

**SCHOOL DISTRICT OF THE  
BOROUGH OF ENGLEWOOD CLIFFS  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

School District  
of

# Englewood Cliffs

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

**Comprehensive Annual Financial Report**  
Year Ended June 30, 2019

# **Comprehensive Annual Financial Report**

**of the**

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

**Year Ended June 30, 2019**

**Prepared by**

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

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## **INTRODUCTORY SECTION**



# **ENGLEWOOD CLIFFS PUBLIC SCHOOLS**

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



**Jennifer Brower  
Superintendent of Schools**

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

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**November 8, 2019**

**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, 2019 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 2018-2019 fiscal year with an average daily enrollment of 489 students, which represents 5 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>
2018-2019	489	-1.0
2017-2018	494	-5.9
2016-2017	525	-3.8
2015-2016	546	1.1
2014-2015	540	3.2

**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.

**3) Major Initiatives:** We continue to increase the use of technology in our everyday curriculum and have begun Reading, Writing and Math Workshop in Grades K-8. We have professional development in math and language arts and Responsive Classroom.

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 all new 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, 2019.

**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.

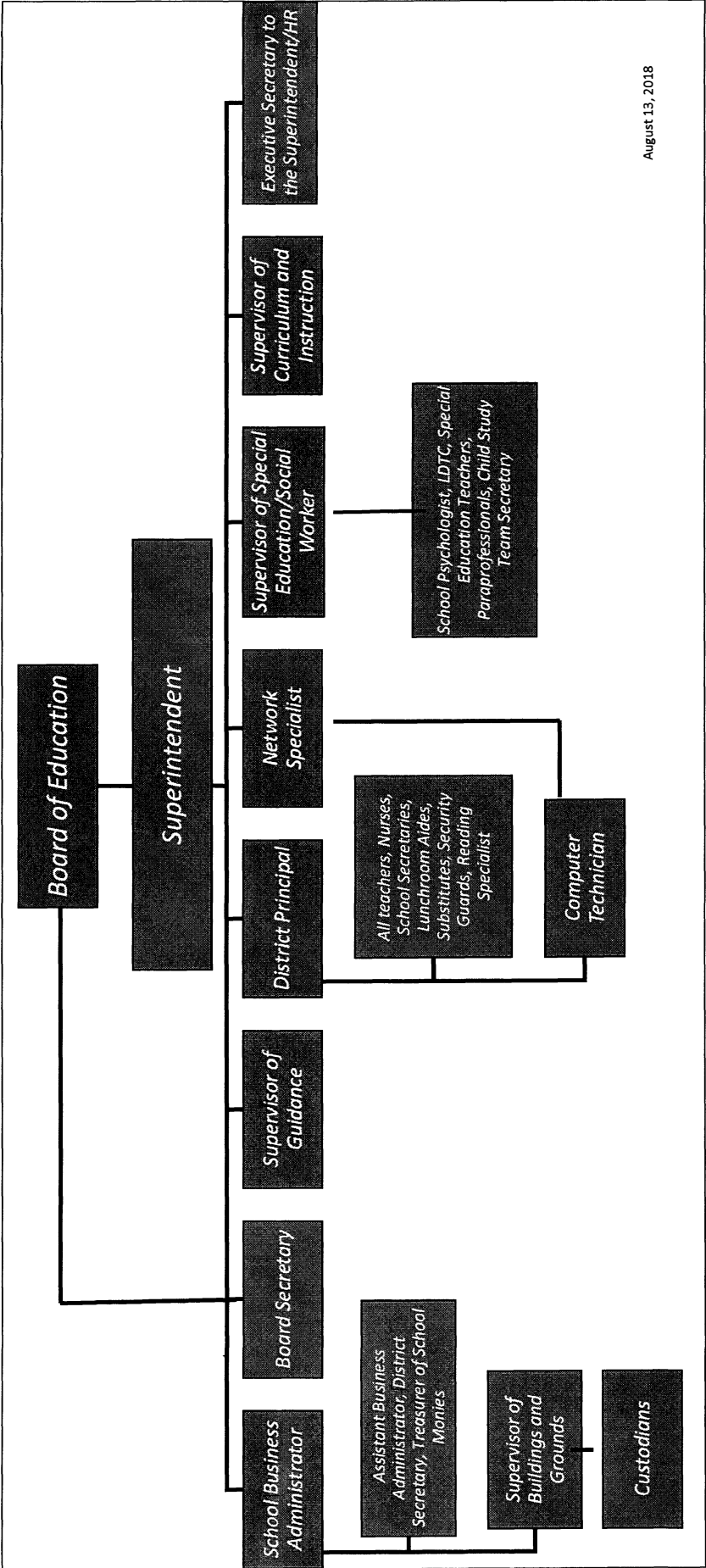
9) **Acknowledgements:** We would like to express our appreciation to the members of the Englewood Cliffs School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance 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



August 13, 2018

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2019**

**Members of the Board of Education**

**Term Expires**

Shanna Jafri, President	2021
Philip K. Choi, Vice-President	2020
Eugene Chang	2020
George Drimones	2021
Edmond Duda	2021
Katherine Kang	2020
Ankur Pandya	2019
Susan Pak	2019
Frank Patti, Jr.	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, Esp., 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

Certified Public Accountants  
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100B Main Street  
Newton, NJ 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Englewood Cliffs School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2019, 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.

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, 2019, 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 and other post employment benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Englewood Cliffs Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the State of New Jersey, Department of Education, Division of Finance, 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, and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the State of New Jersey, Department of Education, Division of Finance 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, and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019 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,

Honorable President and  
Members of the Board of Education  
Page 4.

contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Englewood Cliffs Board of Education's internal control over financial reporting and compliance.

*Steven D. Wielkotz*

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

*Ferraioli, Wielkotz, Cerullo + Cuva, P.A.*

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

November 8, 2019

**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, 2019**

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, 2019. 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 \$581,339. Net position of governmental activities increased \$570,952 and net position of business-type activity increased by \$10,387.
- General revenues accounted for \$17,506,451 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 \$275,241 or 2 percent of total revenues of \$17,781,692.
- The School District had \$17,158,989 in expenses related to governmental activities; only \$223,490 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$17,506,451 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, 2019  
(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, Invenengineering Program 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, 2019  
(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, 2019  
(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 \$2,724,007 at June 30, 2019. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current and Other Assets	3,354,311	3,451,904	36,694	32,885	3,391,005	3,484,789
Capital Assets	<u>4,477,521</u>	<u>4,047,226</u>	_____	_____	<u>4,477,521</u>	<u>4,047,226</u>
Total Assets	<u>7,831,832</u>	<u>7,499,130</u>	<u>36,694</u>	<u>32,885</u>	<u>7,868,526</u>	<u>7,532,015</u>
<b>Deferred Outflows:</b>						
Deferred Outflows of Resources						
Related to PERS	<u>1,132,321</u>	<u>1,589,048</u>	_____	_____	<u>1,132,321</u>	<u>1,589,048</u>
Total Deferred Outflows	<u>1,132,321</u>	<u>1,589,048</u>	_____	_____	<u>1,132,321</u>	<u>1,589,048</u>
<b>Liabilities</b>						
Other Liabilities	351,772	376,098	215	6,793	351,987	382,891
Noncurrent Liabilities	<u>4,723,606</u>	<u>5,701,115</u>	_____	_____	<u>4,723,606</u>	<u>5,701,115</u>
Total Liabilities	<u>5,075,378</u>	<u>6,077,213</u>	<u>215</u>	<u>6,793</u>	<u>5,075,593</u>	<u>6,084,006</u>
<b>Deferred Inflows:</b>						
Deferred Inflows of Resources						
Related to PERS	<u>1,201,247</u>	<u>894,389</u>	_____	_____	<u>1,201,247</u>	<u>894,389</u>
Total Deferred Outflows	<u>1,201,247</u>	<u>894,389</u>	_____	_____	<u>1,201,247</u>	<u>894,389</u>
<b>Net Position</b>						
Invested in Capital Assets	3,457,521	2,697,226			3,457,521	2,697,226
Restricted	2,901,400	3,058,563			2,901,400	3,058,563
Unrestricted	<u>(3,671,393)</u>	<u>(3,639,213)</u>	<u>36,479</u>	<u>26,092</u>	<u>(3,634,914)</u>	<u>(3,613,121)</u>
Total Net Position	<u>2,687,528</u>	<u>2,116,576</u>	<u>36,479</u>	<u>26,092</u>	<u>2,724,007</u>	<u>2,142,668</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			49,372	47,403	49,372	47,403
Operating Grants and Contributions	223,490	315,064	2,379	2,469	225,869	317,533
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	13,222,907	12,963,634			13,222,907	12,963,634
Property taxes, levied for debt services	72,961	267,829			72,961	267,829
Federal and State Aid not Restricted	3,836,787	3,120,148			3,836,787	3,120,148
Federal and State Aid - Capital Outlay	16,900				16,900	
Tuition Received	281,823	230,500			281,823	230,500
Miscellaneous Income	68,961	227,369			68,961	227,369
Investment Earnings	6,112				6,112	
Total Revenues and Transfers	<u>17,729,941</u>	<u>17,124,544</u>	<u>51,751</u>	<u>49,872</u>	<u>17,781,692</u>	<u>17,174,416</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	4,919,699	4,750,188			4,919,699	4,750,188
Special Education	1,057,777	1,118,449			1,057,777	1,118,449
Other Special Instruction	266,191	170,063			266,191	170,063
Other Instruction	107,589	14,891			107,589	14,891
Support Services:						
Tuition	2,034,033	2,021,273			2,034,033	2,021,273
Student & Instruction Related Services	2,429,659	2,211,348			2,429,659	2,211,348
General Administrative Services	518,604	471,737			518,604	471,737
School Administrative Services	265,498	230,683			265,498	230,683
Central Administration	316,508	264,369			316,508	264,369
Administrative Information Technology	88,332	172,582			88,332	172,582
Plant Operations and Maintenance	1,140,487	1,051,907			1,140,487	1,051,907
Pupil Transportation	977,629	928,621			977,629	928,621
Unallocated Benefits	2,630,128	2,998,814			2,630,128	2,998,814
Capital Outlay - nondepreciable	21,025	202,379			21,025	202,379
Food Service			3,916	3,815	3,916	3,815
Enrichment Program:			37,448	40,542	37,448	40,542
Debt Service:						
Interest and Other Charges	18,042	4,771			18,042	4,771
Bond Issuance Costs					0	0
Unallocated Depreciation	<u>367,788</u>	<u>320,396</u>			<u>367,788</u>	<u>320,396</u>
Total Expenses	<u>17,158,989</u>	<u>16,932,471</u>	<u>41,364</u>	<u>44,357</u>	<u>17,200,353</u>	<u>16,976,828</u>
Increase or (Decrease) in						
Net Position	<u><u>570,952</u></u>	<u><u>192,073</u></u>	<u><u>10,387</u></u>	<u><u>5,515</u></u>	<u><u>581,339</u></u>	<u><u>197,588</u></u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 \$17,200,353. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$13,295,868 because some of the cost was paid by those who benefitted from the programs \$49,372 by other governments and organizations who subsidized certain programs with grants and contributions \$225,869, unrestricted federal and state aid \$3,836,787, restricted federal and state aid \$16,900, tuition \$281,823, and by miscellaneous sources of \$75,073.

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, enrichment and Invenengineering program revenues exceeded expenses by \$10,387.
- ✓ Charges for services provided totaled \$49,372. This represents amounts paid by consumers for daily milk purchases, tuition payments and program fees.
- ✓ Federal and state reimbursement for milks served was \$2,379.

**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, 2019, 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 \$83,972 for increases in federal and state grant awards.

**General Fund**

The general fund actual revenue was 15,909,272. That amount is \$1,663,513 above the final amended budget of \$14,245,759. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,613,450 for TPAF social security reimbursements and on-behalf pension payments, \$(28,694) for extraordinary state aid not received, \$30,711 in additional other unrestricted state aid, and \$48,046 in excess miscellaneous anticipated revenues.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

**General Fund, (continued)**

The actual expenditures of the general fund were \$15,778,405 which is \$379,176 below the final amended budget of \$16,157,581. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$1,613,450 and \$1,992,626 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was \$258,862. That amount is above the original budget estimate of \$186,112 and below the final amended budget. The \$83,972 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 \$11,222 variance between the final amended budget and the June 30, 2019 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 \$258,862, which is above the original budget of \$186,112 and below the final amended budget. The \$83,972 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 \$83,972 variance between the final amended budget and the June 30, 2019 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 2019 the School District had \$11,048,110 invested in sites, buildings, equipment and construction in progress. Of this amount, \$6,570,589 in depreciation has been taken over the years. We currently have a net book value of \$4,477,521. Total additions for the year were \$1,533,203 for building improvements, machinery, equipment and site improvements. Table 3 shows fiscal year 2019 balances compared to 2018.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Site Improvements	443,789	27,859			443,789	27,859
Buildings and Building Improvements	3,916,451	3,266,821			3,916,451	3,266,821
Machinery and Equipment	117,281	48,609			117,281	48,609
Construction in Progress		703,937			0	703,937
	<u>4,477,521</u>	<u>4,047,226</u>	<u>    </u>	<u>    </u>	<u>4,477,521</u>	<u>4,047,226</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**Debt Administration**

At June 30, 2019, the district had \$4,723,606 of outstanding debt. Of this amount, \$351,483 is for compensated absences, \$1,020,000 in school bonds payable, and \$3,352,123 is for the net pension liability.

