchased Services (400-500 series)	1,200		1,200	149	1,051
Supplies and Materials	3,500	2,000	5,500	322	5,178
<b>Total Undist. Expend. - Guidance</b>	<u>158,651</u>	<u>(88,738)</u>	<u>69,913</u>	<u>63,684</u>	<u>6,229</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	247,382	4,143	251,525	249,767	1,758
Salaries of Secretarial and Clerical Assistants	48,614	(499)	48,115	48,115	
Purchased Prof. Services-Educational Services	13,696	2,593	16,289	5,163	11,126
Other Purchased Prof. and Tech Services	52,420	(194)	52,226	36,485	15,741
Misc. Pur Services (400-500 Series O/than Resid Costs)	5,650	(340)	5,310	2,407	2,903
Supplies and Materials	8,800	790	9,590	9,498	92
Other Objects	1,225	(43)	1,182	1,070	112
<b>Total Undist. Expend. - Child Study Teams</b>	<u>377,787</u>	<u>6,450</u>	<u>384,237</u>	<u>352,505</u>	<u>31,732</u>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	94,091	81,710	175,801	175,801	
Salaries of Other Professional Staff		2,520	2,520	2,520	
Purchased Prof. Services-Educational Services		15,707	15,707	13,397	2,310
Supplies and Materials		236	236	236	
Other Objects		969	969	969	
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<u>94,091</u>	<u>101,142</u>	<u>195,233</u>	<u>192,923</u>	<u>2,310</u>

Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	67,370	1,720	69,090	69,080	10
Salaries of Technology Coordinators	117,642	(39,040)	78,602	78,602	
Purchased Professional and Technical Services	8,535	9,924	18,459	13,246	5,213
Other Purch Services (400-500)	900		900	156	744
Supplies and Materials	5,440	6,000	11,440	3,637	7,803
Other Objects	885		885	65	820
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>200,772</b>	<b>(21,396)</b>	<b>179,376</b>	<b>164,786</b>	<b>14,590</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	1,340	12,398	13,738	13,618	120
Other Purchased Services (400-500 series)	7,000	(4,566)	2,434	1,454	980
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>8,340</b>	<b>7,832</b>	<b>16,172</b>	<b>15,072</b>	<b>1,100</b>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	203,720	12,185	215,905	190,669	25,236
Legal Services	110,000	22,809	132,809	110,488	22,321
Audit Fees	41,000		41,000	20,000	21,000
Architectural/Engineering Services	15,000	165	15,165	15,165	
Other Purchased Professional Services	1,000	(245)	755	750	5
Communications/Telephone	21,691	1,035	22,726	15,519	7,207
BOE Other Purchased Services		99	99	99	
Misc. Purch Services (400-500 Series)	16,571	4,901	21,472	16,564	4,908
General Supplies	2,500	1,558	4,058	1,517	2,541
BOE In House Training/Meeting Supplies	300	34	334	234	100
Misc. Expenditures	3,954	(131)	3,823	1,095	2,728
BOE Membership Dues and Fees	9,670	131	9,801	9,801	
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>425,406</b>	<b>42,541</b>	<b>467,947</b>	<b>381,901</b>	<b>86,046</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals		39,917	39,917	39,917	
Salaries of Secretarial and Clerical Assistants	97,940	601	98,541	98,331	210
Other Purchased Services (400-500 series)	2,550	149	2,699	2,506	193
Supplies and Materials	7,954	24	7,978	7,483	495
Other Objects	2,000	(631)	1,369	1,369	
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>110,444</b>	<b>40,060</b>	<b>150,504</b>	<b>149,606</b>	<b>898</b>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	194,310	32,140	226,450	221,510	4,940
Purchased Professional Services	40,800	18,766	59,566	30,929	28,637
Purchased Technical Services	4,000	4,785	8,785	3,785	5,000
Misc. Pur Services (400-500 Series)	1,102	4,187	5,289	1,528	3,761
Supplies and Materials	5,300	7,645	12,945	1,589	11,356
Other Objects		1,465	1,465	1,465	
Miscellaneous Expenditures	1,150	(1,150)			
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<b>246,662</b>	<b>67,838</b>	<b>314,500</b>	<b>260,806</b>	<b>53,694</b>
<b>Undist. Expend. -Admin. Info. Tech</b>					
Salaries	122,423	(35,949)	86,474	71,917	14,557
Purchased Professional Services	2,350	5,000	7,350	2,350	5,000
Purchased Technical Services	53,398	18,386	71,784	54,329	17,455
Supplies and Materials	10,500	288	10,788	888	9,900
<b>Total Undist. Expend. - Admin. Info. Tech</b>	<b>188,671</b>	<b>(12,275)</b>	<b>176,396</b>	<b>129,484</b>	<b>46,912</b>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Cleaning, Repair and Maintenance Services	74,319	94,763	169,082	111,293	57,789
General Supplies	12,500	17,433	29,933	27,184	2,749
Other Objects	684	364	1,048	1,048	
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>87,503</b>	<b>112,560</b>	<b>200,063</b>	<b>139,525</b>	<b>60,538</b>
<b>Undist. Expend. - Custodial Services (262)</b>					
Salaries	294,767	10,231	304,998	304,998	
Cleaning, Repair and Maintenance Services	13,415	42,814	56,229	52,887	3,342
Other Purchased Property Services	11,204	(2,014)	9,190	9,190	
Insurance	48,195	(8,204)	39,991	39,991	
Miscellaneous Purchased Services	2,500	(2,292)	208	208	
General Supplies	38,945	5,853	44,798	43,827	971
Energy (Energy and Electricity)	97,050	(2,200)	94,850	91,782	3,068
Other Objects		1,112	1,112	1,055	57
Salaries of Non-Instructional Aides	75,600	(19,524)	56,076	56,076	
Energy (Natural Gas)	62,445	(13,087)	49,358	49,072	286
<b>Total Undist. Expend. - Custodial Services (262)</b>	<b>644,121</b>	<b>12,689</b>	<b>656,810</b>	<b>649,086</b>	<b>7,724</b>

Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Cleaning, Repair and Maintenance Services	22,250	(95)	22,155	22,155	
General Supplies	7,100	(2,957)	4,143	4,122	21
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<u>29,350</u>	<u>(3,052)</u>	<u>26,298</u>	<u>26,277</u>	<u>21</u>
<b>Undist. Expend. - Security</b>					
Salaries	42,710	(2,528)	40,182	40,041	141
Cleaning, Repair and Maintenance Services	34,556	501	35,057	35,053	4
General Supplies	17,170	2,473	19,643	19,523	120
<b>Total Undist. Expend. - Security</b>	<u>94,436</u>	<u>446</u>	<u>94,882</u>	<u>94,617</u>	<u>265</u>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries of Non-Instructional Aides	50,600	5,360	55,960	55,160	800
Sal. For Pupil Trans (Bet Home & Sch)-Reg	13,730	480	14,210	14,210	
Contr Serv. (Bet. Home and Sch) Vendors	15,000		15,000	13,502	1,498
Contr Serv. (Oth than Bet. Home and Sch)-Vendors	14,304	121	14,425	11,729	2,696
Contr Serv. (Bet. Home & Sch) Joint Agrmnts	445,995	5,392	451,387	447,938	3,449
Contract Serv. (Sp Ed Stds)-Joint Agrmnts	266,875	14,224	281,099	275,732	5,367
Contract Serv.-Aid in Lieu Pymts-NonPub Sch	72,930	(3,900)	69,030	61,350	7,680
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>879,434</u>	<u>21,677</u>	<u>901,111</u>	<u>879,621</u>	<u>21,490</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	137,700	10,534	148,234	148,234	
Other Retirement Contributions-PERS	160,000	(5,334)	154,666	153,800	866
Other Retirement Contributions-Regular		2,985	2,985	2,985	
Unused Vacation Payment to Term/Retired Staff		50,000	50,000	25,000	25,000
Unemployment Compensation	25,500	3,070	28,570	25,891	2,679
Workmen's Compensation	86,010	(12,756)	73,254	73,254	
Health Benefits	1,828,870	(197,688)	1,631,182	1,589,767	41,415
Tuition Reimbursement	26,000	(2,665)	23,335	20,800	2,535
Other Employee Benefits	97,813	(74,661)	23,152	19,854	3,298
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>2,361,893</u>	<u>(226,515)</u>	<u>2,135,378</u>	<u>2,059,585</u>	<u>75,793</u>
On-behalf TPAF Post-Retirement Medical (non-budgeted)				420,568	420,568
On-behalf TPAF Pension (non-budgeted)				487,098	487,098
On-behalf TPAF NCGI Premium (non-budgeted)				17,649	17,649
On-behalf TPAF - LTDI				1,351	1,351
Reimbursed TPAF Social Security Contributions (non-budgeted)				319,308	319,308
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>1,245,974</u>	<u>(1,245,974)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>2,361,893</u>	<u>(226,515)</u>	<u>2,135,378</u>	<u>3,305,559</u>	<u>(1,170,181)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>9,146,984</u>	<u>(216,162)</u>	<u>8,930,822</u>	<u>9,659,055</u>	<u>(728,233)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>13,515,385</u>	<u>125,578</u>	<u>13,640,963</u>	<u>14,150,064</u>	<u>(509,101)</u>
<b>Equipment</b>					
<b>Undist. Expenditures:</b>					
Admin Info Tech		7,412	7,412	7,412	
<b>Total Undist. Expend.</b>		<u>7,412</u>	<u>7,412</u>	<u>7,412</u>	
<b>Facilities Acquisition and Construction Services</b>					
Construction Services		28,456	28,456	24,956	3,500
Assessment for Debt Service on SDA Funding	5,625		5,625	5,625	
Capital Projects - Interest on Investments	2,000	(2,000)			
Capital Reserve - Transfer to Capital Projects	28,456	(28,456)			
<b>Total Facilities Acquisition and Construction Services</b>	<u>36,081</u>	<u>(2,000)</u>	<u>34,081</u>	<u>30,581</u>	<u>3,500</u>
<b>Interest Deposit to Capital Reserve</b>					
<b>TOTAL CAPITAL OUTLAY</b>	<u>36,081</u>	<u>5,412</u>	<u>41,493</u>	<u>37,993</u>	<u>3,500</u>
<b>TOTAL EXPENDITURES</b>	<u>13,551,466</u>	<u>130,990</u>	<u>13,682,456</u>	<u>14,188,057</u>	<u>(505,601)</u>

Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(299,823)	(130,990)	(430,813)	506,710	937,523
<b>Other Financing Sources/(Uses):</b>					
Transfers In:					
Interest earned - Capital Projects Fund				149	(149)
<b>Total Other Financing Sources/(Uses):</b>				149	(149)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(299,823)	(130,990)	(430,813)	506,859	937,374
<b>Fund Balance, July 1</b>	3,067,844		3,067,844	3,067,844	730,718
<b>Fund Balance, June 30</b>	<u>2,768,021</u>	<u>(130,990)</u>	<u>2,637,031</u>	<u>3,574,703</u>	<u>1,668,092</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(205,733)		(205,733)	(205,733)	
Increase:					
Capital Reserve - Principal				600,000	(600,000)
Capital Reserve - Interest				3,670	(3,670)
Maintenance Reserve - Interest				693	(693)
Withdrawal from Capital Reserve				(28,456)	
Budgeted Fund Balance	(94,090)	(130,990)	(225,080)	136,685	1,541,737
	<u>(299,823)</u>	<u>(130,990)</u>	<u>(430,813)</u>	<u>506,859</u>	<u>937,374</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Designated for Subsequent Years' Expenditures				115,628	
Capital Reserve				2,360,908	
Maintenance Reserve				252,325	
Emergency Reserve				250,000	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				338,269	
<b>Unassigned Fund Balance:</b>				<u>257,573</u>	
				3,574,703	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				21,696	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>3,553,007</u>	

**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	110,000	15,453	15,453	15,107	(346)
Federal Sources		79,223	189,223	163,410	(25,813)
<b>Total Revenues</b>	<b>110,000</b>	<b>94,676</b>	<b>204,676</b>	<b>178,517</b>	<b>(26,159)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Other Purchased Services (400-500 Series)	110,000	28,336	138,336	138,336	-
General Supplies		50,887	50,887	26,319	24,568
Textbooks		4,323	4,323	4,314	9
<b>Total instruction</b>	<b>110,000</b>	<b>83,546</b>	<b>193,546</b>	<b>168,969</b>	<b>24,577</b>
<b>Support services:</b>					
Miscellaneous Purchased Services	-	9,180	9,180	9,180	-
<b>Total support services</b>	<b>-</b>	<b>9,180</b>	<b>9,180</b>	<b>9,180</b>	<b>-</b>
<b>Facilities acquisition and constuction services:</b>					
Instructional Equipment		1,950	1,950	368	1,582
<b>Total facilities acquisition and constuction services</b>	<b>-</b>	<b>1,950</b>	<b>1,950</b>	<b>368</b>	<b>1,582</b>
<b>Total Expenditures</b>	<b>110,000</b>	<b>94,676</b>	<b>204,676</b>	<b>178,517</b>	<b>26,159</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**Fiscal Year Ended June 30, 2017**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1],[C-2]	14,694,767	178,517
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.			
		23,858	
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)			
		(21,696)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.			
	[B-2]	14,696,929	178,517
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	14,188,057	178,517
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds			
	[B-2]	14,188,057	178,517

