

**SCHOOL DISTRICT OF THE
BOROUGH OF ENGLEWOOD CLIFFS
COUNTY OF BERGEN, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

School District
of

Englewood Cliffs

ENGLEWOOD CLIFFS PUBLIC SCHOOLS
Englewood Cliffs, New Jersey

Annual Comprehensive Financial Report
Year Ended June 30, 2022

Annual Comprehensive Financial Report

of the

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

Year Ended June 30, 2022

Prepared by

**Julyana Ortiz
Board Secretary/Business Administrator**

OUTLINE OF ACFR

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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, Ed.D.
Superintendent of Schools

Julyana Ortiz
Business Administrator/Board Secretary

February 3, 2023

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, 2022 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 2021-2022 fiscal year 427 students on roll as submitted for our Application for State School Aid, which represents 56 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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	427	-11.59
2020-2021	483	-0.01
2019-2020	489	-0.0
2018-2019	489	-1.0
2017-2018	494	-5.9

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 the use of Reading, Writing and Math Workshop in Grades K-8 is ongoing. We have professional development in responsive classrooms with the goal to build the capacity of teachers to utilize language to convey subtle and important messages to their students and to motivate them to complete all tasks even when the task is challenging.

With all of the initiatives, we continue to track the progress of these programs and to refine our current programs to ensure the success of each child in our school district. With all new and existing programs in place, the Englewood Cliffs School district is positioned to be a leader in the 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, 2022.

6) Cash Management: The investment policy of the District is guided in large part by state statute as detailed

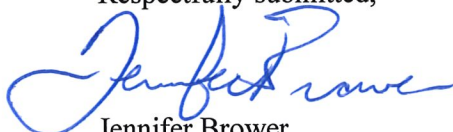
in "Notes to the Financial Statements", Note 2. The district has adopted a cash management plan which requires it to deposit public funds depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA") GUDPA was enacted in 1970 to protect Governmental Units 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 Wielkottz & Company LLC. 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.

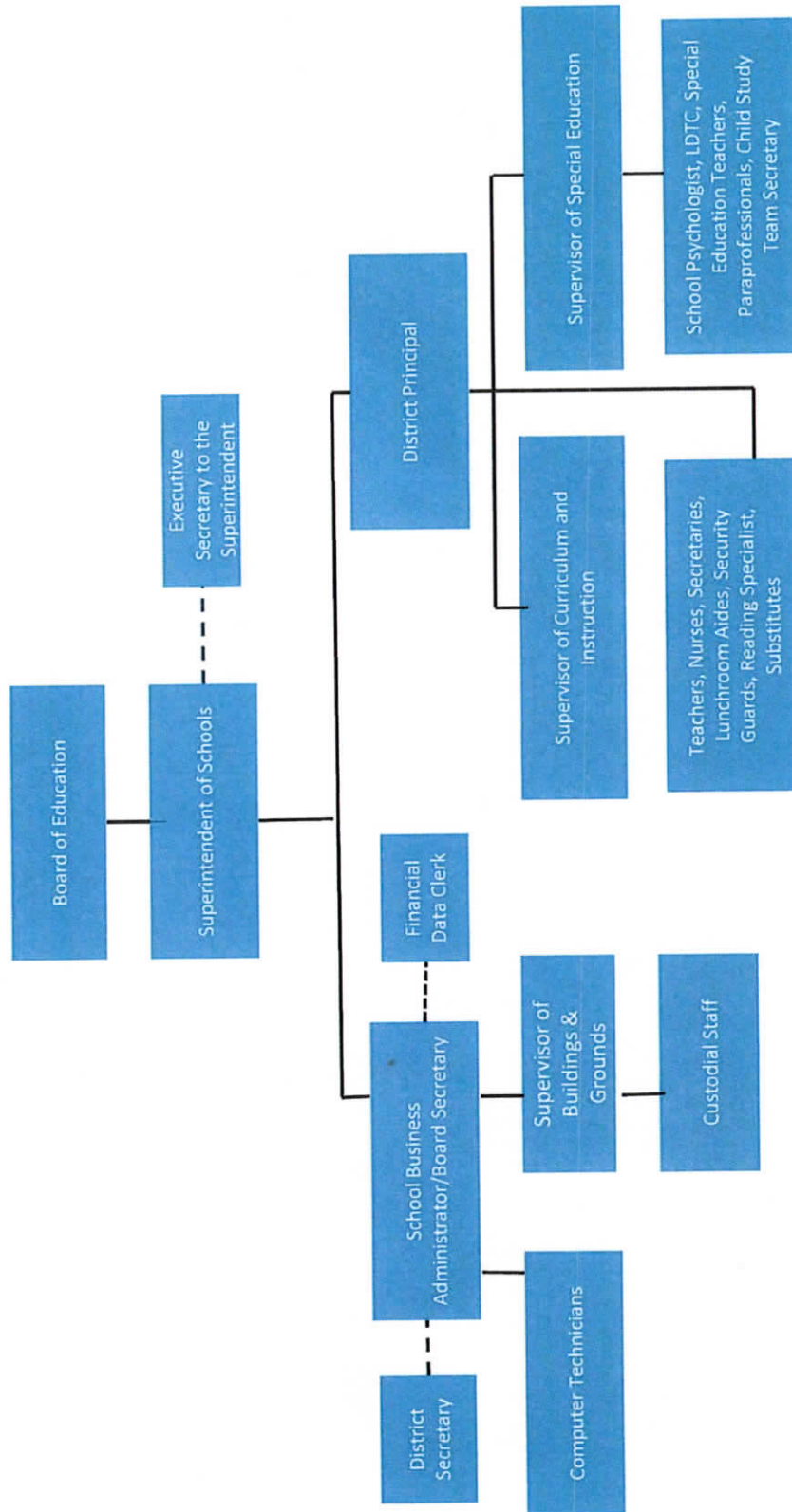
9) Acknowledgements: We would like to express our appreciation to the members of the Englewood Cliffs School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of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

Englewood Cliffs School District Organizational Chart



BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2022

Members of the Board of Education

Term Expires

Shanna Jafri, President	2024
Kevin Liau, Vice-President	2022
Philip K. Choi	2023
George Drimones	2024
Athena M. Lolis	2024
Gerard Misk	2022
Susan Pak	2022
Kimara Patton	2023
Julie Yi	2023

Other Officials

Jennifer Brower, Ed. D., Superintendent of Schools
Colin Winch, Principal
Jessenia Kan, Business Administrator/Board Secretary
Charles A. Hangle, Treasurer of School Monies

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

Wielkocz & Co., LLC
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Pompton Lakes, NJ 07442

ATTORNEY

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Machado Law Group
Isabel Machado, Esq.
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ARCHITECT

Michael Bieri
FKA Architects
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OFFICIAL DEPOSITORY

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

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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PAUL J. CUVA, CPA, RMA, PSA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Englewood Cliffs School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Englewood Cliffs Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Englewood Cliffs Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Englewood Cliffs Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



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

- Obtain an understanding of internal control relevant to the audit 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 Englewood Cliffs Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Englewood Cliffs Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, 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
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Other Information

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

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

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



Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2023 on our consideration of the Borough of Englewood Cliffs Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope 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 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

Wielkotz + Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

February 3, 2023

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

Management Discussion and Analysis

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022. 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 \$1,809,540 Net position of governmental activities increased \$1,805,295 and net position of business-type activity increased by \$4,245.
- General revenues accounted for \$18,243,652 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 \$370,570 or 2 percent of total revenues of \$18,614,222.
- The School District had \$16,777,512 in expenses related to governmental activities; only \$339,155 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$18,243,652 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, 2022
(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, Invengineering 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 two categories: Governmental Funds, and Proprietary 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, 2022
(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.