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

	<u>2019</u>	<u>2018</u>
2017 School Refunding Bonds	<u>1,020,000</u>	<u>1,350,000</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 2019-2020 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 BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	339,372	36,257	375,629
Receivables, net	349,306	437	349,743
Restricted assets:			
Various reserve accounts - cash	2,665,633		2,665,633
Capital assets, net:			
Other capital assets, net	4,477,521	-	4,477,521
Total Assets	<u>7,831,832</u>	<u>36,694</u>	<u>7,868,526</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	1,132,321		1,132,321
Total Deferred Outflows	<u>1,132,321</u>	<u>-</u>	<u>1,132,321</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	263,750	215	263,965
Payable to state government	2,757		2,757
Unearned revenue	85,265		85,265
Noncurrent liabilities:			
Due within one year	497,309		497,309
Due beyond one year	4,226,297		4,226,297
Total liabilities	<u>5,075,378</u>	<u>215</u>	<u>5,075,593</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	1,201,247		1,201,247
Total Deferred Inflows	<u>1,201,247</u>	<u>-</u>	<u>1,201,247</u>
<b>NET POSITION</b>			
Invested in capital assets	3,457,521		3,457,521
Restricted for:			
Capital Projects	2,161,547		2,161,547
Debt Service	8,080		8,080
Other Purposes	731,773		731,773
Unrestricted (Deficit)	<u>(3,671,393)</u>	<u>36,479</u>	<u>(3,634,914)</u>
Total net position	<u>2,687,528</u>	<u>36,479</u>	<u>2,724,007</u>

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

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
Statement of Activities  
Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	3,605,800	1,313,899		151,044		(4,768,655)		(4,768,655)
Special education	748,234	309,543				(1,057,777)		(1,057,777)
Other special instruction	181,856	84,335				(266,191)		(266,191)
Other instruction	83,740	23,849				(107,589)		(107,589)
Support services:								
Tuition	2,034,033					(2,034,033)		(2,034,033)
Student & instruction related services	1,825,205	604,454		72,446		(2,357,213)		(2,357,213)
School administrative services	190,974	74,524				(265,498)		(265,498)
General administrative services	424,898	93,706				(518,604)		(518,604)
Central services	233,045	83,463				(316,508)		(316,508)
Administrative info. tech. services	86,241	2,091				(88,332)		(88,332)
Plant operations and maintenance	914,817	225,670				(1,140,487)		(1,140,487)
Pupil transportation	950,484	27,145				(977,629)		(977,629)
Unallocated benefits	2,630,128					(2,630,128)		(2,630,128)
Capital Outlay - non-depreciable	21,025					(21,025)		(21,025)
Debt Services:								
Interest and other Charges	18,042					(18,042)		(18,042)
Unallocated depreciation		367,788				(367,788)		(367,788)
Total governmental activities	<u>13,948,522</u>	<u>3,210,467</u>	<u>-</u>	<u>223,490</u>	<u>-</u>	<u>(16,935,499)</u>	<u>-</u>	<u>(16,935,499)</u>
Business-type activities:								
Special Milk Fund	3,916		2,393	2,379		856		856
Inventing Program	3,150		3,150			-		-
Enrichment Program	34,298		43,829			9,531		9,531
Total business-type activities	<u>41,364</u>		<u>49,372</u>	<u>2,379</u>	<u>-</u>	<u>10,387</u>	<u>10,387</u>	<u>10,387</u>
Total primary government	<u>13,989,886</u>		<u>49,372</u>	<u>225,869</u>	<u>-</u>	<u>(16,935,499)</u>	<u>10,387</u>	<u>(16,925,112)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes						13,222,907		13,222,907
Property taxes, levied for debt services						72,961		72,961
Federal and State aid not restricted						3,836,787		3,836,787
Federal and State aid - Capital Outlay						16,900		16,900
Investment Earnings						6,112		6,112
Tuition						281,823		281,823
Miscellaneous income						68,961		68,961
Total general revenues, special items, extraordinary items and transfers						<u>17,506,451</u>	<u>-</u>	<u>17,506,451</u>
Change in Net Position						570,952	10,387	581,339
Net Position—beginning						2,116,576	26,092	2,142,668
Net Position—ending						<u>2,687,528</u>	<u>36,479</u>	<u>2,724,007</u>

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

**FUND FINANCIAL STATEMENTS**

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<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	331,292		8,080	339,372
Receivables, interfund	16,369			16,369
Receivables, state	319,321			319,321
Receivables, federal		29,765		29,765
Restricted cash and cash equivalents	2,665,633			2,665,633
Total assets	<u>3,332,615</u>	<u>29,765</u>	<u>8,080</u>	<u>3,370,460</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	85,098	1,094		86,192
Payable to federal government				-
Payable to state government		2,757		2,757
Interfund Payable		16,149		16,149
Unearned revenue	75,500	9,765		85,265
Total liabilities	<u>160,598</u>	<u>29,765</u>	<u>-</u>	<u>190,363</u>
Fund Balances:				
Restricted for:				
Maintenance reserve	254,086			254,086
Emergency reserve	250,000			250,000
Capital reserve account	2,161,547			2,161,547
Debt service			8,080	8,080
Assigned to:				
Other Purposes	227,687			227,687
Unassigned:				
General fund	278,697			278,697
Total Fund balances	<u>3,172,017</u>	<u>-</u>	<u>8,080</u>	<u>3,180,097</u>
Total liabilities and fund balances	<u>3,332,615</u>	<u>29,765</u>	<u>8,080</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 \$11,046,110 and the accumulated depreciation is \$6,568,589	4,477,521
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	(6,503)
Accounts payable for subsequent Pension payment is not a payable in the funds	(171,055)
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	1,132,321
Deferred inflows of resources related to PERS Pension Liability	(1,201,247)
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>(4,723,606)</u>
Net assets of governmental activities	<u>2,687,528</u>

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

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Local tax levy	13,222,907		72,961	13,295,868
Tuition	281,823			281,823
Miscellaneous	75,073			75,073
Total - Local Sources	<u>13,579,803</u>	-	<u>72,961</u>	<u>13,652,764</u>
State sources	2,321,228	25,296	88,290	2,434,814
Federal sources		215,094		215,094
Total revenues	<u>15,901,031</u>	<u>240,390</u>	<u>161,251</u>	<u>16,302,672</u>
<b>EXPENDITURES</b>				
Current:				
Regular instruction	3,472,326	151,044		3,623,370
Special education instruction	748,234			748,234
Other special instruction	181,856			181,856
Other instruction	83,740			83,740
Support services and undistributed costs:				
Tuition	2,034,033			2,034,033
Student & instruction related services	1,752,759	72,446		1,825,205
School administrative services	190,974			190,974
General administrative services	424,898			424,898
Central Services	233,045			233,045
Administrative information tech. services	86,241			86,241
Plant operations and maintenance	930,044			930,044
Pupil transportation	950,484			950,484
Unallocated benefits	2,275,727			2,275,727
On-behalf contributions	1,613,450			1,613,450
Capital Outlay	800,594	16,900		817,494
Debt Service:				
Principal			330,000	330,000
Interest and other Charges			20,145	20,145
Total expenditures	<u>15,778,405</u>	<u>240,390</u>	<u>350,145</u>	<u>16,368,940</u>
Excess (Deficiency) of revenues over expenditures	<u>122,626</u>	<u>-</u>	<u>(188,894)</u>	<u>(66,268)</u>
Net change in fund balances	122,626	-	(188,894)	(66,268)
Fund balance—July 1	<u>3,049,391</u>		<u>196,974</u>	<u>3,246,365</u>
Fund balance—June 30	<u>3,172,017</u>	<u>-</u>	<u>8,080</u>	<u>3,180,097</u>

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

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Fiscal Year Ended June 30, 2019**

**Total net change in fund balances - governmental funds (from B-2)** (66,268)

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	(398,971)	
	Depreciable Capital outlays - Fund 11	32,797	
	Depreciable Capital outlays - Fund 12	779,569	
	Depreciable Capital outlays - Fund 20	<u>16,900</u>	
			430,295

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			330,000
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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			8,606
General Bond Obligations		<u>(6,503)</u>	
			2,103

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			9,885
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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	169,343	
	Less: Pension Expense	<u>(304,406)</u>	
	(Increase)/Decrease in Pension Expense		(135,063)

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			807,686
Increase in On-behalf TPAF Pension Expense			(807,686)

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical 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 Post Employment Medical Revenue			619,583
Increase in On-behalf State Aid TPAF Post Employment Medical Expense			(619,583)

			<u><u>570,952</u></u>
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**The accompanying Notes to Financial Statements are an integral part of this statement.**

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	1,930	34,327	36,257
Accounts receivable:			
Federal	437		437
Total current assets	<u>2,367</u>	<u>34,327</u>	<u>36,694</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>2,367</u></u>	<u><u>34,327</u></u>	<u><u>36,694</u></u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts Payable	215	-	215
Total current liabilities	<u>215</u>	<u>-</u>	<u>215</u>
<b><u>NET POSITION</u></b>			
Unrestricted	2,152	34,327	36,479
Total net position	<u><u>2,152</u></u>	<u><u>34,327</u></u>	<u><u>36,479</u></u>

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

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2019**

	Special Milk Program	Enrichment Program	Invengineering Program	Totals
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	2,393			2,393
Tuition Charges		43,829	3,150	46,979
Total operating revenues	2,393	43,829	3,150	49,372
Operating expenses:				
Cost of sales - reimbursable programs	3,916			3,916
Salaries and wages		33,437	2,420	35,857
Supplies and materials		861	730	1,591
Total Operating Expenses	3,916	34,298	3,150	41,364
Operating income (loss)	(1,523)	9,531	-	8,008
Nonoperating revenues (expenses):				
Federal sources:				
Special milk program	2,379			2,379
Total nonoperating revenues (expenses)	2,379			2,379
Income (loss) before contributions & transfers		9,531		10,387
Change in net position	856	9,531		10,387
Total net position-beginning	1,296	24,796		26,092
Total net position—ending	2,152	34,327		36,479

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



**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2019**

	Special Milk Program	Enrichment Program	Invengineering Program	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	2,393	43,829	3,150	46,222
Payments for milk purchases	(4,429)			(4,429)
Payments for salaries and wagers		(33,437)	(2,420)	(33,437)
Payments for utilities		(6,065)		
Payments for supplies	(861)	(861)	(730)	(861)
Net cash provided by (used for) operating activities	<u>(2,036)</u>	<u>3,466</u>	<u>-</u>	<u>7,495</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Federal sources	2,459	-	-	2,459
Net cash provided by (used for) non-capital financing activities	<u>2,459</u>	<u>-</u>	<u>-</u>	<u>2,459</u>
Net increase (decrease) in cash and cash equivalents	423	3,466	-	3,889
Balances—beginning of year	1,507	30,861	-	32,368
Balances—end of year	<u>1,930</u>	<u>34,327</u>	<u>-</u>	<u>36,257</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	(1,523)	9,531	-	8,008
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Increase (decrease) in accounts payable	(513)	(6,065)		(6,578)
Total adjustments	<u>(513)</u>	<u>(6,065)</u>	<u>-</u>	<u>(6,578)</u>
Net cash provided by (used for) operating activities	<u>(2,036)</u>	<u>3,466</u>	<u>-</u>	<u>1,430</u>

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

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	196,961
Total assets	196,961
<b>LIABILITIES</b>	
Payable to student groups	6,297
Payroll deductions and withholdings	13,426
Net payroll	6,672
Net payroll - summer pay	166,654
Flexible spending	3,692
Interfund - General Fund	220
Total liabilities	196,961

**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, 2019**

**NOTE 1. 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.

**A. 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.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. 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, 2019**

**NOTE 1. 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, 2019**

**NOTE 1. 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, Enrichment and Invengineering 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.

**C. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. 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.

**D. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. 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.

**E. 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 \$87,216 to regular programs and undistributed instruction general supplies from prior year extraordinary aid and \$29,934 in additional State aid for instructional supplies.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**E. 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.

**F. 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.

**G. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**G. 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.

**H. Tuition Payable:**

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

**I. 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.

**J. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2019, 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.

**K. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**L. 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

**M. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**N. 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 1(F) regarding the special revenue fund.

**O. 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.

**P. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**P. 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.

**Q. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**R. 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.

**S. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**S. 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.

**T. 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.

**U. 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.

**V. 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.

**W. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**X. New Accounting Standards:**

During fiscal year 2019, the District adopted the following GASB Statements:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement.* The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

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

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.

GASB Statement No. 87, *Leases,* which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. .