**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 Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0152065979%	\$ 2,847,091	\$ 1,080,524	263.49%	52.08%
2016	0.0142095476%	\$ 5,079,933	\$ 1,180,020	430.50%	47.93%
2017	0.0171520092%	\$ 5,079,933	\$ 1,182,605	429.55%	40.14%

\* 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%
2017	152,376	(152,376)	-	\$ 1,182,605	12.88%

\* 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%
2017	0.0419659794%	-	33,013,111	4,507,810	0.00%	22.33%

\* 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, 2017**

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 (4.90%) to the current measurement date (3.29%), resulting in a change in the discount rate from 4.90% to 3.98%. 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 (3.80%) to the current measurement date (2.85%), resulting in a change in the discount rate from 4.68% to 3.22%. 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 BORD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2017

	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 Technology Aid	N.J. Nonpublic Security Aid	Totals 2017
<b>REVENUES</b>										
State Sources	8,401	14,671	16,673	119,189	4,476	4,314	9,180	368	1,245	15,107
Federal Sources										163,410
<b>Total Revenues</b>	<b>8,401</b>	<b>14,671</b>	<b>16,673</b>	<b>119,189</b>	<b>4,476</b>	<b>4,314</b>	<b>9,180</b>	<b>368</b>	<b>1,245</b>	<b>178,517</b>
<b>EXPENDITURES:</b>										
<b>Instruction:</b>										
Other Purchased Services (400-500 series)		14,671	16,673	119,189	4,476				1,245	138,336
General Supplies						4,314				26,319
Textbooks										4,314
<b>Total Instruction</b>	<b>8,401</b>	<b>14,671</b>	<b>16,673</b>	<b>119,189</b>	<b>4,476</b>	<b>4,314</b>	<b>-</b>	<b>-</b>	<b>1,245</b>	<b>168,969</b>
<b>Support Services:</b>										
Miscellaneous Purchased Services							9,180			9,180
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,180</b>	<b>-</b>	<b>-</b>	<b>9,180</b>
<b>Facilities acquisition and const. serv.:</b>										
Instructional Equipment								368		368
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368</b>	<b>-</b>	<b>368</b>
<b>Total Expenditures</b>	<b>8,401</b>	<b>14,671</b>	<b>16,673</b>	<b>119,189</b>	<b>4,476</b>	<b>4,314</b>	<b>9,180</b>	<b>368</b>	<b>1,245</b>	<b>178,517</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FIDUCIARY 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, 2017**

**Revenues**

Interest on Investments	149
	149

**Expenditures**

Transfer to General Fund	149
	149

Excess (deficiency) of revenues over (under) expenditures	-
---	---

**Other Financing Sources(Uses)**

Transfers out - Unexpended Proceeds to Debt Service Fund	(188,894)
	(188,894)

Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	(188,894)
--	-----------

Fund balance - beginning	188,894
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Fund balance - ending	-
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**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
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>
<b>Expenditures</b>				
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>
<b>Other Financing Sources(Uses)</b>				
Cancelled - Transfer to General Fund		(114,707)	(114,707)	(114,707)
Transfers out - Northcliff School Renovation Project	(150,000)		(150,000)	(150,000)
	<u>(150,000)</u>	<u>(114,707)</u>	<u>(264,707)</u>	<u>(264,707)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>114,707</u>	<u>(114,707)</u>	<u>-</u>	<u>(114,707)</u>
<b>Additional project information:</b>				
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
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>
<b>Expenditures</b>				
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>
<b>Other Financing Sources(Uses)</b>				
Cancelled - Transferred to General Fund		(74,187)	(74,187)	(74,187)
Transfers in - Upper School Renovation Project	150,000		150,000	150,000
	<u>150,000</u>	<u>(74,187)</u>	<u>75,813</u>	<u>75,813</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>74,187</u>	<u>(74,187)</u>	<u>-</u>	<u>(74,187)</u>
<b>Additional project information:</b>				
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, 2017

Project Title/Issue	Date	Appropriations	Expenditures to Date		Cancelled	Unexpended Balance June 30, 2017
			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>	<u>-</u>
<i>Analysis</i>						
		<u>Project Balance - June 30, 2017</u>				
		<u>Unfunded Authorizations</u>				
		Fund Balance (Deficit) - June 30, 2017				
		<u>-</u>				

**PROPRIETARY FUNDS**

**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2017**

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	32	20,093	20,125
Accounts receivable:			
Federal	752		752
Total current assets	<u>784</u>	<u>20,093</u>	<u>20,877</u>
Noncurrent assets:			
Capital assets:			
Equipment	2,000		2,000
Less accumulated depreciation	<u>(2,000)</u>		<u>(2,000)</u>
Total capital assets (net of accumulated depreciation)			
Total assets	<u>784</u>	<u>20,093</u>	<u>20,877</u>
<b>LIABILITIES</b>			
Current liabilities:			
Account payable	<u>300</u>		<u>300</u>
Total current liabilities	<u>300</u>		<u>300</u>
<b>NET POSITION</b>			
Unrestricted	<u>484</u>	<u>20,093</u>	<u>20,577</u>
Total net position	<u>484</u>	<u>20,093</u>	<u>20,577</u>



**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2017**

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	2,094		2,094
Tuition Charges		46,935	46,935
Total operating revenues	<u>2,094</u>	<u>46,935</u>	<u>49,029</u>
Operating expenses:			
Cost of sales - reimbursable programs	6,141		6,141
Salaries and wages		22,701	22,701
Supplies and materials		4,141	4,141
Total Operating Expenses	<u>6,141</u>	<u>26,842</u>	<u>32,983</u>
Operating income (loss)	<u>(4,047)</u>	<u>20,093</u>	<u>16,046</u>
Nonoperating revenues (expenses):			
Federal sources:			
Special milk program - prior year revenue	373		373
Special milk program	2,510	-	2,510
Total nonoperating revenues (expenses)	<u>2,883</u>	<u>-</u>	<u>2,883</u>
Income (loss) before contributions & transfers	(1,164)	20,093	18,929
Change in net position	(1,164)	20,093	18,929
Total net position—beginning	<u>1,648</u>	<u>-</u>	<u>1,648</u>
Total net position—ending	<u><u>484</u></u>	<u><u>20,093</u></u>	<u><u>20,577</u></u>