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, 2022
(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 \$7,323,924 at June 30, 2022. 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and Other Assets	5,978,450	4,800,854	40,589	36,344	6,019,039	4,837,198
Capital Assets	<u>5,112,551</u>	<u>5,280,129</u>	—	—	<u>5,112,551</u>	<u>5,280,129</u>
Total Assets	<u>11,091,001</u>	<u>10,080,983</u>	<u>40,589</u>	<u>36,344</u>	<u>11,131,590</u>	<u>10,117,327</u>
Deferred Outflows:						
Deferred Outflows of Resources						
Related to PERS	<u>325,139</u>	<u>522,285</u>	—	—	<u>325,139</u>	<u>522,285</u>
Total Deferred Outflows	<u>325,139</u>	<u>522,285</u>	—	—	<u>325,139</u>	<u>522,285</u>
Liabilities						
Other Liabilities	389,249	433,243	—	—	389,249	433,243
Noncurrent Liabilities	<u>2,244,336</u>	<u>3,169,702</u>	—	—	<u>2,244,336</u>	<u>3,169,702</u>
Total Liabilities	<u>2,633,585</u>	<u>3,602,945</u>	<u>—</u>	<u>0</u>	<u>2,633,585</u>	<u>3,602,945</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>1,499,220</u>	<u>1,522,283</u>	—	—	<u>1,499,220</u>	<u>1,522,283</u>
Total Deferred Outflows	<u>1,499,220</u>	<u>1,522,283</u>	<u>—</u>	<u>—</u>	<u>1,499,220</u>	<u>1,522,283</u>
Net Position						
Invested in Capital Assets, Net of Related Debt	5,047,346	4,940,129	—	—	5,047,346	4,940,129
Restricted	5,014,513	3,893,644	—	—	5,014,513	3,893,644
Unrestricted	<u>(2,778,524)</u>	<u>(3,355,733)</u>	<u>40,589</u>	<u>36,344</u>	<u>(2,737,935)</u>	<u>(3,319,389)</u>
Total Net Position	<u>7,283,335</u>	<u>5,478,040</u>	<u>40,589</u>	<u>36,344</u>	<u>7,323,924</u>	<u>5,514,384</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues:						
Charges for Services and Sales	40,872	43,401	31,415	850	72,287	44,251
Operating Grants and Contributions	298,283	350,436			298,283	350,436
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	14,142,829	13,865,519			14,142,829	13,865,519
Property taxes, levied for debt services	255,496	263,561			255,496	263,561
Federal and State Aid not Restricted	3,698,206	3,603,926			3,698,206	3,603,926
Federal and State Aid - Capital Outlay	15,380				15,380	0
Tuition Received	83,839	126,750			83,839	126,750
Miscellaneous Income	47,902	12,607			47,902	12,607
Investment Earnings		1,816			0	1,816
Cancellations						
Total Revenues and Transfers	<u>18,582,807</u>	<u>18,268,016</u>	<u>31,415</u>	<u>850</u>	<u>18,614,222</u>	<u>18,268,866</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Functions/Program Expenses						
Instruction:						
Regular	3,703,201	4,249,864			3,703,201	4,249,864
Special Education	998,123	1,140,300			998,123	1,140,300
Other Special Instruction	428,757	509,154			428,757	509,154
Other Instruction					0	0
Support Services:						
Tuition	1,806,905	1,990,856			1,806,905	1,990,856
Student & Instruction Related Services	2,471,742	2,670,587			2,471,742	2,670,587
School Administrative Services	270,233	306,922			270,233	306,922
General Administrative Services	479,420	510,078			479,420	510,078
Central Administration	230,218	274,617			230,218	274,617
Administrative Information Technology	42,663	51,730			42,663	51,730
Plant Operations and Maintenance	1,052,553	941,212			1,052,553	941,212
Pupil Transportation	815,456	660,720			815,456	660,720
Unallocated Benefits	3,828,338	2,454,316			3,828,338	2,454,316
Capital Outlay - nondepreciable	222,487	8,918			222,487	8,918
Food Service			449	1,403	449	1,403
Invengineering Program			1,700	1,446	1,700	1,446
Enrichment Program			25,021		25,021	0
Debt Service:						
Interest and Other Charges	722	6,497			722	6,497
Unallocated Depreciation	<u>426,694</u>	<u>404,024</u>			<u>426,694</u>	<u>404,024</u>
Total Expenses	<u>16,777,512</u>	<u>16,179,795</u>	<u>27,170</u>	<u>2,849</u>	<u>16,804,682</u>	<u>16,182,644</u>
Increase or (Decrease) in						
Net Position	<u>1,805,295</u>	<u>2,088,221</u>	<u>4,245</u>	<u>(1,999)</u>	<u>1,809,540</u>	<u>2,086,222</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 \$16,804,682. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was \$14,398,325 because some of the cost was paid by those who benefitted from the programs \$72,287 by other governments and organizations who subsidized certain programs with grants and contributions \$298,283, unrestricted federal and state aid \$3,698,206, restricted federal and state aid \$15,380 tuition \$83,839, and by miscellaneous sources of \$47,902.

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 Inengineering program revenue exceeded expenses by \$4,245.
- ✓ Charges for services provided totaled \$31,415. This represents amounts paid by consumers for tuition payments and program fees.
- ✓ Federal and state reimbursement for milks served was \$-0-.
- ✓ The District terminated its milk fund effective for the 2021-2022 school year.

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, 2022, 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 \$916,342 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$18,005,363. That amount is \$2,846,568 above the final amended budget of \$15,158,795. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,688,748 for TPAF social security reimbursements and on-behalf pension payments, \$255,330 of excess other unrestricted state aid, and a deficit in miscellaneous revenues of \$97,510.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund, (continued)

The actual expenditures of the general fund were \$16,842,751, which is \$11,705 above the final amended budget of \$16,831,046. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$2,688,748 and \$2,677,043 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$345,956. That amount is above the original budget estimate of \$286,082 and below the final amended budget. The \$916,342 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 \$856,468 variance between the final amended budget and the June 30, 2022 actual results was due to the deferral of Federal grants received in the current fiscal year to be spent in the next fiscal year and the inclusion of student activity and student fee revenue.

The actual expenditures of the special revenue fund were \$353,961, which is above the original budget of \$286,082 and below the final amended budget. The \$916,342 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 \$848,463 variance between the final amended budget and the June 30, 2022 actual results was due to the anticipation of fully expending federal grant programs and the inclusion of student activity and student fee expenses. Expenditures will be incurred in the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022 the School District had \$13,145,510 invested in sites, buildings, and equipment. Of this amount, \$8,032,959 in depreciation has been taken over the years. We currently have a net book value of \$5,112,551. Total additions for the year were \$351,701 for building improvements, machinery, equipment and site improvements. Table 3 shows fiscal year 2022 balances compared to 2021.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Site Improvements	609,794	648,075			609,794	648,075
Buildings and Building Improvements	4,059,693	4,179,012			4,059,693	4,179,012
Machinery and Equipment	443,064	453,042			443,064	453,042
Construction in Progress	_____	_____	_____	_____	0	0
	<u>5,112,551</u>	<u>5,280,129</u>	=====	=====	<u>5,112,551</u>	<u>5,280,129</u>

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

Debt Administration

At June 30, 2022, the district had \$2,244,336 of outstanding debt. Of this amount, \$382,041 is for compensated absences, \$65,205 in capital leases payable, and \$1,797,090 is for the net pension liability.

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

	<u>2022</u>	<u>2021</u>
2017 School Refunding Bonds	<u>\$ -0-</u>	<u>\$340,000</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

The district continues to rely predominately upon local property taxes as its main source of funding. Therefore, in consideration of current economic conditions and the anticipation of continued flat state aid support, the Board of Education has sought to control budget expenses to minimize the impact on the local tax levy.

The following factors were considered in preparing the 2022-2023 fiscal year budget:

- Estimated Student Enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated Programs
- Requirements for health and safety issues

Prior to the end of fiscal 2004, S1701 was enacted. The law is meant to control public school district budgets by revising the calculation of budget caps and reducing surplus. Starting in 2005-06 the CAP will be set at 2.5% or the cost of living, whichever is greater. A number of other changes will affect the calculation of SGLA’s and per pupil administrative costs. Any undesignated general fund balance in excess of 2% or \$250,000, whichever is greater must be appropriated for tax relief. Pursuant to P.L. 2022, c.35, approved March 15,2022, school districts other than county vocational school districts may maintain surplus up to the greater of 4% or \$250,000 for the 2021-2022 school 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:

Julyana Oritz
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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	740,354	40,589	780,943
Receivables, net	604,509	-	604,509
Restricted assets:			
Cash and cash equivalents	4,633,587		4,633,587
Capital assets, net:			
Other capital assets, net	5,112,551	-	5,112,551
Total Assets	<u>11,091,001</u>	<u>40,589</u>	<u>11,131,590</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	325,139		325,139
Total Deferred Outflows	<u>325,139</u>	<u>-</u>	<u>325,139</u>
LIABILITIES			
Accounts payable and accrued liabilities	197,775	-	197,775
Payable to state government	12,586		12,586
Unearned revenue	11,045		11,045
Payroll deductions and withholdings payable	167,843		167,843
Noncurrent liabilities:			
Due within one year	21,393		21,393
Due beyond one year	2,222,943		2,222,943
Total liabilities	<u>2,633,585</u>	<u>-</u>	<u>2,633,585</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	1,499,220		1,499,220
Total Deferred Inflows	<u>1,499,220</u>	<u>-</u>	<u>1,499,220</u>
NET POSITION			
Invested in capital assets	5,047,346		5,047,346
Restricted for:			
Capital Projects	3,919,484		3,919,484
Other Purposes	1,095,029		1,095,029
Unrestricted (Deficit)	<u>(2,778,524)</u>	<u>40,589</u>	<u>(2,737,935)</u>
Total net position	<u><u>7,283,335</u></u>	<u><u>40,589</u></u>	<u><u>7,323,924</u></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, 2022

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	3,351,859	351,342	10,838	199,052		(3,493,311)		(3,493,311)
Special education	892,260	105,863				(998,123)		(998,123)
Other special instruction	383,096	45,661				(428,757)		(428,757)
Other instruction	-					-		-
Support services:								
Tuition	1,806,905					(1,806,905)		(1,806,905)
Student & instruction related services	2,212,751	258,991	30,034	99,231		(2,342,477)		(2,342,477)
School administrative services	229,986	40,247				(270,233)		(270,233)
General administrative services	447,830	31,590				(479,420)		(479,420)
Central services	209,888	20,330				(230,218)		(230,218)
Administrative info. tech. services	42,663					(42,663)		(42,663)
Plant operations and maintenance	986,740	65,813				(1,052,553)		(1,052,553)
Pupil transportation	808,479	6,977				(815,456)		(815,456)
Unallocated benefits	3,828,338					(3,828,338)		(3,828,338)
Capital Outlay - non-depreciable	222,487					(222,487)		(222,487)
Debt Services:								
Interest and other Charges	722					(722)		(722)
Unallocated depreciation		426,694				(426,694)		(426,694)
Total governmental activities	15,424,004	1,353,508	40,872	298,283	-	(16,438,357)	-	(16,438,357)
Business-type activities:								
Special Milk Fund	449		-				(449)	(449)
Invoicing Program	1,700		1,700					
Enrichment Program	25,021		29,715				4,694	4,694
Total business-type activities	27,170		31,415				4,245	4,245
Total primary government	15,451,174		72,287	298,283	-	(16,438,357)	4,245	(16,434,112)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						14,142,829		14,142,829
Property taxes, levied for debt services						255,496		255,496
Federal and State aid not restricted						3,698,206		3,698,206
Federal and State aid - Capital Outlay						15,380		15,380
Tuition						83,839		83,839
Miscellaneous income						47,902		47,902
Total general revenues, special items, extraordinary items and transfers						18,243,652		18,243,652
Change in Net Position						1,805,295	4,245	1,809,540
Net Position - beginning						5,478,040	36,344	5,514,384
Net Position—ending						7,283,335	40,589	7,323,924