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction.* The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61.* This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**X. New Accounting Standards: (continued)**

GASB Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

**NOTE 2. 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, 2019, \$-0- of the District's bank balance of \$4,062,433 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.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Concentration of Credit Risk**

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

**NOTE 3. RECEIVABLES**

Receivables at June 30, 2019, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Business- Type Activities</u>	<u>District Wide Financial Statements</u>
State Aid	\$319,321	\$437	\$319,758
Federal Aid	29,765		29,765
Interfund Receivables	<u>16,369</u>	<u>      </u>	<u>220</u>
Gross Receivables	365,455	437	349,743
Less: Allowance for Uncollectibles	<u>      </u>	<u>      </u>	<u>      </u>
Total Receivables, Net	<u><u>\$365,455</u></u>	<u><u>\$437</u></u>	<u><u>\$349,743</u></u>

**NOTE 4. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at June 30, 2019 consist of the following:

\$ 220	Due to the General Fund from the Payroll Agency Fund to transfer amounts in excess of that needed to satisfy outstanding payroll deduction liabilities.
<u>16,149</u>	Due to the General Fund from the Special Revenue Fund for cash deficit.
<u>\$16,369</u>	

During the fiscal year ended June 30, 2019, the District transferred \$-0- of unexpended bond proceeds related to Capital Projects to the Debt Service Fund and transferred \$-0- 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, 2019**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019 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>\$703,937</u>	<u>          </u>	<u>(703,937)</u>	<u>          </u>
Total Capital Assets not being Depreciated	<u>703,937</u>	<u>          </u>	<u>(703,937)</u>	<u>          </u>
Capital Assets Being Depreciated				
Site Improvements	368,957	440,052		809,009
Buildings and Building Improvements	8,589,963	993,296		9,583,259
Machinery and Equipment	<u>553,987</u>	<u>99,855</u>	<u>          </u>	<u>653,842</u>
Totals at Historical Cost	<u>9,512,907</u>	<u>1,533,203</u>	<u>          </u>	<u>11,046,110</u>
Less Accumulated Depreciation:				
Site Improvements	(341,098)	(24,122)		(365,220)
Buildings and Improvements	(5,323,142)	(343,666)		(5,666,808)
Equipment	<u>(505,378)</u>	<u>(31,183)</u>	<u>          </u>	<u>(536,561)</u>
Total Accumulated Depreciation	<u>(6,169,618)</u>	<u>(398,971)</u>	<u>          </u>	<u>(6,568,589)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>3,343,289</u>	<u>1,134,232</u>	<u>          </u>	<u>4,477,521</u>
Governmental Activities Capital Assets, Net	<u>\$4,047,226</u>	<u>\$1,134,232</u>	<u>(703,937)</u>	<u>\$4,477,521</u>
	<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/19</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, 2019**

**NOTE 5. CAPITAL ASSETS, (continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$17,822
Support Services:	
Instruction	11,245
School Administration	1,125
Operations	991
Buildings	18,480
Building Improvements	325,186
Land Improvements	<u>24,122</u>
Total Depreciation Expense	<u>\$398,971</u>

**NOTE 6. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the year ended June 30, 2019 were as follows:

	<u>Balance June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>	<u>Amount Due Within One Year</u>	<u>Long-Term Portion</u>
<b>Governmental Activities:</b>						
Bonds Payable:						
General Obligation Debt	<u>\$1,350,000</u>	<u>\$</u>	<u>\$330,000</u>	<u>\$1,020,000</u>	<u>\$335,000</u>	<u>\$685,000</u>
Total Bonds Payable	1,350,000		330,000	1,020,000	335,000	685,000
Other Liabilities:						
Compensated Absences Payable	361,368	19,021	28,906	351,483		351,483
Net Pension Liability PERS	<u>3,989,747</u>	<u></u>	<u>637,624</u>	<u>3,352,123</u>	<u>162,309</u>	<u>3,189,814</u>
Total Other Liabilities	<u>\$5,701,115</u>	<u>\$19,021</u>	<u>\$996,530</u>	<u>\$4,723,606</u>	<u>\$497,309</u>	<u>\$4,226,297</u>

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 6. 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, 2019, 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, 2019</u>
School Refunding Bonds	\$1,685,000	04/19/2017	1.700%	08/15/2021	<u>\$1,020,000</u>

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

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>\$1,046,095</u>	<u>\$1,020,000</u>	<u>\$26,095</u>

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

As of June 30, 2019 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, 2019**

**NOTE 7. OPERATING LEASES**

The District has entered into various operating leases for copying equipment and computers which expire in 2023. Total operating lease payments made during the year ended June 30, 2019 were \$35,284. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2020	\$19,701
June 30, 2021	18,896
June 30, 2022	18,666
June 30, 2023	<u>13,137</u>
	<u>\$70,400</u>

**NOTE 8. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](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, 2019**

**NOTE 8. PENSION PLANS, (continued)**

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<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>th</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 55 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:

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



**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
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**NOTE 8. 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>th</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 55 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 TPAF, 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>		
6/30/19	\$169,343	\$4,413
6/30/18	158,777	4,925
6/30/17	152,376	2,985

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. 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>Medical</u>	<u>Premium</u>	<u>Disability</u>
		<u>Contributions</u>		<u>Insurance</u>
6/30/19	\$854,222	\$395,584	\$17,881	\$1,075
6/30/18	667,009	441,261	16,187	990
6/30/17	487,098	420,568	17,649	1,351

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 \$344,688 during the year ended June 30, 2019 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, 2019, the District had a liability of \$3,352,124 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the District's proportion was .0170249300 percent, which was a decrease of (.000114337) percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$304,406. At June 30, 2019, 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, 2019**

**NOTE 8. PENSION PLANS, (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$63,925	\$17,285
Changes of assumptions	552,374	1,071,831
Net difference between projected and actual earnings on pension plan investments		31,443
Changes in proportion and differences between District contributions and proportionate share of contributions	344,967	80,688
District contributions subsequent to the measurement date	<u>171,055</u>	<u>          </u>
Total	<u>\$1,132,321</u>	<u>\$1,201,247</u>

The \$171,055 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, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	
2019	\$23,265
2020	(32,211)
2021	(230,982)
2022	(200,218)
2023	(64,114)

**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 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 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, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**Additional Information**

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District's Proportion	.0170249300%	0.0171392665%

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2017 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 Conduent modified 2014 projection scale. Post-retirement mortality rates

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 employer contributed 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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, 2018, 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:

	<u>June 30, 2018</u>		
	<u>1%</u> Decrease	<u>At Current</u> Discount Rate	<u>1%</u> Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$4,214,910	\$3,352,124	\$2,628,302

**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, 2019**

**NOTE 8. 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, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>28,814,570</u>
	<u>\$28,814,570</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2018, the proportion of the TPAF net pension liability associated with the District was .0452932148%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$1,679,789 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary Increases	
2011-2026	1.55%-4.55%
Thereafter	2.00%-5.45%
Investment Rate of Return	7.00%

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
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**NOTE 8. PENSION PLANS, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%



**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, 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 50% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

**NOTE 9. POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
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**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2019 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share	
associated with the District	<u>20,603,730</u>
	<u>\$20,603,730</u>

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
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**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

**(a) *Health Care Trend Assumptions***

For pre-Medicare preferred provider organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**(b) *Discount Rate***

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate***

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

***Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:***

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:***

For the year ended June 30, 2019, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,015,167 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Englewood Cliffs School District's proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 10. DEFERRED COMPENSATION**

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

Equitable Equi-Vest Valic	Oppenheimer/Invesco Security Benefit
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**NOTE 11. RISK MANAGEMENT**

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

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

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

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the District remits contributions directly to the New Jersey Unemployment Trust Fund. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$-0-	\$-0-	\$-0-	\$-0-
2017-2018	-0-	-0-	-0-	-0-
2016-2017	-0-	-0-	-0-	-0-

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 12. CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$1,429,462
Increased by:	
Interest Earnings	5,232
Board Transfer - June 3, 2019	700,000
Budgeted Withdrawal Returned - Unexpended	871,000
Unexpended Prior Year Appropriations Returned	<u>26,853</u>
	3,032,547
Budgeted Withdrawal - FY19 Adopted Budget	<u>(871,000)</u>
Ending balance, June 30, 2019	<u>\$2,161,547</u>

**NOTE 13. MAINTENANCE RESERVE ACCOUNT**

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

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

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
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**NOTE 13. MAINTENANCE RESERVE ACCOUNT, (continued)**

The activity of the Maintenance Reserve Account for July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$253,205
Interest Earnings	<u>881</u>
Ending balance, June 30, 2019	<u>\$254,086</u>

**NOTE 14. EMERGENCY RESERVE ACCOUNT**

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

The activity of the Emergency Reserve Account for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	<u>\$250,000</u>
Ending balance, June 30, 2019	<u>\$250,000</u>

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$3,172,017 General Fund fund balance at June 30, 2019, \$227,687 is reserved for encumbrances; \$-0- is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$-0- of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2020); \$2,161,547 has been reserved in the Capital Reserve Account; \$254,086 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; and \$278,697 is unreserved and undesignated.

**Debt Service Fund:** Of the Debt Service Fund balance at June 30, 2019, \$8,080 is unreserved and undesignated.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance for the year ended June 30, 2019 is \$-0- of which \$-0- is the result of current year's operations and \$-0- is prior year excess surplus.

**NOTE 17. CONTINGENT LIABILITIES**

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

**Litigation** - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**NOTE 18. SUBSEQUENT EVENTS**

The Board has evaluated subsequent events through November 8, 2019, 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**

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	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	13,222,907		13,222,907	13,222,907	
Tuition	273,600		273,600	281,823	8,223
Unrestricted Miscellaneous Revenues	30,000		30,000	68,961	38,961
Interest Earned on Maintenance Reserve	250		250	880	630
Interest Earned on Capital Reserve Funds	5,000		5,000	5,232	232
<b>Total - Local Sources</b>	<u>13,531,757</u>		<u>13,531,757</u>	<u>13,579,803</u>	<u>48,046</u>
Revenues from State Sources:					
Categorical Special Education Aid	263,965		263,965	263,965	
Categorical Security Aid	8,968		8,968	8,968	
Categorical Transportation Aid	106,203	34,866	141,069	141,069	
Extraordinary Aid	300,000		300,000	271,306	(28,694)
Other Unrestricted State Aid - NonPublic Transportation Aid				30,711	30,711
On-behalf TPAF Post-Retirement Medical (non-budgeted)				395,584	395,584
On-behalf TPAF Pension (non-budgeted)				854,222	854,222
On-behalf TPAF NCGI Premium (non-budgeted)				17,881	17,881
On-behalf TPAF - LTDI				1,075	1,075
Reimbursed TPAF Social Security Contributions (non-budgeted)				344,688	344,688
<b>Total - State Sources</b>	<u>679,136</u>	<u>34,866</u>	<u>714,002</u>	<u>2,329,469</u>	<u>1,615,467</u>
<b>TOTAL REVENUES</b>	<u>14,210,893</u>	<u>34,866</u>	<u>14,245,759</u>	<u>15,909,272</u>	<u>1,663,513</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool-Salaries of Teachers	132,741	2,290	135,031	135,031	
Kindergarten - Salaries of Teachers	360,644	(114,875)	245,769	245,769	
Grades 1-5 - Salaries of Teachers	1,738,758	16,190	1,754,948	1,754,948	
Grades 6-8 - Salaries of Teachers	1,002,444	(13,337)	989,107	989,107	
Grades 9-12 - Salaries of Teachers					
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers		180	180	180	
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	1,000	1,204	2,204	2,204	
Purchased Professional-Educational Services	8,777	3,054	11,831	11,806	25
Purchased Technical Services	38,542	22,495	61,037	47,283	13,754
Other Purchased Services (400-500 series)	85,361	(27,830)	57,531	57,523	8
General Supplies	198,674	209,900	408,574	205,855	202,719
Textbooks		6,300	6,300	134	6,166
Other Objects	23,663	(1,005)	22,658	22,486	172
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>3,590,604</u>	<u>104,566</u>	<u>3,695,170</u>	<u>3,472,326</u>	<u>222,844</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	767,200	(78,246)	688,954	666,032	22,922
General Supplies	3,932	(2,875)	1,057	755	302
<b>Total Resource Room/Resource Center</b>	<u>771,132</u>	<u>(81,121)</u>	<u>690,011</u>	<u>666,787</u>	<u>23,224</u>
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	9,364		9,364	8,774	590
Other Salaries for Instruction	71,700		71,700	71,524	176
General Supplies	1,000		1,000	598	402
<b>Total Preschool Disabilities - Full-Time</b>	<u>82,064</u>		<u>82,064</u>	<u>80,896</u>	<u>1,168</u>
<b>Home Instruction</b>					
Salaries of Teachers		551	551	551	
Purchased Professional-Education Services					
<b>Total Home Instruction</b>		<u>551</u>	<u>551</u>	<u>551</u>	
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>853,196</u>	<u>(80,570)</u>	<u>772,626</u>	<u>748,234</u>	<u>24,392</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	87,969	(876)	87,093	86,278	815
General Supplies		797	797	797	
<b>Total Basic Skills/Remedial - Instruction</b>	<u>87,969</u>	<u>(79)</u>	<u>87,890</u>	<u>87,075</u>	<u>815</u>

Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	90,248	3,196	93,444	93,444	
General Supplies	850	507	1,357	1,337	20
<b>Total Bilingual Education - Instruction</b>	<u>91,098</u>	<u>3,703</u>	<u>94,801</u>	<u>94,781</u>	<u>20</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	1,500		1,500		1,500
Supplies and Materials	3,000		3,000	3,000	
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>4,500</u>		<u>4,500</u>	<u>3,000</u>	<u>1,500</u>
<b>Other Supplemental/At Risk Prog-Inst</b>					
Salaries of Reading Specialist		80,740	80,740	80,740	
<b>Total Other Supplemental/At Risk Prog-Inst</b>		<u>80,740</u>	<u>80,740</u>	<u>80,740</u>	
<b>TOTAL INSTRUCTION</b>	<u>4,627,367</u>	<u>108,360</u>	<u>4,735,727</u>	<u>4,486,156</u>	<u>249,571</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	795,851	(119,600)	676,251	657,847	18,404
Tuition to Other LEAs Within the State - Special	456,056	(106,665)	349,391	340,501	8,890
Tuition to County Voc. School Dist. - Regular	390,852	27,711	418,563	418,563	
Tuition to County Voc. School Dist. - Special	54,000		81,000	81,000	
Tuition to CSSD & Regional Day Schools	291,000	(200,580)	90,420	90,420	
Tuition to Private Schools for the Handicapped - Within State	337,302	139,628	476,930	445,702	31,228
<b>Total Undistributed Expenditures - Instruction:</b>	<u>2,325,061</u>	<u>(232,506)</u>	<u>2,092,555</u>	<u>2,034,033</u>	<u>58,522</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	150,030	(21,950)	128,080	125,537	2,543
Purchased Professional and Technical Services	7,134	2,663	9,797	4,769	5,028
Other Purchased Services (400-500 series)	1,000	(897)	103	40	63
Supplies and Materials	10,466	(4,089)	6,377	5,713	664
<b>Total Undistributed Expenditures - Health Services</b>	<u>168,630</u>	<u>(24,273)</u>	<u>144,357</u>	<u>136,059</u>	<u>8,298</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries	96,288	1,675	97,963	97,013	950
Purchased Prof. Services-Educational Services	193,135	2,646	195,781	165,202	30,579
Supplies and Materials	4,000	(1,472)	2,528	2,308	220
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<u>293,423</u>	<u>2,849</u>	<u>296,272</u>	<u>264,523</u>	<u>31,749</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Extra. Serv.</b>					
Salaries	357,879	4,601	362,480	361,994	486
Purchased Prof. Services-Educational Services	55,000	(7,450)	47,550	4,255	43,295
Other Objects	3,600		3,600		3,600
<b>Total Undist. Expend. -Other Supp. Serv. Students-Extra. Serv.</b>	<u>416,479</u>	<u>(2,849)</u>	<u>413,630</u>	<u>366,249</u>	<u>47,381</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	92,610	3,080	95,690	94,539	1,151
Salaries of Secretarial and Clerical Assistants	21,741		21,741	21,741	
Other Purchased Services (400-500 series)	800	(252)	548	40	508
Supplies and Materials	2,650	(2,242)	408	199	209
Other Objects	1,120	(300)	820	820	
<b>Total Undist. Expend. - Guidance</b>	<u>118,921</u>	<u>286</u>	<u>119,207</u>	<u>117,339</u>	<u>1,868</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	330,919	39,582	370,501	368,271	2,230
Salaries of Secretarial and Clerical Assistants	50,031		50,031	50,031	
Purchased Prof. Services-Educational Services	3,000	2,360	5,360	3,384	1,976
Other Purchased Prof. and Tech Services	49,450	(5,016)	44,434	43,374	1,060
Other Purchased Services (400-500 series)	5,150	736	5,886	5,577	309
Misc. Pur Services (400-500 Series O/than Resid Costs)					
Supplies and Materials	10,800	(5,250)	5,550	5,139	411
Other Objects	1,225	(105)	1,120	1,120	
<b>Total Undist. Expend. - Child Study Teams</b>	<u>450,575</u>	<u>32,307</u>	<u>482,882</u>	<u>476,896</u>	<u>5,986</u>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	94,668	3,156	97,824	97,824	
Salaries of Other Professional Staff	17,280		17,280	14,115	3,165
Supplies and Materials	300	292	592	592	
Other Purch Services (400-500)	690	(100)	590	483	107
Other Objects	980	1,989	2,969	2,969	
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<u>113,918</u>	<u>5,337</u>	<u>119,255</u>	<u>115,983</u>	<u>3,272</u>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	75,940	(156)	75,784	75,730	54
Salaries of Technology Coordinators	112,725	8,766	121,491	121,491	
Purchased Professional and Technical Services	6,909	(18)	6,891	6,891	
Other Purch Services (400-500)	200	(25)	175	175	
Supplies and Materials	3,700	873	4,573	4,455	118
Other Objects	65		65	65	
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<u>199,539</u>	<u>9,440</u>	<u>208,979</u>	<u>208,807</u>	<u>172</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Sal Ser. & Clerical Asst.		3,037	3,037	3,037	
Other Salaries					

Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Purchased Professional - Educational Services	60,385	(10,716)	49,669	35,477	14,192
Other Purchased Services (400-500 series)					
Supplies and Materials	10,895	17,507	28,402	28,389	13
Other Objects					
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>71,280</u>	<u>9,828</u>	<u>81,108</u>	<u>66,903</u>	<u>14,205</u>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	226,098		226,098	226,098	
Legal Services	55,000	20,307	75,307	75,307	
Audit Fees	20,500	20,500	41,000	20,500	20,500
Architectural/Engineering Services	35,500	2,727	38,227	38,227	
Other Purchased Professional Services	1,750	(50)	1,700	1,500	200
Purchased Technical Services					
Communications/Telephone	21,689	(915)	20,774	17,113	3,661
BOE Other Purchased Services					
Misc. Purch Services (400-500 Series)	33,052	(391)	32,661	32,649	12
General Supplies	2,330	(803)	1,527	1,471	56
BOE In House Training/Meeting Supplies	240	341	581	575	6
Misc. Expenditures	2,525	(950)	1,575	1,575	
BOE Membership Dues and Fees	9,800	83	9,883	9,883	
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>408,484</u>	<u>40,849</u>	<u>449,333</u>	<u>424,898</u>	<u>24,435</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	68,824	10,000	78,824	71,472	7,352
Salaries of Secretarial and Clerical Assistants	106,184	8,228	114,412	105,628	8,784
Purchased Prof & Technical Services	2,098	(174)	1,924	1,924	
Other Purchased Services (400-500 series)	3,437	1,123	4,560	4,028	532
Supplies and Materials	6,890	(495)	6,395	6,354	41
Other Objects	1,370	198	1,568	1,568	
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<u>188,803</u>	<u>18,880</u>	<u>207,683</u>	<u>190,974</u>	<u>16,709</u>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	197,038	18,390	215,428	201,384	14,044
Purchased Professional Services	20,000	(5,768)	14,232	9,577	4,655
Purchased Technical Services	11,689	1,861	13,550	13,550	
Misc. Pur Services (400-500 Series)	1,477	120	1,597	1,597	
Supplies and Materials	5,230	148	5,378	5,059	319
Other Objects					
Miscellaneous Expenditures	1,495	383	1,878	1,878	
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<u>236,929</u>	<u>15,134</u>	<u>252,063</u>	<u>233,045</u>	<u>19,018</u>
<b>Undist. Expend. - Admin. Info. Tech</b>					
Salaries	34,986	(29,903)	5,083	5,046	37
Purchased Professional Services	3,000	18,954	21,954	5,350	16,604
Purchased Technical Services	55,365	11,586	66,951	63,046	3,905
Other Purchased Services (400-500 series)	800	3,602	4,402	3,877	525
Supplies and Materials	7,000	2,839	9,839	8,922	917
<b>Total Undist. Expend. - Admin. Info. Tech</b>	<u>101,151</u>	<u>7,078</u>	<u>108,229</u>	<u>86,241</u>	<u>21,988</u>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Lead Testing					
Cleaning, Repair and Maintenance Services	83,090	14,571	97,661	94,420	3,241
General Supplies	21,824	20,818	42,642	42,642	
Other Objects	946	(1)	945	945	
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<u>105,860</u>	<u>35,388</u>	<u>141,248</u>	<u>138,007</u>	<u>3,241</u>
<b>Undist. Expend. - Custodial Services (262)</b>					
Salaries	372,496	(13,472)	359,024	359,024	
Salaries of Non-Instructional Aides	70,520	(5,354)	65,166	64,953	213
Cleaning, Repair and Maintenance Services	28,048	536	28,584	28,253	331
Other Purchased Property Services	19,393	(4,691)	14,702	14,376	326
Insurance	49,100	(1,940)	47,160	47,160	
Travel		11	11	11	
Miscellaneous Purchased Services	2,500	(2,500)			
General Supplies	43,733	(6,448)	37,285	37,059	226
Energy (Natural Gas)	48,200	(3,532)	44,668	42,370	2,298
Energy (Electricity)	103,400	9,318	112,718	77,603	35,115
Other Objects					
<b>Total Undist. Expend. - Custodial Services (262)</b>	<u>737,390</u>	<u>(28,072)</u>	<u>709,318</u>	<u>670,809</u>	<u>38,509</u>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Cleaning, Repair and Maintenance Services	78,330	(24,231)	54,099	49,421	4,678
General Supplies	4,500	3,107	7,607	7,607	
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<u>82,830</u>	<u>(21,124)</u>	<u>61,706</u>	<u>57,028</u>	<u>4,678</u>

Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Security</b>					
Salaries	43,200		43,200	40,538	2,662
Cleaning, Repair and Maintenance Services	13,923	7,190	21,113	17,777	3,336
General Supplies	1,000	15,475	16,475	5,885	10,590
<b>Total Undist. Expend. - Security</b>	<u>58,123</u>	<u>22,665</u>	<u>80,788</u>	<u>64,200</u>	<u>16,588</u>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries of Non-Instructional Aides	50,600	2,135	52,735	50,450	2,285
Sal. For Pupil Trans (Bet Home & Sch)-Reg	15,046		15,046	15,046	
Contract Serv.-Aid in Lieu Pymts-NonPub Sch	84,000	(459)	83,541	83,000	541
Contr Serv. (Bet. Home and Sch) Vendors					
Contr Serv. (Oth than Bet. Home and Sch)-Vendors	15,580		15,580	11,155	4,425
Contr Serv. (Bet. Home & Sch) Joint Agrmnts	479,576	49,268	528,844	461,345	67,499
Contract Serv. (Sp Ed Stds)-Joint Agrmnts	403,214	(50,944)	352,270	329,488	22,782
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>1,048,016</u>	<u></u>	<u>1,048,016</u>	<u>950,484</u>	<u>97,532</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	148,250		148,250	138,010	10,240
Other Retirement Contributions-PERS	180,427	1,397	181,824	171,847	9,977
Other Retirement Contributions-Regular	4,680		4,680	4,413	267
Unemployment Compensation	27,500	1,562	29,062	25,219	3,843
Workmen's Compensation	39,924	4,735	44,659	44,659	
Health Benefits	1,968,590	99,702	2,068,292	1,795,922	272,370
Tuition Reimbursement	23,000	(33)	22,967	21,129	1,838
Other Employee Benefits	38,610	10,918	49,528	49,528	
Unused Sick Payment to Term/Retired Staff	100,000	(25,000)	75,000	25,000	50,000
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>2,530,981</u>	<u>93,281</u>	<u>2,624,262</u>	<u>2,275,727</u>	<u>348,535</u>
On-behalf TPAF Post-Retirement Medical (non-budgeted)				395,584	395,584
On-behalf TPAF Pension (non-budgeted)				854,222	854,222
On-behalf TPAF NCGI Premium (non-budgeted)				17,881	17,881
On-behalf TPAF - LTDI				1,075	1,075
Reimbursed TPAF Social Security Contributions (non-budgeted)				344,688	344,688
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>1,613,450</u>	<u>(1,613,450)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>2,530,981</u>	<u>93,281</u>	<u>2,624,262</u>	<u>3,889,177</u>	<u>(1,264,915)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>9,656,393</u>	<u>(15,502)</u>	<u>9,640,891</u>	<u>10,491,655</u>	<u>(850,764)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>14,283,760</u>	<u>92,858</u>	<u>14,376,618</u>	<u>14,977,811</u>	<u>(601,193)</u>
<b>Undist. Expenditures:</b>					
Admin Info Tech	32,518	5,398	37,916	10,173	27,743
Custodial Services		16,911	16,911	7,466	9,445
Non-Instructional Services		32,518	32,518	32,518	
<b>Total Undist. Expend.</b>	<u>32,518</u>	<u>54,827</u>	<u>87,345</u>	<u>50,157</u>	<u>37,188</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	191,000		191,000		191,000
Other Purchased Prof. & Tech. Services	23,368	3,400	26,768	26,092	676
Construction Services	1,469,294	931	1,470,225	718,720	751,505
Assessment for Debt Service on SDA Funding	5,625		5,625	5,625	
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,689,287</u>	<u>4,331</u>	<u>1,693,618</u>	<u>750,437</u>	<u>943,181</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,721,805</u>	<u>59,158</u>	<u>1,780,963</u>	<u>800,594</u>	<u>980,369</u>
<b>TOTAL EXPENDITURES</b>	<u>16,005,565</u>	<u>152,016</u>	<u>16,157,581</u>	<u>15,778,405</u>	<u>379,176</u>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(1,794,672)	(117,150)	(1,911,822)	130,867	2,042,689
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	(1,794,672)	(117,150)	(1,911,822)	130,867	2,042,689
<b>Fund Balance, July 1</b>	3,074,049		3,074,049	3,074,049	
<b>Fund Balance, June 30</b>	<u>1,279,377</u>	<u>(117,150)</u>	<u>1,162,227</u>	<u>3,204,916</u>	<u>2,042,689</u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(928,922)		(928,922)		(928,922)
Increase:					
Capital Reserve - Principal				700,000	(700,000)
Capital Reserve - Interest	5,000		5,000	5,232	(232)
Capital Reserve - Capital Projects Cancelled				897,854	(897,854)
Maintenance Reserve - Interest	250		250	880	(630)
Withdrawal from Capital Reserve	(871,000)		(871,000)		(871,000)
Budgeted Fund Balance	(871,000)	(117,150)	(117,150)	(1,473,099)	5,441,327
	(1,794,672)	(117,150)	(1,911,822)	130,867	2,042,689
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Designated for Subsequent Years' Expenditures					
Capital Reserve				2,161,547	
Maintenance Reserve				254,086	
Emergency Reserve				250,000	
Assigned Fund Balance:					
Year-End Encumbrances				227,687	
Unassigned Fund Balance:				311,596	
				3,204,916	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				(32,899)	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<b>3,172,017</b>	