**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2017**

	<b>Special Milk Program</b>	<b>Enrichment Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	2,094	46,935	49,029
Payments for milk purchases	(6,150)		(6,150)
Payments for Salaries and Wages		(22,701)	(22,701)
Payments for supplies		(4,141)	(4,141)
Net cash provided by (used for) operating activities	(4,056)	20,093	16,037
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal sources	2,383		2,383
Net cash provided by (used for) non-capital financing activities	2,383	-	2,383
Net increase (decrease) in cash and cash equivalents	(1,673)	20,093	18,420
Balances—beginning of year	1,705	-	1,705
Balances—end of year	32	20,093	20,125
<b>Reconciliation of operating income (loss) to net cash provided</b>			
<b>(used) by operating activities:</b>			
Operating income (loss)	(4,047)	20,093	16,046
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Increase (decrease) in accounts payable	(9)		(9)
Total adjustments	(9)	-	(9)
Net cash provided by (used for) operating activities	(4,056)	20,093	16,037

**FIDUCIARY FUND**

**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	184,252
Total assets	<u>184,252</u>
 <b>LIABILITIES</b>	
Payable to student groups	16,533
Payroll deductions and withholdings	155,924
Interfund - General Fund	<u>11,795</u>
Total liabilities	<u>184,252</u>
 <b>NET POSITION</b>	
Held in trust for unemployment claims and other purposes	

**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2017**

	<b>Unemployment Compensation Trust Fund</b>
<b>ADDITIONS</b>	
Investment earnings:	
Interest	6
Net investment earnings	6
Total additions	6
 <b>DEDUCTIONS</b>	
Disbursed to General Fund	21,617
Total deductions	21,617
Change in net position	(21,611)
Net position—beginning of the year	21,611
Net position—end of the year	-

**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2017</u>
Upper School	<u>6,987</u>	<u>113,188</u>	<u>103,642</u>	<u>16,533</u>
Total All Schools	<u><u>6,987</u></u>	<u><u>113,188</u></u>	<u><u>103,642</u></u>	<u><u>16,533</u></u>

**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2017</u>
Interfund Payable - General Fund		11,795		11,795
Net Payroll	6,125	3,868,094	3,867,546	6,673
Flexible Spending Account	5,964	11,010	9,935	7,039
Payroll Deductions and Withholdings	26,932	3,305,598	3,317,797	14,733
Summer Pay	169,368	127,702	169,591	127,479
	<u>208,389</u>	<u>7,324,199</u>	<u>7,364,869</u>	<u>167,719</u>

**LONG-TERM DEBT**



**ENGLEWOOD CLIFFS BORD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2017**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
Improvement to School Facilities	10/18/2006	3,956,000				\$ 1,921,000		1,921,000	-
School Refunding Bonds	4/19/2017	1,685,000	8/15/2017	335,000	1.700%		1,685,000		1,685,000
			8/15/2018	330,000	1.700%				
			8/15/2019	335,000	1.700%				
			8/15/2020	345,000	1.700%				
			8/15/2021	340,000	1.700%				
						\$ 1,921,000	1,685,000	1,921,000	1,685,000

Budget Appropriation 285,000.00  
 Refunded 1,636,000.00  
 \$ 1,921,000.00

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	265,370		265,370	265,370	-
State Sources:					
Debt Service Aid Type II	90,770		90,770	90,770	-
Total - State Sources	90,770	-	90,770	90,770	-
<b>Total Revenues</b>	<b>356,140</b>	<b>-</b>	<b>356,140</b>	<b>356,140</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	71,140		71,140	71,140	-
Redemption of Principal	285,000		285,000	285,000	-
Total Regular Debt Service	356,140	-	356,140	356,140	-
<b>Total expenditures</b>	<b>356,140</b>	<b>-</b>	<b>356,140</b>	<b>356,140</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Operating Transfers In:					
Unexpended Bond Proceeds	-	-	-	188,894	188,894
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	188,894	188,894
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	-	-	-	188,894	188,894
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	-	-	-	-	-

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### **Introduction to the Statistical Section**

#### **Financial Trends**

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- J-2 Changes in Net Assets/Position
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- J-4 Changes in Fund Balances - Governmental Funds
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#### **Revenue Capacity**

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

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- J-16 Full-time Equivalent District Employees by Function/Program
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## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> 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.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> 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.	<b>J-16 to J-20</b>
<b>Sources:</b> 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)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	565,201	954,712	906,819	830,387	793,040	1,615,883	1,773,540	1,837,957	1,794,548	1,766,991
Restricted	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	3,506,024
Unrestricted	(10,418)	(137,414)	(113,289)	134,469	510,458	632,696	203,416	(2,540,549)	(2,609,582)	(3,348,512)
<b>Total governmental activities net assets/position</b>	<b>\$ 2,764,010</b>	<b>\$ 2,739,689</b>	<b>\$ 2,257,703</b>	<b>\$ 3,099,347</b>	<b>\$ 3,542,688</b>	<b>\$ 4,676,424</b>	<b>\$ 4,438,598</b>	<b>\$ 1,715,954</b>	<b>\$ 1,854,977</b>	<b>\$ 1,924,503</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 867	\$ 734	\$ 468	\$ 335	\$ 202	\$ 69				
Restricted	(4,566)	2,020	1,898	2,168	658	801	734	818	1,648	20,577
Unrestricted	(3,699)	2,754	2,366	2,503	860	870	734	818	1,648	20,577
<b>Total business-type activities net assets/position</b>	<b>\$ (3,699)</b>	<b>\$ 2,754</b>	<b>\$ 2,366</b>	<b>\$ 2,503</b>	<b>\$ 860</b>	<b>\$ 870</b>	<b>\$ 734</b>	<b>\$ 818</b>	<b>\$ 1,648</b>	<b>\$ 20,577</b>
<b>District-wide</b>										
Invested in capital assets	\$ 566,068	\$ 955,446	\$ 907,287	\$ 830,722	\$ 793,242	\$ 1,615,952	\$ 1,773,540	\$ 1,837,957	\$ 1,794,548	\$ 1,766,991
Restricted	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	3,506,024
Unrestricted	(14,984)	(135,394)	(111,391)	136,637	511,116	633,497	204,150	(2,539,731)	(2,607,934)	(3,327,935)
<b>Total district net assets/position</b>	<b>\$ 2,760,311</b>	<b>\$ 2,742,443</b>	<b>\$ 2,260,069</b>	<b>\$ 3,101,850</b>	<b>\$ 3,543,548</b>	<b>\$ 4,677,294</b>	<b>\$ 4,439,332</b>	<b>\$ 1,716,772</b>	<b>\$ 1,856,625</b>	<b>\$ 1,945,080</b>