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

* - Student Activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"

FUND FINANCIAL STATEMENTS

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	740,337		17	740,354
Receivables, interfund	53,907			53,907
Receivables, state	530,219			530,219
Receivables, federal		74,290		74,290
Restricted cash and cash equivalents				
Capital reserve	3,919,484			3,919,484
Emergency reserve	250,000			250,000
Maintenance reserve	260,127			260,127
Net payroll	2,153	*		2,153
Payroll deductions and withholdings	6,414	*		6,414
Flexible spending	3,752	*		3,752
Summer Pay	155,744	*		155,744
Student Activity Accounts		35,913	*	35,913
Total assets	<u>5,922,137</u>	<u>110,203</u>	<u>17</u>	<u>6,032,357</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,717	3,752		5,469
Interfund payable		53,907		53,907
Intergovernmental payable:				-
State		12,586		12,586
Unearned revenue	7,000	4,045		11,045
Payroll deductions and withholdings payable	167,843	***		167,843
Total liabilities	<u>176,560</u>	<u>74,290</u>	<u>-</u>	<u>250,850</u>
Fund Balances:				
Restricted for:				
Maintenance reserve	260,127			260,127
Emergency reserve	250,000			250,000
Capital reserve account	3,919,484			3,919,484
Student Groups		35,913		35,913
Debt service			17	17
Assigned to:				
Other Purposes	546,704			546,704
Unassigned:				
General fund	769,262			769,262
Total Fund balances	<u>5,745,577</u>	<u>35,913</u>	<u>17</u>	<u>5,781,507</u>
Total liabilities and fund balances	<u>5,922,137</u>	<u>110,203</u>	<u>17</u>	

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2022

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 \$13,143,510 and the accumulated depreciation is \$8,030,959	5,112,551
Accounts payable for subsequent Pension payment is not a payable in the funds	(192,306)
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	325,139
Deferred inflows of resources related to PERS Pension Liability	(1,499,220)
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)	(2,244,336)
Net assets of governmental activities	7,283,335

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

* Include former fiduciary fund cash and cash equivalents

*** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Local tax levy	14,142,829		255,496	14,398,325
Tuition	83,839			83,839
Miscellaneous	47,902	19,886		67,788
Student Fees		10,838	**	10,838
Student Group Receipts		30,034	**	30,034
Total - Local Sources	<u>14,274,570</u>	<u>60,758</u>	<u>255,496</u>	<u>14,590,824</u>
State sources	3,722,623	29,417	87,394	3,839,434
Federal sources		264,360		264,360
Total revenues	<u>17,997,193</u>	<u>354,535</u>	<u>342,890</u>	<u>18,694,618</u>
EXPENDITURES				
Current:				
Regular instruction	3,157,576	216,713		3,374,289
Special education instruction	892,260			892,260
Other special instruction	383,096			383,096
Other instruction	-			-
Support services and undistributed costs:				
Tuition	1,806,905			1,806,905
Student & instruction related services	2,082,304	130,447	***	2,212,751
School administrative services	229,986			229,986
General administrative services	447,830			447,830
Central Services	209,888			209,888
Administrative information tech. services	42,663			42,663
Plant operations and maintenance	986,740			986,740
Pupil transportation	808,479			808,479
Unallocated benefits	2,547,468			2,547,468
On-behalf contributions	2,688,748			2,688,748
Capital Outlay	558,808	15,380		574,188
Debt Service:				
Principal			340,000	340,000
Interest and other Charges			2,890	2,890
Total expenditures	<u>16,842,751</u>	<u>362,540</u>	<u>342,890</u>	<u>17,548,181</u>
Excess (Deficiency) of revenues over expenditures	<u>1,154,442</u>	<u>(8,005)</u>	<u>-</u>	<u>1,146,437</u>
OTHER FINANCING SOURCES (USES)				
Lease-Purchase Agreements (non-budgeted)	87,635			87,635
Total other financing sources and uses	<u>87,635</u>	<u>-</u>	<u>-</u>	<u>87,635</u>
Net change in fund balances	1,242,077	(8,005)	-	1,234,072
Fund Balance - July 1	4,503,500	43,918	17	4,547,435
Fund balance—June 30	<u>5,745,577</u>	<u>35,913</u>	<u>17</u>	<u>5,781,507</u>

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

** Special revenue fund now includes revenues from student activities
 *** Special revenue fund now includes expenditures from student activities

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, 2022

Total net change in fund balances - governmental funds (from B-2)		1,234,072
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	(519,279)
	Depreciable Capital outlays - Fund 12	351,701
	Depreciable Capital outlays - Fund 20	<u>-</u>
		(167,578)
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	340,000
	Principal payment on capital leases	22,430
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	Lease-Purchase Agreement proceeds	<u>(87,635)</u>
		(87,635)
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	2,168
	General Bond Obligations	<u>-</u>
		2,168
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	12,203
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 changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
	District Pension Contributions	177,656
	Less: Pension Expense	<u>271,979</u>
	(Increase)/Decrease in Pension Expense	449,635
Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.		
	Increase in On-behalf State Aid TPAF Pension	(1,354,191)
	Increase in On-behalf TPAF Pension Expense	1,354,191
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	1,242,380
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(1,242,380)</u>
		<u><u>1,805,295</u></u>

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

PROPRIETARY FUNDS

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2022

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Invengineering Program</u>	<u>Totals</u>
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	1,002	39,587	-	40,589
Total current assets	<u>1,002</u>	<u>39,587</u>	<u>-</u>	<u>40,589</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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>1,002</u></u>	<u><u>39,587</u></u>	<u><u>-</u></u>	<u><u>40,589</u></u>
<u>NET POSITION</u>				
Unrestricted	<u>1,002</u>	<u>39,587</u>	<u>-</u>	<u>40,589</u>
Total net position	<u><u>1,002</u></u>	<u><u>39,587</u></u>	<u><u>-</u></u>	<u><u>40,589</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, 2022

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Invengineering Program</u>	<u>Totals</u>
Operating revenues:				
Charges for services:				
Tuition Charges		29,715	1,700	31,415
Total operating revenues	-	29,715	1,700	31,415
Operating expenses:				
Salaries and wages		19,614	1,700	21,314
Supplies and materials	449	5,407	-	5,856
Total Operating Expenses	449	25,021	1,700	27,170
Operating income (loss)	(449)	4,694	-	4,245
Change in net position	(449)	4,694	-	4,245
Total net position-beginning	1,451	34,893	-	36,344
Total net position—ending	1,002	39,587	-	40,589

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, 2022

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Invengineering Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	-	29,715	1,700	31,415
Payments for salaries and wagers		(19,614)	(1,700)	(21,314)
Payments for supplies	(449)	(5,407)	-	(5,856)
Net cash provided by (used for) operating activities	<u>(449)</u>	<u>4,694</u>	<u>-</u>	<u>4,245</u>
Net increase (decrease) in cash and cash equivalents	(449)	4,694	-	4,245
Balances—beginning of year	1,451	34,893	-	36,344
Balances—end of year	<u>1,002</u>	<u>39,587</u>	<u>-</u>	<u>40,589</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(449)	4,694	-	4,245
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				-
Total adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>(449)</u>	<u>4,694</u>	<u>-</u>	<u>4,245</u>

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, 2022**

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, 2022**

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. Separate statements for each fund category - *government and proprietary* - 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 and proprietary.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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, 2022**

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. The District does not have any activities that are required to be included in the Fiduciary Fund.

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, 2022**

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, 2022**

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.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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, 2022**

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, 2022, 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, 2022**

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, 2022

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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

X. New Accounting Standards:

During fiscal year 2022, the District adopted the following GASB Statement:

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 implementation of this statement had no material impact on the financial statements.

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, 2022, \$ -0- of the District's bank balance of \$6,442,747 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, 2022**

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, 2022, 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	\$530,219		\$530,219
Federal Aid	74,290		74,290
Interfund Receivables	<u>53,907</u>		<u> </u>
Gross Receivables	658,416	<u>0</u>	<u>604,509</u>
Less: Allowance for Uncollectibles	<u>- 0 -</u>		<u> </u>
Total Receivables, Net	<u><u>\$658,416</u></u>	<u><u>\$0</u></u>	<u><u>\$604,509</u></u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Interfund balances for the year end June 30, 2022, consisted of the following:

\$53,907 Due to the general fund from the special revenue fund to reimburse for short term loans.