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	25,254	12,564	37,818	35,061	(2,757)
Federal Sources	160,858	71,408	232,266	223,801	(8,465)
<b>Total Revenues</b>	<b>186,112</b>	<b>83,972</b>	<b>270,084</b>	<b>258,862</b>	<b>(11,222)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Other Purchased Services (400-500 Series)	119,737	56	119,793	119,793	-
General Supplies	27,881	15,467	43,348	36,801	6,547
Textbooks	4,602	578	5,180	5,175	5
<b>Total instruction</b>	<b>152,220</b>	<b>16,101</b>	<b>168,321</b>	<b>161,769</b>	<b>6,552</b>
<b>Support services:</b>					
Purchased Professional and Technical Services	26,242	39,746	65,988	64,339	1,649
Other Purchased Services (400-500 Series)		1,175	1,175	788	387
Supplies and Materials	7,650	10,050	17,700	15,066	2,634
<b>Total support services</b>	<b>33,892</b>	<b>50,971</b>	<b>84,863</b>	<b>80,193</b>	<b>4,670</b>
<b>Facilities acquisition and construction services:</b>					
Other Purchased Professional Services		-			-
Instructional Equipment		16,900	16,900	16,900	-
Other Purchased Services		-			-
Supplies and Materials		-			-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>16,900</b>	<b>16,900</b>	<b>16,900</b>	<b>-</b>
<b>Total Expenditures</b>	<b>186,112</b>	<b>83,972</b>	<b>270,084</b>	<b>258,862</b>	<b>11,222</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>



**ENGLEWOOD CLIFFS BOARD OF EDUCATION  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to Required Supplementary Information - Part II  
Fiscal Year Ended June 30, 2019**

**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]	15,909,272	258,862
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(18,472)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		24,658	
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)		(32,899)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	15,901,031	240,390
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	15,778,405	258,862
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.			(18,472)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	15,778,405	240,390

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>District's</u> <u>Proportion</u> <u>of the Net</u> <u>Pension Liability</u> <u>(Asset)</u>	<u>District's</u> <u>Proportionate Share</u> <u>of the Net</u> <u>Pension Liability</u> <u>(Asset)</u>	<u>District's Covered</u> <u>Payroll - PERS</u> <u>Employee's</u>	<u>District's</u> <u>Proportionate Share</u> <u>of the Net Pension</u> <u>Liability (Asset) as</u> <u>a Percentage of Its'</u> <u>Covered Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position as</u> <u>a Percentage of the</u> <u>Total Pension</u> <u>Liability</u>
2015	0.0152065979%	\$ 2,847,091	\$ 1,080,524	263.49%	52.08%
2016	0.0142095476%	3,189,759	1,180,020	270.31%	47.93%
2017	0.0171520092%	5,079,933	1,182,605	429.55%	59.86%
2018	0.0171392665%	3,989,747	1,213,811	328.70%	51.90%
2019	0.0170249300%	3,352,124	1,062,985	315.35%	46.40%

\* 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 BOARD OF EDUCATION**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Contributions - PERS**  
*Last 10 Fiscal Years\**

<u>Fiscal Year Ending June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relations to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's PERS Covered- Employee Payroll</u>	<u>Contributions as a Percentage of PERS Covered- Employee Payroll</u>
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%
2018	158,777	158,777	-	1,213,811	13.08%
2019	169,343	169,343	-	1,062,985	15.93%

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

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Share of Net Pension Liability - TPAF**  
*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)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	District's Proportionate 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	0.0360689950%	\$ -	\$ 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%
2018	0.0448742572%	-	30,255,842	4,680,802	0.00%	25.41%
2019	0.0452932148%	-	28,814,570	5,036,691	0.00%	26.49%

\* 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 BOARD OF EDUCATION**  
**Note to Required Schedules of Supplementary Information - Part III**  
**Fiscal Year Ended June 30, 2019**

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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 5.00% to 5.66%. 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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 4.25% to 4.86%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Schedule of Required Supplementary Information**  
**Schedule of Changes in the District's Proportionate Share of the State OPEB Liability**  
*Last 10 Fiscal Years\**

	2019	2018
<b>Total OPEB Liability</b>		
Service Costs	\$ 879,761	\$ 1,063,587
Interest on Total OPEB Liability	859,013	740,889
Difference between Expected and Actual Experience	(1,617,406)	
Changes in Assumptions	(2,364,381)	(3,095,742)
Gross Benefit Payments	(550,936)	(541,499)
Contribution from the Member	19,041	19,939
<b>Net Changes in total Share of OPEB Liability</b>	<b>(2,774,908)</b>	<b>(1,812,826)</b>
<b>Total OPEB Liability - Beginning</b>	<b>23,378,638</b>	<b>25,191,464</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 20,603,730</b>	<b>\$ 23,378,638</b>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	20,603,730	23,378,638
Total OPEB Liability - Ending	<b>\$ 20,603,730</b>	<b>\$ 23,378,638</b>
District's Covered Employee Payroll	<b>\$ 6,250,502</b>	<b>\$ 5,863,407</b>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Change in benefit terms                      None

Change in assumptions                      Assumptions used in calculating the OPEB liability are presented  
in Note 8.

\* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

## **Supplementary Schedules**



**SPECIAL REVENUE FUND**

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2019

	Title I Part A	Title II, Part A	Title III Immigrant Carryover	Title III Immigrant	Title III Immigrant	(Pass Through) Title III, English Language Enhancement & Enrichment	Title IV	Totals 2019
<b>REVENUES</b>								
State Sources	35,061							35,061
Federal Sources	65,183	12,293	1,866	9,697	3,160	11,809		223,801
<b>Total Revenues</b>	<b>65,183</b>	<b>12,293</b>	<b>1,866</b>	<b>9,697</b>	<b>3,160</b>	<b>11,809</b>		<b>258,862</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Other Purchased Services (400-500 series)	119,793							119,793
General Supplies	3,374		1,078	9,697	3,160	915		36,801
Textbooks	5,175							5,175
<b>Total instruction</b>	<b>128,342</b>	<b>-</b>	<b>1,078</b>	<b>9,697</b>	<b>3,160</b>	<b>915</b>		<b>161,769</b>
<b>Support Services:</b>								
Purchased Professional and Technical Services	11,446	12,293						64,339
Other Purchased Services (400-500 series)	-		788					788
Supplies and Materials	15,066							15,066
<b>Total support services</b>	<b>26,512</b>	<b>12,293</b>	<b>788</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>80,193</b>
<b>Facilities acquisition and const. serv.:</b>								
Instructional Equipment	-						10,894	16,900
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,894</b>	<b>16,900</b>
<b>Total Expenditures</b>	<b>154,854</b>	<b>12,293</b>	<b>1,866</b>	<b>9,697</b>	<b>3,160</b>	<b>11,809</b>		<b>258,862</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>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2019

	IDEA Part B Preschool	N.J. Nonpublic Nursing Services	N.J. Nonpublic Security Aid	N.J. Nonpublic Technology Aid	N.J. Nonpublic Textbook Aid	Totals 2019
<b>REVENUES</b>						
State Sources	115,272	11,446	15,066	3,374	5,175	35,061
Federal Sources	4,521					119,793
<b>Total Revenues</b>	<b>115,272</b>	<b>11,446</b>	<b>15,066</b>	<b>3,374</b>	<b>5,175</b>	<b>154,854</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Other Purchased Services (400-500 series)	115,272	4,521		3,374		119,793
General Supplies					5,175	3,374
Textbooks						5,175
<b>Total instruction</b>	<b>115,272</b>	<b>4,521</b>	<b>-</b>	<b>3,374</b>	<b>5,175</b>	<b>128,342</b>
<b>Support Services:</b>						
Purchased Professional and Technical Services		11,446				11,446
Other Purchased Services (400-500 series)			15,066			-
Supplies and Materials						15,066
<b>Total support services</b>	<b>-</b>	<b>11,446</b>	<b>15,066</b>	<b>-</b>	<b>-</b>	<b>26,512</b>
<b>Total Expenditures</b>	<b>115,272</b>	<b>11,446</b>	<b>15,066</b>	<b>3,374</b>	<b>5,175</b>	<b>154,854</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>

**PROPRIETARY FUNDS**

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2019**

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	1,930	34,327	36,257
Accounts receivable:			
Federal	437		437
Total current assets	<u>2,367</u>	<u>34,327</u>	<u>36,694</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>2,367</u>	<u>34,327</u>	<u>36,694</u>
<b>LIABILITIES</b>			
Current liabilities:			
Account payable	<u>215</u>		<u>215</u>
Total current liabilities	<u>215</u>		<u>215</u>
<b>NET POSITION</b>			
Unrestricted	<u>2,152</u>	<u>34,327</u>	<u>36,479</u>
Total net position	<u>2,152</u>	<u>34,327</u>	<u>36,479</u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2019**

	Special Milk Program	Enrichment Program	Invengineering Program	Totals
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	2,393			2,393
Tuition Charges		43,829	3,150	46,979
Total operating revenues	<u>2,393</u>	<u>43,829</u>	<u>3,150</u>	<u>49,372</u>
Operating expenses:				
Cost of sales - reimbursable programs	3,916			3,916
Salaries and wages		33,437	2,420	35,857
Supplies and materials		861	730	1,591
Total Operating Expenses	<u>3,916</u>	<u>34,298</u>	<u>3,150</u>	<u>41,364</u>
Operating income (loss)	<u>(1,523)</u>	<u>9,531</u>	<u>-</u>	<u>8,008</u>
Nonoperating revenues (expenses):				
Federal sources:				
Special milk program	2,379			2,379
Total nonoperating revenues (expenses)	<u>2,379</u>	<u>-</u>	<u>-</u>	<u>2,379</u>
Income (loss) before contributions & transfers	856	9,531		10,387
Change in net position	856	9,531		10,387
Total net position—beginning	1,296	24,796		26,092
Total net position—ending	<u>2,152</u>	<u>34,327</u>	<u>-</u>	<u>36,479</u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2019**

	Special Milk Program	Enrichment Program	Invengineering Program	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	2,393	43,829	3,150	49,372
Payments for milk purchases	(4,429)			(4,429)
Payments for salaries and wages		(33,437)	(2,420)	(35,857)
Payments for Utilities		(6,065)		(6,065)
Payments for supplies		(861)	(730)	(1,591)
Net cash provided by (used for) operating activities	(2,036)	3,466	-	1,430
<b>ACTIVITIES</b>				
Federal sources	2,459			2,459
Net cash provided by (used for) non-capital financing activities	2,459	-	-	2,459
Net increase (decrease) in cash and cash equivalents	423	3,466	-	3,889
Balances—beginning of year	1,507	30,861	-	32,368
Balances—end of year	1,930	34,327	-	36,257
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss) provided by	(1,523)	9,531	-	8,008
(used for) operating activities				
Increase (decrease) in accounts payable	(513)	(6,065)		(6,578)
Total adjustments	(513)	(6,065)	-	(6,578)
Net cash provided by (used for) operating activities	(2,036)	3,466	-	1,430