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)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 4,543,476
Special education	781,634	914,296	938,425	790,833	895,930	1,053,436	1,109,731	1,438,502	1,463,516	1,468,399
Other special education	418,247	389,607	351,347	313,486	324,632	375,651	311,881	285,924	261,988	182,652
Other instruction	11,683	23,818	8,200	6,086	4,770	10,599	4,758	9,440		24,292
Support Services:										
Tuition	803,250	771,104	880,430	964,637	824,430	729,025	669,693	717,668	977,564	1,973,131
Student & instruction related services	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	2,225,026
School Administrative Services	204,530	235,783	238,937	207,911	227,004	388,293	157,084	158,185	156,652	207,811
General administration	322,250	304,905	323,998	357,097	341,793	223,647	349,291	409,541	412,375	456,753
Central Services	212,192	187,831	209,248	228,384	245,691	257,900	317,435	354,589	271,986	347,766
Administrative information technology	12,774	19,213	21,929	30,941	59,610	101,899	81,329	181,306	225,784	157,717
Plant Operations and Maintenance	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	1,038,254
Pupil transportation	661,560	610,228	744,457	655,508	685,340	776,161	691,206	755,696	798,155	906,858
Other support services										
Allocated benefits										
Unallocated benefits	1,074,589	565,544	619,163	726,604	881,060	728,928	762,093	959,116	311,338	1,205,340
On-behalf Contributions										
Prior Year Encumbrances										
Capital Outlay - non-depreciable	2,250			48,336	110,260	4,203	322,369	95,291	195,212	5,993
Debt Services:										
Interest and other charges	147,758	140,492	132,850	124,835	109,233	108,231	100,548	93,510	78,190	66,864
Bond Issuance Costs										49,000
Unallocated depreciation	119,411									302,877
<b>Total governmental activities expenses</b>	<b>10,425,474</b>	<b>10,821,785</b>	<b>11,629,746</b>	<b>10,217,212</b>	<b>10,952,149</b>	<b>11,410,619</b>	<b>12,507,496</b>	<b>13,454,354</b>	<b>13,457,634</b>	<b>15,162,209</b>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-type activities:</b>										
Special Milk Fund	6,247	4,629	4,564	3,515	6,608	4,364	5,882	6,789	5,090	6,141
Enrichment Program	6,247	4,629	4,564	3,515	6,608	4,364	5,882	6,789	5,090	26,842
Total business-type activities expense	\$ 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	\$ 15,195,192
Total district expenses										
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	250,020	217,174	332,168	211,317	206,591	231,429	243,862	251,809	294,852	269,287
Total governmental activities program revenues	\$ 250,020	\$ 217,174	\$ 332,168	\$ 211,317	\$ 206,591	\$ 231,429	\$ 243,862	\$ 251,809	\$ 294,852	\$ 269,287
Business-type activities:										
Charges for services	2,820	2,829	2,433	2,288	2,619	2,047	2,631	3,105	2,658	2,094
Special Milk Fund										46,935
Enrichment Program	4,111	2,338	1,743	1,364	2,346	2,327	3,115	3,768	3,262	2,883
Operating grants and contributions	6,931	5,167	4,176	3,652	4,965	4,374	5,746	6,873	5,920	51,912
Total business type activities program revenues	\$ 256,951	\$ 222,341	\$ 336,344	\$ 214,969	\$ 211,556	\$ 235,803	\$ 249,608	\$ 258,682	\$ 300,772	\$ 321,199
Total district program revenues										
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (14,892,922)
Business-type activities	684	538	(388)	137	(1,643)	10	(136)	84	830	18,929
Total district-wide net expense	\$ (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)	\$ (14,873,993)



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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 12,421,223
Taxes levied for debt service	221,482	70,869	163,555	255,474	256,777	257,802	258,547	262,668	262,463	265,370
Federal and state aid not restricted	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	1,877,119
Grants and contributions	75,000									
Tuition Received	109,200	223,355	185,610	179,908	75,757	248,861	91,083	268,450	397,699	300,427
Miscellaneous income	164,073	61,658	30,629	20,244	18,455	8,180	5,488	12,438	79,651	98,309
State Aid - SCC Capital Projects grant				(227,018)						
Transfers	(22,388)									
Total governmental activities	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	14,962,448
Business-type activities:										
Liabilities canceled	-	5,915	-	-	-	-	-	-	-	-
Total business-type activities	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	14,962,448
Total district-wide										
<b>Change in Net Assets/Position</b>										
Governmental activities	\$ 686,441	\$ (27,469)	\$ (481,986)	\$ 827,543	\$ 443,341	\$ 494,447	\$ (237,826)	\$ (153,122)	\$ 139,023	\$ 69,526
Business-type activities	684	6,453	(388)	137	(1,643)	10	(136)	84	830	18,929
Total district	\$ 687,125	\$ (21,016)	\$ (482,374)	\$ 827,680	\$ 441,698	\$ 494,457	\$ (237,962)	\$ (153,038)	\$ 139,853	\$ 88,455

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)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 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	\$ 2,978,861
Unreserved	350,672	237,284	180,697	362,126	450,781	718,420	335,442	276,193	205,733	338,269
Restricted				418,171	407,350	287,965	293,132	273,774	357,131	235,877
Assigned										
Unassigned										
<b>Total general fund</b>	<b>\$ 1,524,560</b>	<b>\$ 1,493,762</b>	<b>\$ 1,071,548</b>	<b>\$ 2,206,358</b>	<b>\$ 2,789,566</b>	<b>\$ 3,245,336</b>	<b>\$ 2,901,322</b>	<b>\$ 2,779,619</b>	<b>\$ 3,043,985</b>	<b>\$ 3,553,007</b>
<b>All Other Governmental Funds</b>										
Reserved - capital projects fund	\$ 185,090	\$ 35,887								
Unreserved, reported in:										
Capital projects fund	609,299	555,026	573,321							
Debt service fund	240,950	75,000	1							
Restricted, reported in:										
Capital projects fund			346,303		307,755	188,894	188,894	188,894	188,894	188,894
Debt service fund			1							
<b>Total all other governmental funds</b>	<b>\$ 1,035,339</b>	<b>\$ 665,913</b>	<b>\$ 573,322</b>	<b>\$ 346,304</b>	<b>\$ 307,755</b>	<b>\$ 188,894</b>	<b>\$ 188,894</b>	<b>\$ 188,894</b>	<b>\$ 188,894</b>	<b>\$ 188,894</b>