\$53,907

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**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets that are not being Depreciated:				
Land	\$	\$	\$	\$
Construction in Progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Assets not being Depreciated	<u> 0</u>	<u> </u>	<u> 0</u>	<u> </u>
Capital Assets Being Depreciated				
Site Improvements	1,088,460			1,088,460
Buildings and Building Improvements	10,578,710	269,094		10,847,804
Machinery and Equipment	<u>1,124,639</u>	<u>82,607</u>	<u> </u>	<u>1,207,246</u>
Totals at Historical Cost	<u>12,791,809</u>	<u>351,701</u>	<u> </u>	<u>13,143,510</u>
Less Accumulated Depreciation:				
Site Improvements	(440,385)	(38,281)		(478,666)
Buildings and Improvements	(6,399,698)	(388,413)		(6,788,111)
Equipment	<u>(671,597)</u>	<u>(92,585)</u>	<u> </u>	<u>(764,182)</u>
Total Accumulated Depreciation	<u>(7,511,680)</u>	<u>(519,279)</u>	<u> </u>	<u>(8,030,959)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>5,280,129</u>	<u>(167,578)</u>	<u> </u>	<u>5,112,551</u>
Governmental Activities Capital Assets, Net	<u><u>\$5,280,129</u></u>	<u><u>(\$167,578)</u></u>	<u><u>\$0</u></u>	<u><u>\$5,112,551</u></u>

	<u>Balance 6/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/22</u>
Business-Type Activity				
Equipment	\$2,000	\$	\$	\$2,000
Less Accumulated Depreciation for:				
Equipment	<u>(2,000)</u>	<u> </u>	<u> </u>	<u>(2,000)</u>
Business-Type Activity Capital Assets, Net	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022

NOTE 5. CAPITAL ASSETS, (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$37,567
Support Services:	
Instruction	34,027
School Administration	13,567
Operations & Maintenance	7,424
Building Improvements	388,413
Land Improvements	<u>38,281</u>
Total Depreciation Expense	<u>\$519,279</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2022 were as follows:

	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022	Amount Due Within One Year	Long-Term Portion
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$340,000	\$ _____	\$340,000	\$0	\$ _____	\$ _____
Total Bonds Payable	<u>340,000</u>	_____	<u>340,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Liabilities:						
Compensated Absences Payable	394,244	140,195	152,398	382,041		382,041
Obligations Under Capital Leases		87,635	22,430	65,205	21,393	43,812
Net Pension Liability PERS	<u>2,435,458</u>	_____	<u>638,368</u>	<u>1,797,090</u>	_____	<u>1,797,090</u>
Total Other Liabilities	<u>2,829,702</u>	<u>227,830</u>	<u>813,196</u>	<u>2,244,336</u>	<u>21,393</u>	<u>2,222,943</u>
Total Long-Term Obligations	<u>\$3,169,702</u>	<u>\$227,830</u>	<u>\$1,153,196</u>	<u>\$2,244,336</u>	<u>\$21,393</u>	<u>\$2,222,943</u>

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022

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

A. Bonds and Loans Payable:

The Board issues 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.

The District has no outstanding serial bonds payable at June 30, 2022.

B. Bonds Authorized But Not Issued:

As of June 30, 2022 the Board has no authorized but not issued bonds.

C. Capital Leases

The District has entered into a lease purchase agreement for various MacBooks and related instructional computer equipment in the amount of \$87,635. The lease is for 4 years at a rate of 1.59%.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2023	\$22,430
2024	22,430
2025	<u>22,430</u>
Total Minimum Lease Payment	67,290
Less: Amount Representing Interest	<u>(2,085)</u>
Present Value of Minimum Lease Payments	<u><u>\$65,205</u></u>

Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022

NOTE 7. PENSION PLANS

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

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

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.

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**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th 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 1/60th 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:

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

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

Service retirement benefits of 1/55th 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 1/60th 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:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
Ending 6/30/22	\$177,656	\$4,490
6/30/21	163,378	4,336
6/30/20	171,054	4,590

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. 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>
6/30/22	\$1,854,308	\$439,354	\$26,162	\$ 799
6/30/21	1,352,360	431,872	25,730	1,008
6/30/20	945,189	356,933	16,941	928

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 \$368,125 during the year ended June 30, 2022 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, 2022, the District had a liability of \$1,797,090 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the District's proportion was .0151698009 percent, which was an increase of .000235109 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(271,979). At June 30, 2022, 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, 2022**

NOTE 7. PENSION PLANS, (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$28,342	\$ 12,865
Changes of assumptions	9,359	639,776
Net difference between projected and actual earnings on pension plan investments		473,401
Changes in proportion and differences between District contributions and proportionate share of contributions	95,132	373,178
District contributions subsequent to the measurement date	<u>192,306</u>	<u> </u>
Total	<u>\$325,139</u>	<u>\$1,499,220</u>

The \$192,306 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, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:	
2022	\$(424,035)
2023	(302,760)
2024	(206,431)
2025	(155,175)
2026	60

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 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499,172	16,435,616,426
District's Proportion	.0151698009%	.0149346922%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2021.

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, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2021 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$2,454,204	\$1,797,090	\$1,239,437

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.

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, 2022**

NOTE 7. 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, 2022 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>22,365,886</u>
	<u>\$ 22,365,886</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. 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, 2021, the proportion of the TPAF net pension liability associated with the District was 0.0465227221%.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$526,279 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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 8. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Required OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Required OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premium or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

General Information about the OPEB Plan, (continued)

State Health Benefit State Retired Employees Plan, (continued)

In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No.75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

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/GASB-notices-OPEB.SHTML>.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2022 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>27,643,694</u>
	<u>\$27,643,694</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2021 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, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Total Nonemployer OPEB Liability, (continued)

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.0% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) *Discount Rate*

The discount rate for June 30, 2021 was 2.16%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

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

For the year ended June 30, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,681,734 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.

NOTE 9. 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:

AXA Equitable
AIG Valic

Invesco
Security Financial Resources

NOTE 10. 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.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 11. 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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$3,159,225
Increased by:	
Interest Earnings	618
Capital Outlay Unexpended Appropriations	-
Board Resolution - June 30, 2022	<u>2,255,641</u>
	\$ 5,415,484
Decreased by:	
Budget Appropriations	<u>1,496,000</u>
Ending balance, June 30, 2022	<u>\$3,919,484</u>

The Board designated and appropriated \$2,180,383 in the 2022/2023 original budget certified for taxes.

NOTE 12. 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
for the fiscal year ended June 30, 2022**

NOTE 12. MAINTENANCE RESERVE ACCOUNT, (continued)

The activity of the Maintenance Reserve Account for July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$260,000
Increased by:	
Interest Earnings	127
Board Transfer - June 30, 2022	<u>-0-</u>
Ending balance, June 30, 2022	<u>\$260,127</u>

NOTE 13. 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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	<u>\$250,000</u>
Ending balance, June 30, 2022	<u>\$250,000</u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$5,745,577 General Fund fund balance at June 30, 2021, \$546,704 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, 2022); \$3,919,484 has been reserved in the Capital Reserve Account; \$260,127 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; and \$769,262 is unreserved and undesignated.

**Borough of Englewood Cliffs School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 15. 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, 2022 is \$-0- of which \$-0- is the result of current year's operations and \$-0- is prior year excess surplus.