**FIDUCIARY FUND**



**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	196,961
Total assets	<u>196,961</u>
 <b>LIABILITIES</b>	
Payable to student groups	6,297
Payroll deductions and withholdings	13,426
Net payroll	6,672
Net payroll - summer pay	166,654
Flexible spending	3,692
Interfund - General Fund	220
Total liabilities	<u>196,961</u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Upper School	<u>6,707</u>	<u>60,528</u>	<u>60,938</u>	<u>6,297</u>
Total All Schools	<u><u>6,707</u></u>	<u><u>60,528</u></u>	<u><u>60,938</u></u>	<u><u>6,297</u></u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Interfund Payable - General Fund	220			220
Net Payroll	6,672	4,040,424	4,040,424	6,672
Flexible Spending Account	4,101	8,506	8,915	3,692
Payroll Deductions and Withholdings	63,811	3,651,458	3,701,843	13,426
Summer Pay	196,378	166,956	196,680	166,654
	<u>271,182</u>	<u>7,867,344</u>	<u>7,947,862</u>	<u>190,664</u>

**LONG-TERM DEBT**

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2019**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2018	Decreased	Balance June 30, 2019
School Refunding Bonds	4/19/2017	1,685,000	8/15/2019 8/15/2020 8/15/2021	335,000 345,000 340,000	1.700% 1.700% 1.700%	\$ 1,350,000	330,000	1,020,000
						\$ 1,350,000	330,000	1,020,000

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	72,961		72,961	72,961	-
State Sources:					
Debt Service Aid Type II	88,290		88,290	88,290	-
Total - State Sources	88,290	-	88,290	88,290	-
<b>Total Revenues</b>	<b>161,251</b>	<b>-</b>	<b>161,251</b>	<b>161,251</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	20,145		20,145	20,145	-
Redemption of Principal	330,000		330,000	330,000	-
Total Regular Debt Service	350,145	-	350,145	350,145	-
<b>Total expenditures</b>	<b>350,145</b>	<b>-</b>	<b>350,145</b>	<b>350,145</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,894)	-	(188,894)	(188,894)	-
Fund Balance, July 1	196,974	-	196,974	196,974	-
Fund Balance, June 30	8,080	-	8,080	8,080	-
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	(188,894)	-	(188,894)	8,080	196,974

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

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

### **Financial Trends**

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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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<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)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	906,819	830,387	793,040	1,615,883	1,773,540	1,837,957	1,794,548	1,766,991	2,697,226	3,457,521
Restricted	1,464,173	2,134,491	2,239,190	2,427,845	2,461,642	2,418,546	2,670,011	3,506,024	3,058,563	2,901,400
Unrestricted	(113,289)	134,469	510,458	632,696	203,416	(2,540,549)	(2,609,582)	(3,348,512)	(3,639,213)	(3,671,393)
<b>Total governmental activities net assets/position</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>\$ 2,116,576</b>	<b>\$ 2,687,528</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 468	\$ 335	\$ 202	\$ 69						
Restricted	1,898	2,168	658	801	734	818	1,648	20,577	26,092	36,479
Unrestricted	2,366	2,503	860	870	734	818	1,648	20,577	26,092	36,479
<b>Total business-type activities net assets/position</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>\$ 26,092</b>	<b>\$ 36,479</b>
<b>District-wide</b>										
Invested in capital assets	\$ 907,287	\$ 830,722	\$ 793,242	\$ 1,615,952	\$ 1,773,540	\$ 1,837,957	\$ 1,794,548	\$ 1,766,991	\$ 2,697,226	\$ 3,457,521
Restricted	1,464,173	2,134,491	2,239,190	2,427,845	2,461,642	2,418,546	2,670,011	3,506,024	3,058,563	2,901,400
Unrestricted	(111,391)	136,637	511,116	633,497	204,150	(2,539,731)	(2,607,934)	(3,327,935)	(3,613,121)	(3,634,914)
<b>Total district net assets/position</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>	<b>\$ 2,142,668</b>	<b>\$ 2,724,007</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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 3,905,034	\$ 2,971,597	\$ 3,224,341	\$ 3,301,980	\$ 4,024,684	\$ 4,327,314	\$ 4,799,343	\$ 4,543,476	\$ 4,750,188	\$ 4,547,331
Special education	938,425	790,833	895,930	1,053,436	1,109,731	1,438,502	1,463,516	1,468,399	1,118,449	968,844
Other special education	351,347	313,486	324,632	375,651	311,881	285,924	261,988	182,652	170,063	235,177
Other instruction	8,200	6,086	4,770	10,599	4,758	9,440		24,292	14,891	107,589
Support Services:										
Tuition	880,430	964,637	824,430	729,025	669,693	717,668	977,564	1,973,131	2,021,273	2,034,033
Student & instruction related services	2,071,144	1,789,932	2,011,665	2,310,222	2,471,219	2,430,735	2,349,989	2,225,026	2,211,348	2,259,228
School Administrative Services	238,937	207,911	227,004	388,293	157,084	158,185	156,652	207,811	230,683	244,410
General administration	323,998	357,097	341,793	223,647	349,291	409,541	412,375	456,753	471,737	491,682
Central Services	209,248	228,384	245,691	257,900	317,435	354,589	271,986	347,766	264,369	292,529
Administrative information technology	21,929	30,941	59,610	101,899	81,329	181,306	225,784	157,717	172,582	87,731
Plant Operations and Maintenance	1,184,584	1,001,025	1,006,390	1,040,444	1,134,175	1,237,537	1,155,542	1,038,254	1,051,907	1,075,936
Pupil transportation	744,457	655,508	685,340	776,161	691,206	755,696	798,155	906,858	928,621	969,830
Other support services										
Allocated benefits										
Unallocated benefits	619,163	726,604	881,060	728,928	762,093	959,116	311,338	1,205,340	2,998,814	2,010,545
On-behalf Contributions										
Prior Year Encumbrances										
Capital Outlay - non-depreciable		48,336	110,260	4,203	322,369	95,291	195,212	5,993	202,379	21,025
Debt Services:										
Interest and other charges	132,850	124,835	109,233	108,231	100,548	93,510	78,190	66,864	4,771	18,042
Bond Issuance Costs								49,000		
Unallocated depreciation								302,877	320,396	367,788
Total governmental activities expenses	11,629,746	10,217,212	10,952,149	11,410,619	12,507,496	13,454,354	13,457,634	15,162,209	16,932,471	15,731,720

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type activities:</b>										
Special Milk Fund	4,564	3,515	6,608	4,364	5,882	6,789	5,090	6,141	3,815	3,916
Invigineering Program								26,842	3,150	3,150
Enrichment Program								32,983	37,392	34,298
Total business-type activities expense	4,564	3,515	6,608	4,364	5,882	6,789	5,090	26,842	37,392	34,298
Total district expenses	\$ 11,634,310	\$ 10,220,727	\$ 10,958,757	\$ 11,414,983	\$ 12,513,378	\$ 13,461,143	\$ 13,462,724	\$ 15,195,192	\$ 16,976,828	\$ 15,773,084
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	332,168	211,317	206,591	231,429	243,862	251,809	294,852	269,287	315,064	223,490
Total governmental activities program revenues	332,168	211,317	206,591	231,429	243,862	251,809	294,852	269,287	315,064	223,490
Business-type activities:										
Charges for services	2,433	2,288	2,619	2,047	2,631	3,105	2,658	2,094	2,158	2,393
Special Milk Fund									3,150	3,150
Invigineering Program								46,935	42,095	43,829
Enrichment Program								2,883	2,469	2,379
Operating grants and contributions	1,743	1,364	2,346	2,327	3,115	3,768	3,262	51,912	49,872	51,751
Total business type activities program revenues	4,176	3,652	4,965	4,374	5,746	6,873	5,920	2,883	2,469	2,379
Total district program revenues	\$ 336,344	\$ 214,969	\$ 211,556	\$ 235,803	\$ 249,608	\$ 258,682	\$ 300,772	\$ 321,199	\$ 364,936	\$ 275,241
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (11,297,578)	\$ (10,005,895)	\$ (10,745,558)	\$ (11,179,190)	\$ (12,263,634)	\$ (13,202,545)	\$ (13,162,782)	\$ (14,892,922)	\$ (16,617,407)	\$ (15,508,230)
Business-type activities	(388)	137	(1,643)	10	(136)	84	830	18,929	5,515	10,387
Total district-wide net expense	\$ (11,297,966)	\$ (10,005,758)	\$ (10,747,201)	\$ (11,179,180)	\$ (12,263,770)	\$ (13,202,461)	\$ (13,161,952)	\$ (14,873,993)	\$ (16,611,892)	\$ (15,497,843)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,299,800	\$ 9,720,381	\$ 9,795,381	\$ 9,878,618	\$ 10,076,190	\$ 10,277,713	\$ 10,963,918	\$ 12,421,223	\$ 12,963,634	\$ 13,222,907
Taxes levied for debt service	163,555	255,474	256,777	257,802	258,547	262,668	262,463	265,370	267,829	72,961
Federal and state aid not restricted	1,135,998	884,449	1,042,529	1,280,176	1,307,200	2,228,154	1,598,074	1,877,119	3,120,148	2,409,518
Federal and state aid - Capital Outlay										16,900
Tuition Received	185,610	179,908	75,757	248,861	91,083	268,450	397,699	300,427	230,500	281,823
Investment earnings										6,112
Miscellaneous income	30,629	20,244	18,455	8,180	5,488	12,438	79,651	98,309	227,369	68,961
Total governmental activities	<u>10,815,592</u>	<u>10,833,438</u>	<u>11,188,899</u>	<u>11,673,637</u>	<u>12,025,808</u>	<u>13,049,423</u>	<u>13,301,805</u>	<u>14,962,448</u>	<u>16,809,480</u>	<u>16,079,182</u>
Business-type activities:										
Liabilities canceled	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 10,815,592</u>	<u>\$ 10,833,438</u>	<u>\$ 11,188,899</u>	<u>\$ 11,673,637</u>	<u>\$ 12,025,808</u>	<u>\$ 13,049,423</u>	<u>\$ 13,301,805</u>	<u>\$ 14,962,448</u>	<u>\$ 16,809,480</u>	<u>\$ 16,079,182</u>
<b>Change in Net Assets/Position</b>										
Governmental activities	\$ (481,986)	\$ 827,543	\$ 443,341	\$ 494,447	\$ (237,826)	\$ (153,122)	\$ 139,023	\$ 69,526	\$ 192,073	\$ 570,952
Business-type activities	(388)	137	(1,643)	10	(136)	84	830	18,929	5,515	10,387
Total district	<u>\$ (482,374)</u>	<u>\$ 827,680</u>	<u>\$ 441,698</u>	<u>\$ 494,457</u>	<u>\$ (237,962)</u>	<u>\$ (153,038)</u>	<u>\$ 139,853</u>	<u>\$ 88,455</u>	<u>\$ 197,588</u>	<u>\$ 581,339</u>

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)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 890,851									
Unreserved	180,697									
Restricted		\$ 1,426,061	\$ 1,931,435	\$ 2,238,951	\$ 2,272,748	\$ 2,229,652	\$ 2,481,121	\$ 2,978,861	\$ 1,932,667	2,665,633
Assigned		362,126	450,781	718,420	335,442	276,193	205,733	338,269	928,922	227,687
Unassigned		418,171	407,350	287,965	293,132	273,774	357,131	235,877	187,802	278,697
Total general fund	\$ 1,071,548	\$ 2,206,358	\$ 2,789,566	\$ 3,245,336	\$ 2,901,322	\$ 2,779,619	\$ 3,043,985	\$ 3,533,007	\$ 3,049,391	\$ 3,172,017
All Other Governmental Funds										
Unreserved, reported in:										
Capital projects fund	573,321									
Debt service fund	1									
Restricted, reported in:										
Capital projects fund		346,303	307,755	188,894	188,894	188,894	188,894	188,894	196,974	8,080
Debt service fund		1								
Total all other governmental funds	\$ 573,322	\$ 346,304	\$ 307,755	\$ 188,894	\$ 188,894	\$ 188,894	\$ 188,894	\$ 188,894	\$ 196,974	\$ 8,080