Source: CAFR B-1

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 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	\$ 12,686,593
Tuition charges	109,200	223,355	185,610	179,908	75,757	248,861	91,083	268,450	397,699	300,427
Interest earnings	93,396	35,189	30,629	20,244	17,134	6,799	5,488	12,438	79,651	98,309
Miscellaneous	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	1,982,996
State sources	127,173	107,267	224,353	118,948	130,560	131,944	143,463	148,106	188,068	163,410
Federal sources	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	15,231,735
Total revenue										
<b>Expenditures</b>										
Instruction										
Regular Instruction	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	3,454,283
Special education instruction	631,414	759,865	769,394	638,976	722,876	793,801	857,586	1,017,441	1,003,994	1,055,704
Other special instruction	329,195	314,148	281,718	251,414	259,868	288,784	239,511	199,161	178,451	131,222
Other Instruction	11,410	22,108	7,055	5,683	4,489	9,006	4,758	9,440	-	18,769
Support Services:										
Tuition	803,250	771,104	880,430	964,637	824,430	729,025	669,693	717,668	977,564	1,973,131
Student & inst. related services	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	1,678,622
School administrative services	165,787	166,824	179,547	155,028	173,474	163,127	115,084	111,846	106,622	149,606
General administration	283,611	277,167	294,882	319,706	305,210	346,608	307,513	339,030	329,097	381,901
Central services	172,260	155,671	170,418	190,854	205,095	209,226	254,243	264,287	200,595	260,806
Admin. information technology	12,774	19,213	21,929	30,941	59,610	101,899	81,329	181,306	169,503	129,484
Plant operations and maintenance	711,237	712,468	808,046	663,054	688,716	657,246	746,890	783,542	699,856	909,505
Pupil transportation	653,431	601,974	744,457	652,870	678,919	747,452	673,338	730,494	765,909	879,621
Employee benefits	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	2,059,585
On behalf contributions	932,402	524,576	551,890	519,821	620,638	722,033	709,128	864,275	1,056,737	1,245,974

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Special Schools										
Charter Schools										
Capital outlay	50,811	106,934	129,518	71,312	107,578	218,092	562,897	229,951	208,667	38,361
Debt service:										
Principal	185,000	195,000	205,000	215,000	225,000	235,000	245,000	260,000	270,000	285,000
Interest and other charges	150,359	143,234	135,733	127,859	119,609	110,984	101,984	92,515	82,240	71,140
Total expenditures	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	14,722,714
Excess (Deficiency) of revenues over (under) expenditures	499,713	(223,217)	(514,805)	1,134,810	581,886	414,230	(631,254)	(120,547)	264,367	509,021
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	145,677	26,469	13,403	2,180	1,321	42,861	448	472	474	189,043
Transfers out	(22,388)		(13,403)	(2,180)	(1,321)	(42,861)	(448)	(472)	(474)	(189,043)
Capital Reserve - Capital Outlay				(227,018)			287,300			
Total other financing sources (uses)	123,289	26,469	-	(227,018)	-	-	287,300	-	-	-
Net change in fund balances	\$ 623,002	\$ (196,748)	\$ (514,805)	\$ 907,792	\$ 581,886	\$ 414,230	\$ (343,954)	\$ (120,547)	\$ 264,367	\$ 509,021
Debt service as a percentage of noncapital expenditures	3.21%	3.11%	2.95%	3.41%	3.22%	3.07%	2.88%	2.85%	2.68%	2.43%

**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		Annual Totals
							Unemployment Closed to General Fund	Miscellaneous	
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
2017	300,427		10,546				21,611	66,003	398,587

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 <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized) Value	% of Net Assessed to Estimated Full Cash Valuations
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%
2016	37,470,700	2,459,596,200	871,371,200	-	1,750,000	3,370,188,100	917,566,200	1,344,390	2,453,966,290	0.376	3,254,751,471	75.40%

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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> 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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	6) Total Direct School	Borough of Englewood Cliffs	Bergen County	
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
2016	0.368	0.008	0.376	0.368	0.235	0.979

**Source: Municipal Tax Collector**

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

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

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

**Exhibit J-8**

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

	2017			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 82,500,000	1	3.36%	\$ 82,500,000	1	2.33%
Taxpayer 2	73,530,600	2	3.00%	73,530,600	2	2.07%
Taxpayer 3	70,000,000	3	2.85%	61,831,600	3	1.74%
Taxpayer 4	55,000,000	4	2.24%	55,000,000	4	1.55%
Taxpayer 5	47,223,300	5	1.92%	47,223,300	5	1.33%
Taxpayer 6	35,500,000	6	1.45%	35,500,000	6	1.00%
Taxpayer 7	34,000,000	7	1.39%	34,000,000	7	0.96%
Taxpayer 8	32,500,000	8	1.32%	32,500,000	8	0.92%
Taxpayer 9	22,500,000	9	0.92%	22,500,000	9	0.63%
Taxpayer 10	17,780,600	10	0.72%	17,780,600	10	0.50%
<b>Total</b>	<b>\$ 470,534,500</b>		<b>19.17%</b>	<b>\$ 462,366,100</b>		<b>13.03%</b>

Total Net Assessed Value 2,453,966,290

3,548,004,975

**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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2017	12,686,593	12,686,593	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Bond		Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Total District	Personal Income <sup>a</sup>		
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	0.53%	\$ 28.89	
2016	1,921,000	-	-	-	-	1,921,000	Not Available	Not Available	
2017	1,685,000	-	-	-	-	1,685,000	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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	75,849
2016	1,921,000	-	1,921,000	0.08%	Not Available
2017	1,685,000	-	1,685,000	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, 2017**

<u><b>Governmental Unit</b></u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2017		\$	1,685,000
Debt repaid with property taxes			
Borough of Englewood Cliffs	100.00%	\$ 17,940,919	
County of Bergen - Borough's Share	2.184%	15,514,404	
Bergen County Utilities Authority - Borough's Share	1.446%	2,587,916	
Subtotal, overlapping debt		36,043,239	
<b>Total direct and overlapping debt</b>		<b>\$ 37,728,239</b>	