NOTE 16. 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 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 3, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	14,142,829		14,142,829	14,142,829	
Tuition	205,001		205,001	83,839	(121,162)
Unrestricted Miscellaneous Revenues	20,000		20,000	47,157	27,157
Interest Earned on Maintenance Reserve	250		250	127	(123)
Interest Earned on Capital Reserve Funds	4,000		4,000	618	(3,382)
Total - Local Sources	14,372,080		14,372,080	14,274,570	(97,510)
Revenues from State Sources:					
Categorical Special Education Aid	405,463		405,463	405,463	
Categorical Security Aid	8,968		8,968	8,968	
Categorical Transportation Aid	141,069		141,069	141,069	
Extraordinary Aid	231,215		231,215	450,005	218,790
State Reimbursement from Securing Our Children's Future Bond Act					
Other Unrestricted State Aid - NonPublic Transportation Aid				36,540	36,540
On-behalf TPAF Post-Retirement Medical (non-budgeted)				439,354	439,354
On-behalf TPAF Pension (non-budgeted)				1,854,308	1,854,308
On-behalf TPAF NCGI Premium (non-budgeted)				26,162	26,162
On-behalf TPAF - LTDI				799	799
Reimbursed TPAF Social Security Contributions (non-budgeted)				368,125	368,125
Total - State Sources	786,715		786,715	3,730,793	2,944,078
TOTAL REVENUES	15,158,795		15,158,795	18,005,363	2,846,568
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	117,532	22,476	140,008	139,107	901
Kindergarten - Salaries of Teachers	324,663	2,931	327,594	318,271	9,323
Grades 1-5 - Salaries of Teachers	1,472,481	(23,513)	1,448,968	1,389,711	59,257
Grades 6-8 - Salaries of Teachers	1,140,375	(2,254)	1,138,121	1,080,412	57,709
Regular Programs - Home Instruction:					
Salaries of Teachers		360	360	360	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,100	925	2,025	1,663	362
Purchased Professional-Educational Services	11,260	13,106	24,366	16,203	8,163
Purchased Technical Services	18,723	(4,451)	14,272	12,272	2,000
Other Purchased Services (400-500 series)	60,757	21,700	82,457	67,797	14,660
General Supplies	223,303	(89,465)	133,838	98,642	35,196
Textbooks	1,947	19,645	21,592	10,877	10,715
Other Objects	42,956	8,148	51,104	22,261	28,843
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,415,097	(30,392)	3,384,705	3,157,576	227,129
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	769,796	11,855	781,651	779,260	2,391
Purchased Professional-Educational Services		1,200	1,200	1,108	
General Supplies	12,500	(4,403)	8,097	7,482	615
Textbooks		501	501	308	193
Total Resource Room/Resource Center	782,296	9,153	791,449	788,158	3,291
Preschool Disabilities- Full-Time:					
Salaries of Teachers	46,453		46,453	39,665	6,788
Other Salaries for Instruction	107,032	(15,724)	91,308	63,770	27,538
General Supplies	2,000		2,000	667	1,333
Total Preschool Disabilities - Full-Time	155,485	(15,724)	139,761	104,102	35,659
TOTAL SPECIAL EDUCATION - INSTRUCTION	937,781	(6,571)	931,210	892,260	38,950
Basic Skills/Remedial - Instruction					
Salaries of Teachers	90,399	57,038	147,437	147,435	2
General Supplies		1,061	1,061	695	366
Total Basic Skills/Remedial - Instruction	90,399	58,099	148,498	148,130	368
Bilingual Education - Instruction					
Salaries of Teachers	175,330	(61,838)	113,492	57,107	56,385
General Supplies	1,000	(197)	803	198	605
Total Bilingual Education - Instruction	176,330	(62,035)	114,295	57,305	56,990
School-Sponsored Cocurricular Activities - Instruction					
Salaries		324	324		324
Supplies and Materials	3,000	(1,613)	1,387		1,387
Other Objects		900	900	900	
Total School-Sponsored Cocurricular Activities - Instruction	3,000	(389)	2,611	900	1,711
Other Supplemental/At Risk Prog-Inst					
Salaries of Reading Specialist	173,550	2,708	176,258	176,181	77
General Supplies	2,000	(1,419)	581	580	1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Total Other Supplemental/At Risk Prog-Inst	175,550	1,289	176,839	176,761	78
TOTAL INSTRUCTION	4,798,157	(39,999)	4,758,158	4,432,932	325,226
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	868,020	(70,587)	797,433	623,542	173,891
Tuition to Other LEAs Within the State - Special	155,026	29,523	184,549	175,797	8,752
Tuition to County Voc. School Dist. - Regular	500,769	40,000	540,769	540,528	241
Tuition to County Voc. School Dist. - Special	140,994	(34,757)	106,237	86,511	19,726
Tuition to CSSD & Regional Day Schools	62,640	4,000	66,640	66,640	
Tuition to Private Schools for the Disabled - Within State	440,680	(114,582)	326,098	313,887	12,211
Total Undistributed Expenditures - Instruction:	2,168,129	(146,403)	2,021,726	1,806,905	214,821
Undist. Expend. - Health Services					
Salaries	151,000	9,629	160,629	160,603	26
Purchased Professional and Technical Services	20,300	(15,593)	4,707	4,462	245
Other Purchased Services (400-500 series)	8,636	(203)	8,433	1,752	6,681
Supplies and Materials	14,540		14,540	11,356	3,184
Total Undistributed Expenditures - Health Services	194,476	(6,167)	188,309	178,173	10,136
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	116,336	75,882	192,218	96,540	95,678
Purchased Prof. Services-Educational Services	226,296	(71,190)	155,106	154,625	481
Supplies and Materials	6,000	(2,751)	3,249	3,248	1
Total Undist. Expend. - Speech, OT, PT & Related Serv.	348,632	1,941	350,573	254,413	96,160
Undist. Expend. - Other Supp. Serv. Students-Extra. Serv.					
Salaries	271,520	67,674	339,194	338,334	860
Purchased Prof. Services-Educational Services	102,000	(23,740)	78,260	78,256	4
Other Objects	2,000	(2,000)			
Total Undist. Expend. -Other Supp. Serv. Students-Extra. Serv.	375,520	41,934	417,454	416,590	864
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	65,150	9,449	74,599	71,630	2,969
Salaries of Secretarial and Clerical Assistants	25,187	2,452	27,639	25,435	2,204
Other Purchased Services (400-500 series)	1,000	(300)	700	70	630
Supplies and Materials	1,500	150	1,650	1,564	86
Total Undist. Expend. - Guidance	92,837	11,751	104,588	98,699	5,889
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	350,376	16,391	366,767	352,884	13,883
Salaries of Secretarial and Clerical Assistants	54,261	1	54,262	54,260	2
Purchased Prof. Services-Educational Services	1,500	(848)	652	552	100
Other Purchased Prof. and Tech Services	24,200	(1,976)	22,224	22,222	2
Other Purchased Services (400-500 series)	54,630	(54,630)			
Misc. Pur Services (400-500 Series O/than Resid Costs)		37,869	37,869	35,288	2,581
Supplies and Materials	15,644	(8,887)	6,757	5,995	762
Total Undist. Expend. - Child Study Teams	500,611	(12,080)	488,531	471,201	17,330
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	125,528	6,414	131,942	129,884	2,058
Salaries of Other Professional Staff	28,404	(834)	27,570	24,748	2,822
Other Purch Services (400-500)	4,000	(994)	3,006	2,180	826
Supplies and Materials	2,200	994	3,194	1,854	1,340
Total Undist. Expend. - Improvement of Inst. Services	160,132	5,580	165,712	158,666	7,046
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	169,594	15,619	185,213	156,310	28,903
Salaries of Technology Coordinators	153,650	11,491	165,141	151,908	13,233
Purchased Professional and Technical Services	204,217	(28,276)	175,941	166,077	9,864
Other Purch Services (400-500)	1,400	(1,290)	110		110
Supplies and Materials	16,889	9,661	26,550	19,128	7,422
Other Objects	66	400	466	214	252
Total Undist. Expend. - Educational Media Serv./Sch. Library	545,816	7,605	553,421	493,637	59,784
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	66,210	(6,275)	59,935	9,023	50,912
Other Purchased Services (400-500 series)	20,940		20,940	1,206	19,734
Supplies and Materials		696	696	696	
Total Undist. Expend. - Instructional Staff Training Serv.	87,150	(5,579)	81,571	10,925	70,646
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	258,613	4,795	263,408	263,406	2
Legal Services	20,675	59,951	80,626	68,955	11,671
Audit Fees	44,000		44,000	22,000	22,000
Architectural/Engineering Services	10,000	(8,999)	1,001		1,001
Other Purchased Professional Services	1,950	(100)	1,850	900	950
Purchased Technical Services		100	100	95	5
Communications/Telephone	20,395	(113)	20,282	16,086	4,196
BOE Other Purchased Services		467	467	300	167
Misc. Purch Services (400-500 Series)	48,629	11,630	60,259	56,678	3,581
General Supplies	2,300	(35)	2,265	1,920	345
BOE In House Training/Meeting Supplies	500	35	535	338	197
Judgements Against School District		7,219	7,219	7,219	

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
BOE Membership Dues and Fees	10,400	(467)	9,933	9,933	
Total Undist. Expend. - Supp. Serv. - General Administration	417,462	74,483	491,945	447,830	44,115
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	101,000	9,386	110,386	110,385	1
Salaries of Secretarial and Clerical Assistants	112,683	22,086	134,769	112,070	22,699
Purchased Prof & Technical Services	2,275	(431)	1,844	1,766	78
Other Purchased Services (400-500 series)	7,666	(3,869)	3,797	3,796	1
Supplies and Materials	10,310	(8,340)	1,970	1,969	1
Total Undist. Expend. - Support Serv. - School Administration	233,934	18,832	252,766	229,986	22,780
Undist. Expend. - Support Serv. - Central Services					
Salaries	171,805	5,814	177,619	169,508	8,111
Purchased Professional Services	20,000	(16,627)	3,373	3,373	
Purchased Technical Services	16,214	(1,002)	15,212	15,212	
Misc. Pur Services (400-500 Series)	21,772	41	21,813	16,644	5,169
Supplies and Materials	5,353	(147)	5,206	5,151	55
Miscellaneous Expenditures		700	700		700
Total Undist. Expend. - Support Serv. - Central Services	235,144	(11,221)	223,923	209,888	14,035
Undist. Expend. - Admin. Info. Tech					
Salaries		144	144		144
Purchased Professional Services	3,600	2,000	5,600	5,600	
Purchased Technical Services	40,106	(3,490)	36,616	36,056	560
Supplies and Materials	92	975	1,067	1,007	60
Total Undist. Expend. - Admin. Info. Tech	43,798	(371)	43,427	42,663	764
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	162,176	(39,692)	122,484	122,482	2
Cleaning, Repair and Maintenance Services	121,865	1,897	123,762	101,479	22,283
Lead Testing of Drinking Water	8,000	(4,690)	3,310	3,310	
Travel		322	322	322	
General Supplies	51,574	105	51,679	25,941	25,738
Other Objects	3,930	903	4,833	3,316	1,517
Total Undist. Expend. - Required Maint. for School Facilities	347,545	(41,155)	306,390	256,850	49,540
Undist. Expend. - Custodial Services (262)					
Salaries	225,741	14,266	240,007	235,151	4,856
Salaries of Non-Instructional Aides	27,000	(12,354)	14,646	14,608	38
Purchased Professional and Technical Services	2,426	11	2,437	45	2,392
Cleaning, Repair and Maintenance Services	34,760	(2,266)	32,494	8,168	24,326
Other Purchased Property Services	41,602	348	41,950	29,524	12,426
Insurance	67,244	9,552	76,796	76,796	
Travel		17	17	16	1
General Supplies	45,529	(2,239)	43,290	37,385	5,905
Energy (Natural Gas)	50,490	30,000	80,490	61,875	18,615
Energy (Electricity)	94,115	23,555	117,670	96,251	21,419
Total Undist. Expend. - Custodial Services (262)	588,907	60,890	649,797	559,819	89,978
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	73,247	(45,892)	27,355	23,469	3,886
General Supplies	9,790	(1,000)	8,790	4,171	4,619
Total Undist. Expend. - Care & Upkeep of Grounds	83,037	(46,892)	36,145	27,640	8,505
Undist. Expend. - Security					
Salaries	107,736	11,513	119,249	114,611	4,638
Cleaning, Repair and Maintenance Services	27,450	2,409	29,859	26,471	3,388
General Supplies	12,000	4,493	16,493	1,274	15,219
Other Objects		150	150	75	75
Total Undist. Expend. - Security	147,186	18,565	165,751	142,431	23,320
Undist. Expend. - Student Transportation Services (270)					
Salaries of Non-Instructional Aides	54,500	(4,389)	50,111	31,132	18,979
Sal. For Pupil Trans (Bet Home & Sch)-Reg	29,795	1	29,796	27,036	2,760
Contract Serv.-Aid in Lieu Pymts-NonPub Sch	127,370	(1)	127,369	117,788	9,581
Contr Serv. (Bet. Home and Sch) Vendors		1,179	1,179		1,179
Contr Serv. (Oth than Bet. Home and Sch)-Vendors	18,950	(1,179)	17,771	2,175	15,596
Contr Serv. (Bet. Home & Sch) Joint Agrmnts	567,120	(79,304)	487,816	328,470	159,346
Contract Serv. (Sp Ed Stds)-Joint Agrmnts	347,000	6,804	353,804	301,878	51,926
Total Undist. Expend. - Student Transportation Services	1,144,735	(76,889)	1,067,846	808,479	259,367
Required Maintenance for School Facilities					
Other Employee Benefits	1,500	(1,500)			
Total Required Maintenance for School Facilities	1,500	(1,500)			