Source: CAFR B-1

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 9,463,355	\$ 9,975,855	\$ 10,052,158	\$ 10,136,420	\$ 10,334,737	\$ 10,540,381	\$ 11,226,381	\$ 12,686,593	\$ 13,231,463	\$ 13,295,868
Tuition charges	185,610	179,908	75,757	248,861	91,083	268,450	397,699	300,427	230,500	281,823
Interest earnings										
Miscellaneous	30,629	20,244	17,134	6,799	5,488	12,438	79,651	98,309	227,369	75,073
State sources	1,243,813	976,818	1,118,560	1,379,519	1,407,599	1,501,628	1,704,858	1,982,996	2,183,344	2,436,832
Federal sources	224,353	118,948	130,560	131,944	143,463	148,106	188,068	163,410	211,294	213,076
Total revenue	10,767,847	11,147,760	11,394,169	11,903,543	11,982,370	12,471,003	13,596,657	15,231,735	16,083,970	16,302,672
<b>Expenditures</b>										
Instruction										
Regular instruction	3,205,834	2,434,920	2,653,786	2,621,942	3,229,683	3,213,930	3,465,168	3,454,283	3,864,884	3,623,370
Special education instruction	769,394	638,976	722,876	793,801	857,586	1,017,441	1,003,994	1,055,704	867,661	748,234
Other special instruction	281,718	251,414	259,868	288,784	239,511	199,161	178,451	131,222	129,158	181,856
Other Instruction	7,055	5,683	4,489	9,006	4,758	9,440	-	18,769	14,891	83,740
Support Services:										
Tuition	880,430	964,637	824,430	729,025	669,693	717,668	977,564	1,973,131	2,021,273	2,034,033
Student & inst. related services	1,725,419	1,499,774	1,690,817	2,013,317	2,001,914	1,860,860	1,705,509	1,678,622	1,793,804	1,825,205
School administrative services	179,547	155,028	173,474	163,127	115,084	111,846	106,622	149,606	179,587	190,974
General administration	294,882	319,706	305,210	346,608	307,513	339,030	329,097	381,901	400,529	424,898
Central services	170,418	190,854	205,095	209,226	254,243	264,287	200,595	260,806	211,287	233,045
Admin. information technology	21,929	30,941	59,610	101,899	81,329	181,306	169,503	129,484	152,526	86,241
Plant operations and maintenance	808,046	663,054	688,716	657,246	746,890	783,542	699,856	909,505	914,308	930,044
Pupil transportation	744,457	652,870	678,919	747,452	673,338	730,494	765,909	879,621	908,488	950,484
* Employee benefits	1,551,295	1,395,114	1,472,168	1,521,771	1,813,073	1,715,804	2,112,378	2,059,585	2,170,566	2,275,727
On behalf contributions	551,890	519,821	620,638	722,033	709,128	864,275	1,056,737	1,245,974	1,458,172	1,613,450

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Special Schools										
Charter Schools										
Capital outlay	129,518	71,312	107,578	218,092	562,897	229,951	208,667	38,361	1,136,667	817,494
Debt service:										
Principal	205,000	215,000	225,000	235,000	245,000	260,000	270,000	285,000	335,000	330,000
Interest and other charges	135,733	127,859	119,609	110,984	101,984	92,515	82,240	71,140	20,705	20,145
Total expenditures	10,991,064	11,662,565	10,812,283	11,489,313	12,613,624	12,591,550	13,332,290	14,722,714	16,579,506	16,368,940
Excess (Deficiency) of revenues over (under) expenditures	(223,217)	(514,805)	581,886	414,230	(631,254)	(120,547)	264,367	509,021	(495,536)	(66,268)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing										
Capital leases (non-budgeted)										
Proceeds from refunding										
Payments to escrow agent										
Transfers in	13,403	2,180	1,321	42,861	448	472	474	189,043		
Transfers out	(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)	-	(227,018)	-	-	287,300	-	-	-	-	-
Net change in fund balances	\$ (196,748)	\$ (514,805)	\$ 581,886	\$ 414,230	\$ (343,954)	\$ (120,547)	\$ 264,367	\$ 509,021	\$ (495,536)	\$ (66,268)
Debt service as a percentage of noncapital expenditures	3.11%	2.95%	3.22%	3.07%	2.88%	2.85%	2.68%	2.43%	2.30%	2.25%

**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



Exhibit J-5

**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,	PTA		Interest	Refunds	Settlements	Prior Year Voided Checks	Balance of Unemployment Closed to General Fund	Technology		Proceeds from Sale of Technology	Miscellaneous	Annual Totals
	Tuition	Donations						Fees				
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	62,160	4,983					5,416	280,888
2016	397,699		3,065								13,952	476,876
2017	300,427		10,546				21,611				66,003	398,587
2018	230,500	43,420	17,551			1,326		16,125	101,467		43,135	453,524
2019	281,823	21,000	8,177	21,599		500		17,445			6,352	356,896

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
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%
2017	38,144,100	2,485,809,000	838,910,300	-	1,750,000	3,364,613,400	917,566,200	1,334,262	2,448,381,462	0.393	3,287,713,364	74.47%
2018	93,718,400	2,520,047,800	783,649,800	-	1,750,000	3,399,166,000	917,566,200	-	2,481,599,800	0.391	3,523,223,281	70.44%

Source: Municipal Tax Assessor

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

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

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

b Tax rates are per \$100

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

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

Year Ended Dec. 31,	Englewood Cliffs Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	6) Total Direct School	Borough of Englewood Cliffs	Bergen County	
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
2017	0.385	0.008	0.393	0.373	0.232	0.998
2018	0.386	0.005	0.391	0.401	0.251	1.043

**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

	2019			2010		
	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	3.32%	\$ 100,981,500	1	4.03%
Taxpayer 2	62,327,400	2	2.51%	90,000,000	2	3.59%
Taxpayer 3	61,831,650	3	2.49%	90,000,000	3	3.59%
Taxpayer 4	55,000,000	4	2.22%	87,525,700	4	3.49%
Taxpayer 5	47,223,300	5	1.90%	37,194,000	5	1.48%
Taxpayer 6	35,500,000	6	1.43%	35,500,000	6	1.42%
Taxpayer 7	34,000,000	7	1.37%	29,957,300	7	1.20%
Taxpayer 8	32,500,000	8	1.31%	21,181,900	8	0.85%
Taxpayer 9	22,500,000	9	0.91%	20,618,200	9	0.82%
Taxpayer 10	17,780,600	10	0.72%	17,780,600	10	0.71%
Total	\$ 451,162,950		18.18%	\$ 530,739,200		21.18%
Total Net Assessed Value	2,481,599,800			2,506,215,679		

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	
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%	-
2018	13,231,463	13,231,463	100.00%	-
2019	13,295,868	13,295,868	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				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2010	3,371,000	-	-	-	-	-	3,371,000	0.96%	\$ 51.08
2011	3,156,000	-	-	-	-	-	3,156,000	0.86%	\$ 45.83
2012	2,931,000	-	-	-	-	-	2,931,000	0.76%	\$ 40.83
2013	2,696,000	-	-	-	-	-	2,696,000	0.71%	\$ 37.92
2014	2,451,000	-	-	-	-	-	2,451,000	0.62%	\$ 33.28
2015	2,191,000	-	-	-	-	-	2,191,000	0.53%	\$ 28.52
2016	1,921,000	-	-	-	-	-	1,921,000	0.46%	\$ 24.66
2017	1,685,000	-	-	-	-	-	1,685,000	0.39%	\$ 20.75
2018	1,350,000	-	-	-	-	-	1,350,000	Not Available	Not Available
2019	1,020,000	-	-	-	-	-	1,020,000	Not Available	Not Available

Source: District CAFR Schedules I-1 and I-2

**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**

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2010	3,371,000	-	3,371,000	0.13%	65,992
2011	3,156,000	-	3,156,000	0.13%	68,865
2012	2,931,000	-	2,931,000	0.12%	71,789
2013	2,696,000	-	2,696,000	0.11%	71,100
2014	2,451,000	-	2,451,000	0.10%	73,637
2015	2,191,000	-	2,191,000	0.09%	76,821
2016	1,921,000	-	1,921,000	0.08%	77,901
2017	1,685,000	-	1,685,000	0.07%	81,203
2018	1,350,000	-	1,350,000	0.05%	Not Available
2019	1,020,000	-	1,020,000	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, 2019**

<u>Governmental Unit</u>	Estimated Percentage Applicable <sup>a</sup>	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2019			\$ 1,020,000
Debt repaid with property taxes			
Borough of Englewood Cliffs	100.00%	\$ 17,573,825	
County of Bergen - Borough's Share	2.140%	18,470,340	
Bergen County Utilities Authority - Borough's Share	1.435%	<u>2,146,104</u>	
Subtotal, overlapping debt		<u>38,190,268</u>	
<b>Total direct and overlapping debt</b>			<u><u>\$ 39,210,268</u></u>

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

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

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property value. 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 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 99,844,836	\$ 101,531,253	\$ 96,925,737	\$ 97,356,728	\$ 95,577,452	\$ 95,621,040	\$ 94,786,098	\$ 95,967,744	\$ 99,403,549	\$ 100,656,881
Total net debt applicable to limit	3,371,000	3,156,000	2,931,000	2,696,000	2,451,000	2,191,000	1,921,000	1,685,000	1,350,000	1,020,000
Legal debt margin	\$ 96,473,836	\$ 98,375,253	\$ 93,994,737	\$ 94,660,728	\$ 93,126,452	\$ 93,430,040	\$ 92,865,098	\$ 94,282,744	\$ 98,053,549	\$ 99,636,881
Total net debt applicable to the limit as a percentage of debt limit	3.69%	3.38%	3.11%	3.02%	2.77%	2.56%	2.29%	2.03%	1.76%	1.36%

Equalized valuation basis	
2018	\$ 3,523,223,281
2017	\$ 3,287,713,364
2016	\$ 3,254,751,471
[A]	\$ 10,065,688,116

Average equalized valuation of taxable property	
[A/3]	\$ 3,355,229,372

Debt limit (3% of average equalization value)	
[B]	100,656,881 <sup>a</sup>
[C]	1,020,000
[B-C]	\$ 99,636,881

**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 NISA 18A-24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2010	5,321	351,143,432	65,992	7.60%
2011	5,350	368,427,750	68,865	7.50%
2012	5,354	384,358,306	71,789	7.60%
2013	5,369	381,735,900	71,100	8.00%
2014	5,368	395,283,416	73,637	4.40%
2015	5,363	411,991,023	76,821	3.40%
2016	5,348	416,614,548	77,901	3.60%
2017	5,367	435,816,501	81,203	3.10%
2018	5,385	Not Available	Not Available	2.60%
2019	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**

	<b>2019</b>		<b>2010</b>		
<b>Employer</b>	<b>Employees</b>	<b>Rank [Optional]</b>	<b>Percentage of Total Municipal Employment</b>	<b>Rank [Optional]</b>	<b>Percentage of Total Municipal Employment</b>

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	43.4	35.9	35.0	36.0	38.5	40.9	40.5	38.5	42.7	49.8
Special education	10.0	7.7	13.0	14.0	11.5	10.9	12.0	11.5	11.0	13.0
Other special education	7.0	8.0	10.0	12.0	2.0	2.0	3.0	3.5	1.9	-
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	3.4	3.0	4.0	4.0	25.7	25.7	25.5	24.5	23.0	11.2
General administration	2.0	2.0	3.0	4.0	1.6	1.7	1.9	2.1	2.1	2.1
School administrative services	5.0	5.0	4.0	4.0	2.5	2.0	2.0	2.7	3.0	2.5
Other administrative services										7.0
Central services	4.0	2.1	3.0	4.0	2.3	2.3	2.3	2.3	2.3	1.8
Administrative Information Technology	2.0	2.0				2.5	1.5	1.0	1.0	2.5
Plant operations and maintenance	6.4	5.4	6.0	8.0	7.5	8.0	7.6	7.5	7.6	6.0
Pupil transportation						0.3	0.3	0.3	0.3	0.3
Other support services	0.6	0.4	4.0	3.0	0.3					2.0
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<b>88</b>	<b>74</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>	<b>94.9</b>	<b>98.2</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>	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2010	426	11,192,314	26,273	5.63%	87.80	1:9.2	1:9.2		447.69	412.85	4.47%	92.22%
2011	450	9,722,792	21,606	-17.76%	43.00	1:11.6	1:11.6		452.50	413.85	1.07%	91.46%
2012	492	10,467,674	21,276	-1.53%	48.00	1:11.2	1:11.2		493.70	414.85	9.10%	84.03%
2013	498	10,925,237	21,938	3.11%	55.00	1:11.2	1:11.2		498.00	473.10	0.87%	95.00%
2014	496	11,703,743	23,596	7.56%	52.00	1:10.0	1:10.0		523.03	506.08	5.03%	96.76%
2015	567	12,009,084	21,180	-10.24%	56.00	1:10.0	1:10.0		540.00	523.00	3.24%	96.85%
2016	584	12,771,383	21,869	3.25%	54.60	1:10.7	1:10.7		546.25	528.65	1.16%	96.78%
2017	547	14,328,213	26,194	19.78%	53.50	1:10.23	1:10.23		524.76	506.53	-3.93%	96.53%
2018	495	15,087,134	30,479	16.36%	55.60	1:8.91	1:8.91		494.36	486.29	-5.79%	98.37%
2019	489	13,642,953	27,900	-8.46%	54.50	1:8.98	1:8.98		489.48	478.78	-0.99%	97.81%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Building</u></b>										
Elementary										
Northcliff School										
Square Feet GSF	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971
Square Feet NSF	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036
Capacity (students)	179	230	230	230	230	230	230	230	230	230
Enrollment	173	201	212	196	201	224	230	230	166	163
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	51,531	51,531	51,531	51,531	51,531	51,531	51,531
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment a	262	252	276	286	295	343	354	354	329	326