**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 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 95,967,744
Total net debt applicable to limit	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	1,685,000
Legal debt margin	\$ 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	\$ 94,282,744
Total net debt applicable to the limit as a percentage of debt limit	4.24%	3.69%	3.38%	3.11%	3.02%	2.77%	2.56%	2.29%	2.03%	1.76%

Equalized valuation basis	
2016	\$ 3,223,970,017
2015	\$ 3,185,551,849
2014	\$ 3,187,452,523
[A]	\$ 9,596,774,389
[A/3]	\$ 3,198,924,796

Average equalized valuation of taxable property	
[B]	95,967,744 <sup>a</sup>
[C]	1,685,000
[B-C]	\$ 94,282,744

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

<sup>a</sup> Limit set by NJS A 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 <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
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	409,812,147	75,849	3.40%
2016	5,406	Not Available	Not Available	3.60%
2017	Not Available	Not Available	Not Available	Not Available

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Exhibit J-15**

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

	2017			2008		
	Employers	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment

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

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

<u>Function/Program</u>	<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>	<u>2017</u>
Instruction										
Regular	43	44	43.4	35.9	35.0	36.0	38.5	40.9	40.5	38.5
Special education	13	12	10.0	7.7	13.0	14.0	11.5	10.9	12.0	11.5
Other special education	9	9	7.0	8.0	10.0	12.0	2.0	2.0	3.0	3.5
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	3.4	3.0	4.0	4.0	25.7	25.7	25.5	24.5
General administration	2	2	2.0	2.0	3.0	4.0	1.6	1.7	1.9	2.1
School administrative services	5	5	5.0	5.0	4.0	4.0	2.5	2.0	2.0	2.7
Other administrative services										
Central services	4	4	4.0	2.1	3.0	4.0	2.3	2.3	2.3	2.3
Administrative Information Technology	1	1	2.0	2.0				2.5	1.5	1.0
Plant operations and maintenance	7	6	6.4	5.4	6.0	8.0	7.5	8.0	7.6	7.5
Pupil transportation										
Other support services			0.6	0.4	4.0	3.0	0.3	0.3	0.3	0.3
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<b>86</b>	<b>85</b>	<b>88</b>	<b>73.5</b>	<b>84.0</b>	<b>91.0</b>	<b>93.8</b>	<b>98.6</b>	<b>98.4</b>	<b>93.8</b>

**Source:** District Personnel Records



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

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2008	425	10,102,743	23,771	-0.82%	86,000	1:8.3	1:8.3	425.42	409.86	6.25%	96.34%	
2009	424	10,545,896	24,872	4.63%	85,000	1:9.3	1:9.3	428.52	411.85	0.73%	96.11%	
2010	426	11,192,314	26,273	5.63%	87,800	1:9.2	1:9.2	447.69	412.85	4.47%	92.22%	
2011	450	9,722,792	21,606	-17.76%	43,000	1:11.6	1:11.6	452.50	413.85	1.07%	91.46%	
2012	492	10,467,674	21,276	-1.53%	48,000	1:11.2	1:11.2	493.70	414.85	9.10%	84.03%	
2013	498	10,925,237	21,938	3.11%	55,000	1:11.2	1:11.2	498.00	473.10	0.87%	95.00%	
2014	496	11,703,743	23,596	7.56%	52,000	1:10.0	1:10.0	523.03	506.08	5.03%	96.76%	
2015	567	12,009,084	21,180	-10.24%	56,000	1:10.0	1:10.0	540.00	523.00	3.24%	96.85%	
2016	584	12,771,383	21,869	3.25%	54,600	1:10.7	1:10.7	546.25	528.65	1.16%	96.78%	
2017	547	14,328,213	26,194	19.78%	53,500	1:10.23	1:10.23	524.76	506.53	-3.93%	96.53%	

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
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	230	230	230	230	230	230	230
Capacity (students)	170	164	173	201	212	196	201	224	230	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	51,531	51,531	51,531	51,531	51,531
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment a	255	264	262	252	276	286	295	343	354	354

Number of Schools at June 30, 2017  
 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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Northcliff School	N/A	59,738	15,324	14,054	14,890	10,473	7,669	23,702	48,942	22,549	12,304
Upper School	N/A	79,787	61,793	48,237	48,357	38,717	108,768	47,051	76,305	46,746	23,043
Grand Total		<u>\$ 139,525</u>	<u>\$ 77,117</u>	<u>\$ 62,291</u>	<u>\$ 63,247</u>	<u>\$ 49,190</u>	<u>\$ 116,437</u>	<u>\$ 70,753</u>	<u>\$ 125,247</u>	<u>\$ 69,295</u>	<u>\$ 35,347</u>

Source: District records

**Englewood Cliffs Board of Education  
Insurance Schedule  
June 30, 2017**

Company	Type of Coverage	Coverage	Deductible	
Great American Insurance Company	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	
	Commercial Property			
	Blanket Building Contents & Special Classes	2,689,452,962	5,000	
	General Liability			
	General Aggregate	2,000,000	5,000	
	Products & Completed Operations	2,000,000	5,000	
Personal & Advertising Injury	1,000,000	5,000		
Each Occurrence	1,000,000	5,000		
Damages to Premises Rented	100,000	5,000		
Employee Benefits Liability	1,000,000/per claim 2,000,000 annual aggregate	1,000		
Darwin National Assurance	School Board Legal Liability	1,000,000/per claim 1,000,000 annual aggregate		
Great American Insurance Company	Sexual Abuse & Molestation	1,000,000/occurrence 1,000,000 annual aggregate	1,000	
	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	10,000,000		
	Aggregate Limit	10,000,000		
ACE USA	Environmental Pollution Liability			
	Each Claim	2,000,000	15,000	
	Aggregate of all Claims	4,000,000		
	Total Policy 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		

**Englewood Cliffs Board of Education  
Insurance Schedule  
June 30, 2017**

Company	Type of Coverage	Coverage	Deductible
X.L. America, Inc.	Technology & Misc. Professional Services		
	Media & Privacy and Cyber Security	2,000,000/claim	15,000
	Privacy & Cyber Security	1,000,000	15,000
	Privacy Regulatory Defense, Awards & Fines	1,000,000	15,000
	Business Interruption & Extra Expense	1,000,000	10 Hours
	Data Recovery	1,000,000	25,000
	Cyber-Extortion	1,000,000	25,000
	Data Breach Response & Crisis Management	1,000,000	25,000
	Aggregate Policy Limit	6,000,000	
Darwin	Educators Errors & Omissions	1,000,000	5,000
	Employment Practices Liability	1,000,000	20,000
	Policy Aggregate	1,000,000	5,000
Gerber Life Insurance	Personal Injury		
	Accidental Death, Dismemberment & Paralysis	100,000	
	Aggregate Limit of Indemnity & Liability	1,000,000	

Source: District Records

**SINGLE AUDIT SECTION**

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

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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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 26, 2017.