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Custodial Services					
Other Employee Benefits	2,500	(2,500)			
Total Custodial Services	2,500	(2,500)			
TOTAL ALLOCATED BENEFITS	4,000	(4,000)			
UNALLOCATED BENEFITS					
Social Security Contributions	153,000	(35,468)	117,532	117,532	
Other Retirement Contributions-PERS	178,500		178,500	177,668	832
Other Retirement Contributions-Regular	5,100	13	5,113	4,547	566
Unemployment Compensation	31,000		31,000	12,151	18,849
Workmen's Compensation	55,972	(5,532)	50,440	23,895	26,545
Health Benefits	2,129,964	(38,588)	2,091,376	2,034,842	56,534
Tuition Reimbursement	26,000		26,000	11,521	14,479
Other Employee Benefits	36,100	(6,100)	30,000	26,185	3,815
Unused Sick Payment to Term/Retired Staff	101,298	37,829	139,127	139,127	
TOTAL UNALLOCATED BENEFITS	2,716,934	(47,846)	2,669,088	2,547,468	121,620
On-behalf TPAF Post-Retirement Medical (non-budgeted)				439,354	439,354
On-behalf TPAF Pension (non-budgeted)				1,854,308	1,854,308
On-behalf TPAF NCGI Premium (non-budgeted)				26,162	26,162
On-behalf TPAF - LTDI				799	799
Reimbursed TPAF Social Security Contributions (non-budgeted)				368,125	368,125
TOTAL ON-BEHALF CONTRIBUTIONS				2,688,748	(2,688,748)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,720,934	(51,846)	2,669,088	5,236,216	(2,567,128)
TOTAL UNDISTRIBUTED EXPENDITURES	10,435,985	(157,022)	10,278,963	11,851,011	(1,572,048)
TOTAL GENERAL CURRENT EXPENSE	15,234,142	(197,021)	15,037,121	16,283,943	(1,246,822)
Special Education - Instruction:					
School Sponsored & Other Instruction Programs	9,011		9,011	9,011	
Total Equipment	9,011		9,011	9,011	
Undist. Expenditures:					
Instruction	37,131	18,568	55,699	53,468	2,231
Support Serv.-Students-Reg.		6,167	6,167	5,592	575
Support Serv. Inst. Staff		100,550	100,550	2,050	98,500
Admin Info Tech		5,168	5,168		5,168
Required Maintenance for School Facilities		5,675	5,675	5,675	
Custodial Services		11,676	11,676	11,676	
Security	10,000	49,217	59,217	13,038	46,179
Care & Upkeep of Grounds	39,137		39,137		39,137
Total Undist. Expend.	86,268	197,021	283,289	91,499	191,790
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	184,000		184,000	29,939	154,061
Construction Services	1,312,000		1,312,000	335,099	976,901
Assessment for Debt Service on SDA Funding	5,625		5,625	5,625	
Total Facilities Acquisition and Construction Services	1,501,625		1,501,625	370,663	1,130,962
Assets Acquired under Lease-Purchase Agreements (non-budgeted)					
Apple MacBook computers and related equipment				87,635	(87,635)
Total Assets Acquired under Capital Leases (non-budgeted)				87,635	(87,635)
TOTAL CAPITAL OUTLAY	1,596,904	197,021	1,793,925	558,808	1,235,117
TOTAL EXPENDITURES	16,831,046		16,831,046	16,842,751	(11,705)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(1,672,251)		(1,672,251)	1,162,612	2,834,863
Other Financing Sources/(Uses):					
Lease-Purchase Agreements (non-budgeted)				87,635	87,635
Total Other Financing Sources/(Uses):				87,635	87,635
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(1,672,251)		(1,672,251)	1,250,247	2,922,498

Exhibit C-1

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	4,544,053		4,544,053	4,544,053	
Fund Balance, June 30	<u>2,871,802</u>		<u>2,871,802</u>	<u>5,794,300</u>	<u>2,922,498</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(180,501)		(180,501)	(180,501)	
Increase:					
Capital Reserve - Principal				2,255,641	2,255,641
Capital Reserve - Interest	4,000		4,000	618	(3,382)
Maintenance Reserve - Interest	250		250	127	(123)
Withdrawal from Capital Reserve	(1,496,000)		(1,496,000)	(1,496,000)	
Budgeted Fund Balance				<u>670,362</u>	<u>670,362</u>
	<u>(1,672,251)</u>		<u>(1,672,251)</u>	<u>1,250,247</u>	<u>2,922,498</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				3,919,484	
Maintenance Reserve				260,127	
Emergency Reserve				250,000	
Assigned Fund Balance:					
Year-End Encumbrances				546,704	
Unassigned Fund Balance:				<u>817,985</u>	
				<u>5,794,300</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>(48,723)</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u>5,745,577</u>	

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		23,422	23,422	60,758	37,336 (1)
State Sources	40,457	2,055	42,512	29,926	(12,586)
Federal Sources	245,625	890,865	1,136,490	255,272	(881,218)
Total Revenues	286,082	916,342	1,202,424	345,956	(856,468)
EXPENDITURES:					
Instruction:					
Salaries		104,757	104,757	4,800	99,957
Other Purchased Services (400-500 Series)	137,635	12,743	150,378	149,096	1,282
General Supplies	43,778	44,791	88,569	43,673	44,896
Textbooks	6,109	(347)	5,762	-	5,762
Total instruction	187,522	161,944	349,466	197,569	151,897
Support services:					
Salaries		70,454	70,454	-	70,454
Personal Services - Employee Benefits		9,579	9,579	-	9,579
Purchased Professional and Technical Services	38,848	41,367	80,215	19,018	61,197
Other Purchased Services (400-500 Series)	38,012	87,148	125,160	38,874	86,286
Supplies and Materials	21,700	58,222	79,922	41,848	38,074
Student Activities				31,216	(31,216)
Total support services	98,560	266,770	365,330	130,956	234,374
Facilities acquisition and constuction services:					
Building/Renovation		487,628	487,628	25,436	462,192
Total facilities acquisition and constuction services	-	487,628	487,628	25,436	462,192
Total Expenditures	286,082	916,342	1,202,424	353,961	848,463
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	-	-	-	(8,005)	(8,005)
Fund Balance, July 1				43,918	
Fund Balance, June 30				35,913	
Recapitulation:					
Restricted					
Student Activities				35,913	
Total Fund Balance				35,913	

(1) - Not required to budget for these funds

**ENGLEWOOD CLIFFS BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2022**

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1],[C-2]	18,005,363	345,956
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			19,144
Current Year			(10,565)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		40,553	
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)		(48,723)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	17,997,193	354,535
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	16,842,751	353,961
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.			
Prior Year			19,144
Current Year			(10,565)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	16,842,751	362,540

**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**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's 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	0.0152065979%	\$ 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%	3,847,422	1,182,605	325.33%	59.86%
2018	0.0171392665%	3,963,132	1,213,811	326.50%	48.10%
2019	0.0170249300%	3,462,475	1,062,985	325.73%	53.60%
2020	0.0175853854%	2,691,005	1,119,093	240.46%	56.27%
2021	0.0149346922%	2,473,798	1,043,745	237.01%	58.32%
2022	0.0151698009%	1,797,090	1,115,659	161.08%	70.33%

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

ENGLEWOOD CLIFFS 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%
2020	171,054	171,054	-	1,119,093	15.29%
2021	163,378	163,378	-	1,043,745	15.65%
2022	177,656	177,656	-	1,115,659	15.92%

* 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**

<u>Fiscal Year Ending June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)</u>	<u>District's Covered Payroll - TPAF Employee's</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.0360689950%	\$ -	\$ 19,277,704	\$ 4,335,126	0.00%	33.64%
2016	0.0380913907%	-	24,075,386	4,393,888	0.00%	28.71%
2017	0.0419659794%	-	33,013,111	4,507,810	0.00%	22.33%
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%
2020	0.0434329796%	-	26,655,230	5,022,930	0.00%	26.95%
2021	0.0430927241%	-	28,376,040	4,867,908	0.00%	24.60%
2022	0.0465227221%	-	22,365,886	5,089,160	0.00%	35.52%

* 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, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