Number of Schools at June 30, 2019  
 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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Northcliff School	N/A	39,786	59,964	59,738	15,324	14,054	14,890	10,473	7,669	23,702	48,942
Upper School	N/A	98,221	104,981	79,787	61,793	48,237	48,357	38,717	108,768	47,051	76,305
Grand Total		<u>\$ 138,007</u>	<u>\$ 164,945</u>	<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>

Source: District records

**Englewood Cliffs Board of Education  
Insurance Schedule  
June 30, 2019**

Company	Type of Coverage	Coverage	Deductible
Great American Insurance Company	Flood & Earthquake	5,000,000/occurrence 5,000,000 aggregate	50,000
	Flood: Within Special Flood "A"	2,000,000/occurrence 2,000,000 aggregate	500,000
	Extra Expense	5,000,000	
	Building Ord Demolition Cost	5,000,000	
	Building Ord Increased Cost of Construction	5,000,000	
	Pollution - Clean Up & Removal	100,000	
	Broadened Water - Loss of Income Planned Events and Tuition Fees	100,000	
	Claim Data Expenses	25,000	
	Fire Dept Service Charge	25,000	
	Fire Extinguisher Recharge Expense	5,000	
	Food Contamination Shutdown	10,000	
	Newly Acquired or Constructed Property - Building	1,000,000	
	Newly Acquired Personal Property	500,000	
	Non-Owned Detached Trailers	5,000	
	Outdoor Fences	100,000	
	Outdoor Signs	100,000	
	Pollutant Cleanup and Removal - Planned Events	10,000	
	Property Off Premises	100,000	
	Refridgerated Property	50,000	
	Roof Protection	1,000	
	Transportation	100,000	
	Tuition and Fees	20,000	
	Utility Services Direct Damage	50,000	
	Utility Services Planned Events	25,000	
	Valuable Papers & Records	5,000,000	1,000
	Accts Receivable	100,000	
	Fine Arts	25,000	
	Musical Instruments	250,000	1,000
	Cameras, Audio/Video Equip	10,000/item 250,000 10,000/item	1,000
	Misc School Property	100,000	
	Contractors Equipment	250,000	1,000
	Reward - Arson, Theft or Vandalism	25,000	
	Underground Fiber Optic Cable	100,000	
	Violent Event Extra Expense	50,000	
	Expediting Expenses	250,000	
	Hazardous Substances	250,000	
	Spoilage	250,000	
	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
	Installation Floater	500,000	1,000
	General Liability		
	General Aggregate	2,000,000	10,000
	Products & Completed Operations	2,000,000	10,000
	Each Occurrence	1,000,000	10,000
	Personal & Advertising Injury	1,000,000	10,000
	Fire Damage Legal Liability	1,000,000	10,000
	Medical Expense Limit	5,000	
	Pesticide or Herbicide Applicator	1,000,000	1,000
	Employee Benefits Liability	1,000,000/per claim 2,000,000 annual aggregate	1,000
Sexual Abuse & Molestation	1,000,000/occurrence 1,000,000 annual aggregate		



**Englewood Cliffs Board of Education  
Insurance Schedule  
June 30, 2019**

Company	Type of Coverage	Coverage	Deductible
	Commercial Property		
	Blanket Building Contents and Special Classes	2,775,380,074	5,000
	Commercial Auto		
	Automobile Liability	1,000,000	
	Medical Payments	10,000	
	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	500,000	100,000
	Forgery or Alteration	100,000	1,000
	Funds Transfer Fraud	100,000	1,000
	Computer Fraud	100,000	1,000
ACE USA	Environmental Pollution Liability		
	Aggregate of all Claims	4,000,000	15,000
	Total Policy Aggregate	20,000,000	
Greenwich Insurance Co.	Educator's Legal Liability	1,000,000	10,000
	Employment Practices Liability & Third Party	1,000,000	20,000
	Reimbursement of Defense Expenses	500,000	10,000
Gerber Life Insurance	Personal Injury		
	Accidental Death, Dismemberment & Paralysis	100,000	
	Total Limit of Liability per Accident	500,000	
Safety National Group	Each Accident - Bodily Injury by Accident	1,000,000	
	Policy Limit - Bodily Injury by Disease	1,000,000	
	Each Employee - Bodily Injury by Disease	1,000,000	
Starstone National Insurance Co. Markel American	Excess Unshared Umbrella		
	Bodily Injury & Property Damage	15,000,000/occurrence 15,000,000 aggregate	
Firemans Fund Ins. Co.	Commercial Umbrella Excess		
	Bodily Injury & Property Damage	50,000,000/occurrence 50,000,000 aggregate	
Indian Harbor	Cyber Liability		
	Media & Privacy and Cyber Security	2,000,000	15,000
	Privacy & Cyber Security	2,000,000	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	

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2019.

### ***Internal Control Over Financial Reporting***

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

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

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

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Borough of Englewood Cliffs Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Englewood Cliffs School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 8, 2019.

### *Purpose of this Report*

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

*Steven D. Wielkotz*

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

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

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

November 8, 2019

# 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 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 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 state programs for the year ended June 30, 2019. The Borough of Englewood Cliffs Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its 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 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 N.J. OMB Circular 15-08. Those standards 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 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 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 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 state programs for the year ended June 30, 2019.

### **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 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 state program and to test and report on internal control over compliance in accordance with 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *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 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 N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*Steven D. Wielkotz*

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

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

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

November 8, 2019

ENGLEWOOD CLIFFS BOARD OF EDUCATION  
Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

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, 2018	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable) at June 30, 2019	Deferred Revenue at June 30, 2019	Due to Grantor at June 30, 2019
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:													
Special Milk Program	10.556	181NJ504N1099	N/A	7/1/18-6/30/19	2,379	(517)		1,942	2,379		(437)		
Special Milk Program	10.556	171NJ504N1099	N/A	7/1/17-6/30/18	2,469	(517)		517					
Total U.S. Department of Agriculture								2,459	2,379		(437)		
Special Revenue Fund:													
Title I, Part A	84.010	S010A180030	ESEA-1380-19	7/1/18-6/30/19	65,184	(9,400)	(9,400)	48,589	65,183		(25,994)		
Title I, Part A	84.010	S010A170030	ESEA-1380-18	7/1/17-6/30/18	65,270	9,400	9,400						
Title II, Part A	84.367A	S367A180029	ESEA-1380-19	7/1/18-6/30/19	11,606			12,293	12,293				
Title III, English and Language Acquisition and Language Enhancement	84.365A	S365A180030	ESEA-1380-19	7/1/18-6/30/19	3,160			3,160	3,160				
Title III, English and Language Acquisition and Language Enhancement	84.365A	S365A170030	ESEA-1380-18	7/1/17-6/30/18	10,000				1,866		(1,866)		
Title III, Immigrant	84.365A	S365A180030	ESEA-1380-19	7/1/18-6/30/19	2,149			5,416	9,697		(9,697)		
Title III, Immigrant	84.365A	S365A170030	ESEA-1380-18	7/1/17-6/30/18	8,410	(5,416)	(5,416)						
Title IV	84.424	S424A180031	ESEA-1380-19	7/1/18-6/30/19	12,699			15,692	11,809		(915)		
Title IV	84.424	S424A170031	ESEA-1380-18	7/1/17-6/30/18	6,363	(4,798)	(4,798)						
ID.E.A. Part B, Basic	84.027	H027A180100	IDEA-1380-19	7/1/18-6/30/19	115,272			115,272	115,272				
ID.E.A. Part B, Preschool	84.173	H173A180114	IDEA-1380-19	7/1/18-6/30/19	4,521			4,521	4,521				
Total U.S. Department of Education						(19,614)		204,943	223,801		(38,472)		
Total Federal Financial Assistance					\$	(20,131)		207,402	226,180		(38,909)		

(1) - Grant revenue and expenditures are reflected on this schedule for information purposes only - grant is administered by a consortium with the Bogota Board of Education  
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, 2019

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO	
				Deferred Revenue (Accounts Receivable)	Program or Award Amount				(Accounts Receivable)	Due to Grantor		
State Department of Education:												
<b>General Fund:</b>												
Special Education Aid	495-034-5120-089	7/1/18-6/30/19	\$ 263,965		242,989	263,965					263,965	
Transportation Aid	495-034-5120-014	7/1/18-6/30/19	141,069		129,859	141,069					141,069	
Security Aid	495-034-5120-084	7/1/18-6/30/19	8,968		8,255	8,968					8,968	
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/18-6/30/19	30,711		29,934	30,711					30,711	
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/17-6/30/18	29,934	(29,934)					(30,711)		29,934	
Extraordinary Aid	495-034-5120-044	7/1/18-6/30/19	271,306		271,306	271,306					271,306	
Extraordinary Aid	495-034-5120-044	7/1/17-6/30/18	255,982	(255,982)					(271,306)		255,982	
Lead Testing for Schools Aid	495-034-5120-104	7/1/17-6/30/18										
TPAF Social Security	495-034-5094-003	7/1/18-6/30/19	344,688		327,384	344,688					344,688	
TPAF Social Security	495-034-5094-003	7/1/18-6/30/18	332,725	(16,087)	16,087				(17,304)		332,725	
On-behalf TPAF Postretirement Medical Cont.	495-034-5094-001	7/1/18-6/30/19	395,584		395,584	395,584					395,584	
On-behalf TPAF Pension	495-034-5094-002	7/1/18-6/30/19	854,222		854,222	854,222					854,222	
On-behalf TPAF NCGI Premium	495-034-5094-004	7/1/18-6/30/19	17,881		17,881	17,881					17,881	
On-behalf TPAF - LTDI	495-034-5094-004	7/1/18-6/30/19	1,075		1,075	1,075					1,075	
Total General Fund				(302,003)	2,279,252	2,329,469			(319,321)		2,948,110	
<b>Special Revenue Fund:</b>												
N.J. Nonpublic Aid:												
Security Aid	100-034-5120-509	7/1/18-6/30/19	17,700		17,700	15,066					15,066	
Security Aid	100-034-5120-509	7/1/17-6/30/18	7,650				7,650			2,634		
Textbook Aid	100-034-5120-064	7/1/18-6/30/19	5,180		5,180	5,175					5,175	
Textbook Aid	100-034-5120-064	7/1/17-6/30/18	4,602				4,602					
Nursing Services	100-034-5120-070	7/1/18-6/30/19	11,446		11,446	11,446					11,446	
Technology Aid	100-034-5120-373	7/1/18-6/30/19	3,492		3,492	3,374				118	3,374	
Technology Aid	100-034-5120-373	7/1/17-6/30/18	3,108				843				2,265	
Total Special Revenue Fund				843	37,818	35,061		13,095		2,757	37,326	
<b>Debt Service Fund:</b>												
Debt Service Aid Type II												
	495-034-5120-017	7/1/18-6/30/19	88,290		88,290	88,290					88,290	
						88,290					88,290	
Total State Financial Assistance				(288,908)	2,405,360	2,452,820		13,095	(319,321)	2,757	3,073,726	
<b>Less: On-Behalf TPAF Pension System Contributions</b>												
On-Behalf TPAF Pension - Contribution	495-034-5094-002	7/1/18-6/30/19	854,222			854,222					854,222	
On-Behalf TPAF Pension - Post Retirement	495-034-5094-001	7/1/18-6/30/19	395,584			395,584					395,584	
On-Behalf TPAF NCGI Premium	495-034-5094-004	7/1/18-6/30/19	17,881			17,881					17,881	
On-Behalf TPAF LTDI	495-034-5094-004	7/1/18-6/30/19	1,075			1,075					1,075	
						1,268,762						
Total for State Financial Assistance-Major Program Determination						1,184,058						

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 1(D) and 1(E) 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 \$(8,241) for the General Fund and \$(18,472) 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	\$	\$2,321,228	\$2,321,228
Special Revenue Fund	215,094	25,296	240,390
Debt Service Fund		88,290	88,290
Food Service Fund	<u>2,379</u>		<u>2,379</u>
Total Awards and Financial	<u>\$217,473</u>	<u>\$2,434,814</u>	<u>\$2,652,287</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, 2019. 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, 2019.

**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 \$1,268,762 of on-behalf payments is excluded from major program determination.

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$65,183
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	12,293
Title III: <i>English Language Acquisition State Grants (Pass Through)</i>	3,160
Title III: <i>Immigrant</i>	11,563
Title IV: <i>Student Support and Academic Enrichment</i>	<u>11,809</u>
Total	<u>\$104,008</u>

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*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:

<u>State Grant/Project Number(s)</u>		<u>Name of State Program</u>
<u>495-034-5094-003</u>	(B)	<u>Reimbursed TPAF Social Security contributions</u>
<u>495-034-5120-044</u>	(B)	<u>Extraordinary Aid</u>

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, 2019  
(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, 2019**

**Status of Prior Year Findings**

There were no prior year findings.