### ***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 September 26, 2017.

***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

September 26, 2017





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

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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, 2017. 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 opinions 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, 2017.

### **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*

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Licensed Public School Accountant  
No. 816

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

September 26, 2017

ENGLEWOOD CLIFFS BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2017

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, 2016	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable) at June 30, 2017	Deferred Revenue at June 30, 2017	Due to Grantor at June 30, 2017
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
Special Milk Program	10.556	16161NJ304N1099	N/A	7/1/15-6/30/16	3,262	(252)		625		(373)			
Special Milk Program	10.556	171N1304N1099	N/A	7/1/16-6/30/17	2,510	(252)		1,758	2,510	(373)	(752)		
Total U.S. Department of Agriculture								2,383	2,510		(752)		
Special Revenue Fund:													
Title I, Part A - NCLB	84.010	S010A160030	NCLB-xxxx-17	7/1/16-6/30/17	64,113			8,401	8,401				
Title II, Part A - NCLB	84.367A	S367A150029	NCLB-xxxx-16	7/1/15-6/30/16	18,007			701	701				
Title II, Part A - NCLB	84.367A	S367A160029	NCLB-xxxx-17	7/1/16-6/30/17	21,365			13,970	13,970				
Title III, English and Language Acquisition and Language Enhancement	84.365A	S365A150030	NCLB-xxxx-16	7/1/15-6/30/16	25,152	(25,647)		14,195	14,195	25,647			
Title III, English and Language Acquisition and Language Enhancement	84.365A	S365A160030	NCLB-xxxx-17	7/1/16-6/30/17	23,963			2,478	2,478				
I.D.E.A. Part B, Basic	84.027	H027A160100	IDEA-xxxx-17	7/1/16-6/30/17	119,189			119,189	119,189				
I.D.E.A. Part B, Preschool	84.173	H173A160114	IDEA-xxxx-17	7/1/16-6/30/17	4,476			4,476	4,476				
Total U.S. Department of Education								163,410	163,410	25,647			
Total Federal Financial Assistance						\$ (25,899)		165,793	165,920	25,274	(752)		

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, 2017

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance at June 30, 2016			Balance at June 30, 2017			MEMO		
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education:												
<b>General Fund:</b>												
Special Education Aid	495-034-5120-089	7/1/16-6/30/17	\$ 232,059	215,441	232,059							232,059
Transportation Aid	495-034-5120-014	7/1/16-6/30/17	42,818	39,676	42,818							42,818
Security Aid	495-034-5120-084	7/1/16-6/30/17	8,968	8,309	8,968							8,968
Per Pupil Growth Aid	495-034-5120-097	7/1/16-6/30/17	5,780	5,356	5,780							5,780
PARCC Readiness Aid	495-034-5120-098	7/1/16-6/30/17	5,840	5,411	5,840							5,840
Professional Learning Community Aid	495-034-5120-101	7/1/16-6/30/17	16,704	242,384	16,704			(16,704)				16,704
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/16-6/30/17	242,384									242,384
Extraordinary Aid	100-034-5120-473	7/1/15-6/30/16	311,034					(311,034)				311,034
TPAF Social Security	495-034-5120-044	7/1/16-6/30/17	319,308	303,862	319,308			(15,446)				319,308
On-behalf TPAF Postretirement Medical Cont.	495-034-5094-003	7/1/16-6/30/17	420,568	420,568	420,568							420,568
On-behalf TPAF Pension	495-034-5094-001	7/1/16-6/30/17	487,098	487,098	487,098							487,098
On-behalf TPAF NCGI Premium	495-034-5094-002	7/1/16-6/30/17	17,649	17,649	17,649							17,649
On Behalf TPAF - LTDI	495-034-5094-004	7/1/16-6/30/17	1,351	1,351	1,351							1,351
Total General Fund			1,752,461	1,752,461	1,874,957			(343,184)				2,117,341
<b>Special Revenue Fund:</b>												
N.J. Nonpublic Aid:												
Security Aid	100-034-5120-509	7/1/15-6/30/16	2,750									
Security Aid	100-034-5120-509	7/1/16-6/30/17	5,100	5,100	1,245							2,739
Textbook Aid	100-034-5120-064	7/1/15-6/30/16	4,625							3,855		1,245
Textbook Aid	100-034-5120-064	7/1/16-6/30/17	4,323	4,323	4,314							4,368
Nursing Services	100-034-5120-070	7/1/16-6/30/17	9,180	9,180	9,180					9		4,314
Technology Aid	100-034-5120-373	7/1/15-6/30/16	2,106									9,180
Technology Aid	100-034-5120-373	7/1/16-6/30/17	1,950	1,950	368					1,582		368
Total Special Revenue Fund			19,500	20,553	15,107					5,446		22,214
<b>Debt Service Fund:</b>												
Debt Service Aid Type II	495-034-5120-017	7/1/16-6/30/17	90,770	90,770	90,770							90,770
Total State Financial Assistance			1,863,784	1,863,784	1,980,834			(343,184)				2,230,325
Less: On-Behalf TPAF Pension System Contributions					926,666							
Total for State Financial Assistance-Major Program Determination			1,054,168	1,054,168								

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 \$2,162 for the General Fund and \$-0- for the Special Revenue Fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$1,877,119	\$1,877,119
Special Revenue Fund	163,410	15,107	178,517
Debt Service Fund		90,770	90,770
Food Service Fund	<u>2,510</u>		<u>2,510</u>
Total Awards and Financial	<u>\$165,920</u>	<u>\$1,982,996</u>	<u>\$2,148,916</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, 2017. 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, 2017.

**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 \$926,666 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, 2017**

*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**

495-034-5094-003 (B)  
495-034-5120-089/  
495-034-5120-084/  
495-034-5120-098/  
495-034-5120-097 (B)  
495-034-5120-101

Reimbursed TPAF Social Security contributions  
State Aid Cluster:  
Special Education Categorical Aid/Security  
Aid/PARCC Readlines Aid/Per Pupil Growth  
Aid/Professional Learning Community Aid

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



**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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, 2017**

**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.

**Status**

Resolved