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**

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Costs	\$ 1,430,356	\$ 775,568	\$ 797,503	\$ 879,761	\$ 1,063,587
Interest on Total OPEB Liability	717,107	640,427	818,080	859,013	740,889
Changes of Benefit Terms	(29,423)				
Difference between Expected and Actual Experience	(4,090,899)	5,949,272	(4,180,365)	(1,617,406)	
Changes in Assumptions	27,273	5,504,780	265,020	(2,364,381)	(3,095,742)
Gross Benefit Payments	(564,879)	(524,640)	(545,625)	(550,936)	(541,499)
Contribution from the Member	18,333	15,902	16,174	19,041	19,939
Net Changes in total Share of OPEB Liability	<u>(2,492,132)</u>	<u>12,361,309</u>	<u>(2,829,213)</u>	<u>(2,774,908)</u>	<u>(1,812,826)</u>
Total OPEB Liability - Beginning	<u>30,135,826</u>	<u>17,774,517</u>	<u>20,603,730</u>	<u>23,378,638</u>	<u>25,191,464</u>
Total OPEB Liability - Ending	<u>\$ 27,643,694</u>	<u>\$ 30,135,826</u>	<u>\$ 17,774,517</u>	<u>\$ 20,603,730</u>	<u>\$ 23,378,638</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	27,643,694	30,135,826	17,774,517	20,603,730	23,378,638
Total OPEB Liability - Ending	<u>\$ 27,643,694</u>	<u>\$ 30,135,826</u>	<u>\$ 17,774,517</u>	<u>\$ 20,603,730</u>	<u>\$ 23,378,638</u>
District's Covered Employee Payroll	<u>\$ 6,204,819</u>	<u>\$ 5,987,001</u>	<u>\$ 6,085,915</u>	<u>\$ 6,250,502</u>	<u>\$ 5,894,613</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	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 The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

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.

Other Supplementary Information

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, 2022

	Total Brought Forward (Ex. E-1a)	Title I Part A	Title II, Part A	Title III Immigrant	Title IV	Totals 2022
REVENUES						
Local Sources	60,758					60,758
State Sources	29,926					29,926
Federal Sources	205,394	29,235	11,269	674	8,700	255,272
Total Revenues	296,078	29,235	11,269	674	8,700	345,956
EXPENDITURES:						
Instruction:						
Salaries of Teachers	4,800					4,800
Other Purchased Services (400-500 series)	149,096					149,096
General Supplies	42,999			674		43,673
Total instruction	196,895	-	-	674	-	197,569
Support Services:						
Purchased Professional and Technical Services	19,018					19,018
Other Purchased Services (400-500 series)	3,899	21,075	5,200		8,700	38,874
Supplies and Materials	27,619	8,160	6,069			41,848
Student Activities	31,216					31,216
Total support services	81,752	29,235	11,269	-	8,700	130,956
Facilities acquisition and const. serv.:						
Building/Renovation	25,436					25,436
Total facilities acquisition and const. serv.	25,436	-	-	-	-	25,436
Total Expenditures	304,083	29,235	11,269	674	8,700	353,961
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(8,005)	-	-	-	-	(8,005)
Fund Balance, July 1	43,918					43,918
Fund Balance, June 30	35,913	-	-	-	-	35,913

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1b)	IDEA Part B, Basic	IDEA Part B Preschool	Pass Through State Dept. of Education COVID Relief Aid	Pass Through Bergen County COVID Relief Aid	Totals 2022
REVENUES						
Local Sources	60,758					60,758
State Sources	29,926					29,926
Federal Sources	68,670	117,695	4,625	14,373	31	205,394
Total Revenues	159,354	117,695	4,625	14,373	31	296,078
EXPENDITURES:						
Instruction:						
Salaries of Teachers	4,800					4,800
Other Purchased Services (400-500 series)	26,776	117,695	4,625			149,096
General Supplies	42,808			160	31	42,999
Total instruction	74,384	117,695	4,625	160	31	196,895
Support Services:						
Purchased Professional and Technical Services	19,018					19,018
Other Purchased Services (400-500 series)	3,899					3,899
Supplies and Materials	13,406			14,213		27,619
Student Fees/Activities	31,216					31,216
Total support services	67,539	-	-	14,213	-	81,752
Facilities acquisition and const. serv.:						
Building/Renovation	25,436					25,436
Total facilities acquisition and const. serv.	25,436	-	-	-	-	25,436
Total Expenditures	167,359	117,695	4,625	14,373	31	304,083
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(8,005)	-	-	-	-	(8,005)
Fund Balance, July 1	43,918					43,918
Fund Balance, June 30	35,913	-	-	-	-	35,913

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1c)	CRRSA - ESSER II	ARP Mental Health Support Staffing	ARP IDEA Part B Basic	ARP IDEA Part B Preschool	N.J. Nonpublic Nursing Services Aid	Totals 2022
REVENUES							
Local Sources	60,758						60,758
State Sources	17,158		3,899	24,614	2,103	12,768	29,926
Federal Sources	-	38,054					68,670
Total Revenues	77,916	38,054	3,899	24,614	2,103	12,768	159,354
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	4,800					4,800
Other Purchased Services (400-500 series)	59			24,614	2,103		26,776
General Supplies	41,240	1,568					42,808
Total instruction	41,299	6,368	-	24,614	2,103	-	74,384
Support Services:							
Purchased Professional and Technical Services	-	6,250				12,768	19,018
Other Purchased Services (400-500 series)	-		3,899				3,899
Supplies and Materials	13,406						13,406
Student Fees/Activities	31,216						31,216
Total support services	44,622	6,250	3,899	-	-	12,768	67,539
Facilities acquisition and const. serv.:							
Building/Renovation	-	25,436					25,436
Total facilities acquisition and const. serv.	-	25,436	-	-	-	-	25,436
Total Expenditures	85,921	38,054	3,899	24,614	2,103	12,768	167,359
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(8,005)	-	-	-	-	-	(8,005)
Fund Balance, July 1	43,918	-	-	-	-	-	43,918
Fund Balance, June 30	35,913	-	-	-	-	-	35,913

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1d)	N.J. Nonpublic Security Aid	N.J. Nonpublic Technology Aid	PTA Donation - COVID Supplies	Read-a-thon Proceeds	Totals 2022
REVENUES						
Local Sources	40,872			15,665	4,221	60,758
State Sources	-	13,406	3,752			17,158
Federal Sources	-					-
Total Revenues	40,872	13,406	3,752	15,665	4,221	77,916
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-					-
Other Purchased Services (400-500 series)	59					59
General Supplies	17,602		3,752	15,665	4,221	41,240
Total instruction	17,661	-	3,752	15,665	4,221	41,299
Support Services:						
Purchased Professional and Technical Services	-					-
Other Purchased Services (400-500 series)	-					-
Supplies and Materials	-	13,406				13,406
Student Fees/Activities	31,216					31,216
Total support services	31,216	13,406	-	-	-	44,622
Facilities acquisition and const. serv.:						
Building/Renovation	-					-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	48,877	13,406	3,752	15,665	4,221	85,921
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(8,005)	-	-	-	-	(8,005)
Fund Balance, July 1	43,918	-	-	-	-	43,918
Fund Balance, June 30	35,913	-	-	-	-	35,913

ENGLEWOOD CLIFFS BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Student Activity Account	Student Fee Account	Totals 2022
REVENUES			
Local Sources	30,034	10,838	40,872
State Sources	-	-	-
Federal Sources	-	-	-
Total Revenues	30,034	10,838	40,872
EXPENDITURES:			
Instruction:			
Salaries of Teachers	-	-	-
Other Purchased Services (400-500 series)	59	59	59
General Supplies	17,602	17,602	17,602
Total instruction	-	17,661	17,661
Support Services:			
Purchased Professional and Technical Services	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Supplies and Materials	31,216	-	31,216
Student Fees/Activities	31,216	-	31,216
Total support services	-	-	-
Facilities acquisition and const. serv.:			
Building/Renovation	-	-	-
Total facilities acquisition and const. serv.	-	-	-
Total Expenditures	31,216	17,661	48,877
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,182)	(6,823)	(8,005)
Fund Balance, July 1	9,242	34,676	43,918
Fund Balance, June 30	8,060	27,853	35,913

PROPRIETARY FUNDS

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2022

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Invengineering Program</u>	<u>Totals</u>
ASSETS				
Current assets:				
Cash and cash equivalents	1,002	39,587		40,589
Total current assets	<u>1,002</u>	<u>39,587</u>		<u>40,589</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>1,002</u>	<u>39,587</u>		<u>40,589</u>
NET POSITION				
Unrestricted	<u>1,002</u>	<u>39,587</u>		<u>40,589</u>
Total net position	<u>1,002</u>	<u>39,587</u>		<u>40,589</u>

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2022

	<u>Special Milk Program</u>	<u>Enrichment Program</u>	<u>Invengineering Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	-	29,715	1,700	31,415
Payments for salaries and wages		(19,614)	(1,700)	(21,314)
Payments for supplies	(449)	(5,407)		(5,856)
Net cash provided by (used for) operating activities	<u>(449)</u>	<u>4,694</u>	<u>-</u>	<u>4,245</u>
Net increase (decrease) in cash and cash equivalents	(449)	4,694	-	4,245
Balances—beginning of year	1,451	34,893		36,344
Balances—end of year	<u>1,002</u>	<u>39,587</u>	<u>-</u>	<u>40,589</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(449)	4,694	-	4,245
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Total adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>(449)</u>	<u>4,694</u>	<u>-</u>	<u>4,245</u>

LONG-TERM DEBT

ENGLEWOOD CLIFFS BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2022

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2021	Decreased
School Refunding Bonds	4/19/2017	1,685,000	8/15/2021	340,000	1.700%	\$ 340,000	340,000
						\$ 340,000	340,000

ENGLEWOOD CLIFFS BOARD OF EDUCATION
General Long Term Debt Account Group
Schedule of Obligations Under Lease-Purchase Agreements
June 30, 2022

Description	Issued	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Increased	Decreased	Balance June 30, 2022
Macbook Computers & Related Equipment	7/9/2021	87,635	8/15/2021 8/15/2022 8/15/2023 8/15/2024	22,430 21,393 21,733 22,079	1.59%	87,635	22,430	65,205
					\$	<u>87,635</u>	<u>22,430</u>	<u>65,205</u>

ENGLEWOOD CLIFFS BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	255,496		255,496	255,496	-
State Sources:					
Debt Service Aid Type II	87,394		87,394	87,394	-
Total - State Sources	87,394	-	87,394	87,394	-
Total Revenues	342,890	-	342,890	342,890	-
EXPENDITURES:					
Regular Debt Service:					
Interest	2,890		2,890	2,890	-
Redemption of Principal	340,000		340,000	340,000	-
Total Regular Debt Service	342,890	-	342,890	342,890	-
Total expenditures	342,890	-	342,890	342,890	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	17	17
Fund Balance, June 30	-	-	-	17	17
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	-	-	-	-	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Invested in capital assets, net of related debt	1,615,883	1,773,540	1,837,957	1,794,548	1,766,991	2,697,226	3,457,521	4,276,537	4,940,129	5,047,346
Restricted	2,427,845	2,461,642	2,418,546	2,670,011	3,506,024	3,058,563	2,901,400	2,900,783	3,893,644	5,014,513
Unrestricted	632,696	203,416	(2,540,549)	(2,609,582)	(3,348,512)	(3,639,213)	(3,671,393)	(3,799,832)	(3,355,733)	(2,778,524)
Total governmental activities net assets/position	\$ 4,676,424	\$ 4,438,598	\$ 1,715,954	\$ 1,854,977	\$ 1,924,503	\$ 2,116,576	\$ 2,687,528	\$ 3,377,488	\$ 5,478,040	\$ 7,283,335
Business-type activities										
Invested in capital assets, net of related debt	\$ 69									
Restricted	801	734	818	1,648	20,577	26,092	36,479	38,343	36,344	40,589
Unrestricted	870	734	818	1,648	20,577	26,092	36,479	38,343	36,344	40,589
Total business-type activities net assets/position	\$ 870	\$ 734	\$ 818	\$ 1,648	\$ 20,577	\$ 26,092	\$ 36,479	\$ 38,343	\$ 36,344	\$ 40,589
District-wide										
Invested in capital assets	\$ 1,615,952	\$ 1,773,540	\$ 1,837,957	\$ 1,794,548	\$ 1,766,991	\$ 2,697,226	\$ 3,457,521	\$ 4,276,537	\$ 4,940,129	\$ 5,047,346
Restricted	2,427,845	2,461,642	2,418,546	2,670,011	3,506,024	3,058,563	2,901,400	2,900,783	3,893,644	5,014,513
Unrestricted	633,497	204,150	(2,539,731)	(2,607,934)	(3,327,935)	(3,613,121)	(3,634,914)	(3,761,489)	(3,319,389)	(2,737,935)
Total district net assets/position	\$ 4,677,294	\$ 4,439,332	\$ 1,716,772	\$ 1,856,625	\$ 1,945,080	\$ 2,142,668	\$ 2,724,007	\$ 3,415,831	\$ 5,514,384	\$ 7,323,924

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,301,980	\$ 4,024,684	\$ 4,327,314	\$ 4,799,343	\$ 4,543,476	\$ 4,750,188	4,547,331	4,807,167	4,249,864	3,703,201
Special education	1,053,436	1,109,731	1,438,502	1,463,516	1,468,399	1,118,449	968,844	1,179,033	1,140,300	998,123
Other special education	375,651	311,881	285,924	261,988	182,652	170,063	235,177	275,553	509,154	428,757
Other instruction	10,599	4,758	9,440		24,292	14,891	107,589	207,633	-	-
Support Services:										
Tuition	729,025	669,693	717,668	977,564	1,973,131	2,021,273	2,034,033	2,132,895	1,990,856	1,806,905
Student & instruction related services	2,310,222	2,471,219	2,430,735	2,349,989	2,225,026	2,211,348	2,259,228	2,428,109	2,670,587	2,471,742
School Administrative Services	388,293	157,084	158,185	156,652	207,811	230,683	244,410	258,999	306,922	270,233
General administration	223,647	349,291	409,541	412,375	456,753	471,737	491,682	565,231	510,078	479,420
Central Services	257,900	317,435	354,589	271,986	347,766	264,369	292,529	276,884	274,617	230,218
Administrative information technology	101,899	81,329	181,306	225,784	157,717	172,582	87,731	51,700	137,500	42,663
Plant Operations and Maintenance	1,040,444	1,134,175	1,237,537	1,155,542	1,038,254	1,051,907	1,075,936	1,114,295	941,212	1,082,553
Pupil transportation	776,161	691,206	755,696	798,155	906,858	928,621	969,830	844,437	660,720	815,456
Unallocated benefits	728,928	762,093	959,116	311,338	1,205,340	2,998,814	2,010,545	2,097,985	2,454,316	3,828,338
On-behalf Contributions										
Capital Outlay - non-depreciable	4,203	322,369	95,291	195,212	5,993	202,379	21,025	32,919	8,918	222,487
Debt Services:										
Interest and other charges	108,231	100,548	93,510	78,190	66,864	4,771	18,042	12,357	6,497	722
Bond Issuance Costs					49,000					
Unallocated depreciation					302,877	320,396	367,788	404,031	404,024	426,694
Total governmental activities expenses	11,410,619	12,507,496	13,454,354	13,457,634	15,162,209	16,932,471	15,731,720	16,775,028	16,179,795	16,777,512
Business-type activities:										
Special Milk Fund	4,364	5,882	6,789	5,090	6,141	3,815	3,916	2,956	1,403	449
Inventing Program						3,150	3,150	2,554	1,446	1,700
Enrichment Program					26,842	37,392	34,298	15,334	-	25,021
Total business-type activities expense	4,364	5,882	6,789	5,090	32,983	44,357	41,364	20,844	2,849	27,170
Total district expenses	\$ 11,414,983	\$ 12,513,378	\$ 13,461,143	\$ 13,462,724	\$ 15,195,192	\$ 16,976,828	\$ 15,773,084	\$ 16,795,872	\$ 16,182,644	\$ 16,804,682
Program Revenues										
Governmental activities:										
Charges for services:										
Student & instruction related services					269,287	315,064	223,490	233,593	43,401	40,872
Operating grants and contributions	231,429	243,862	251,809	294,852	269,287	315,064	223,490	233,593	350,436	298,283
Total governmental activities program revenues	231,429	243,862	251,809	294,852	269,287	315,064	223,490	233,593	393,837	339,155
Business-type activities:										
Charges for services	2,047	2,631	3,105	2,658	2,094	2,158	2,393	2,251	-	-
Special Milk Fund						3,150	3,150	2,554	850	1,700
Inventing Program					46,935	42,095	43,829	15,900	-	29,715
Enrichment Program					2,883	2,469	2,379	1,407	-	-
Operating grants and contributions	2,327	3,115	3,768	3,262	2,883	2,469	2,379	1,407	-	-
Total business type activities program revenues	4,374	5,746	6,873	5,920	5,192	49,872	51,751	22,708	850	31,415

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total district program revenues	\$ 235,803	\$ 249,608	\$ 258,682	\$ 300,772	\$ 321,199	\$ 364,936	\$ 275,241	\$ 256,301	\$ 394,687	\$ 370,570
Net (Expense)/Revenue	\$ (11,179,190)	\$ (12,263,634)	\$ (13,202,545)	\$ (13,162,782)	\$ (14,892,922)	\$ (16,617,407)	\$ (15,508,230)	\$ (16,541,435)	\$ (15,785,958)	\$ (16,438,357)
Governmental activities	10	(136)	84	830	18,929	5,515	10,387	1,864	(1,999)	4,245
Business-type activities	\$ (11,179,180)	\$ (12,263,770)	\$ (13,202,461)	\$ (13,161,952)	\$ (14,873,993)	\$ (16,611,892)	\$ (15,497,843)	\$ (16,539,571)	\$ (15,787,957)	\$ (16,434,112)
Total district-wide net expense										
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,878,618	\$ 10,076,190	\$ 10,277,713	\$ 10,963,918	\$ 12,421,223	\$ 12,963,634	\$ 13,222,907	\$ 13,487,365	\$ 13,865,519	\$ 14,142,829
Taxes levied for debt service	257,802	258,547	262,668	262,463	265,370	267,829	72,961	252,337	263,561	255,496
Federal and state aid not restricted	1,280,176	1,307,200	2,228,154	1,598,074	1,877,119	3,120,148	2,409,518	3,132,391	3,603,926	3,698,206
Federal and state aid - Capital Outlay							16,900	10,785		15,380
Tuition Received	248,861	91,083	268,450	397,699	300,427	230,500	281,823	277,000	126,750	83,839
Investment earnings							6,112	4,859	1,816	
Miscellaneous income	8,180	5,488	12,438	79,651	98,309	227,369	68,961	66,658	12,607	47,902
Total governmental activities	11,673,637	11,738,508	13,336,723	13,301,805	14,962,448	16,809,480	16,079,182	17,231,395	17,874,179	18,243,652
Business-type activities:										
Liabilities canceled	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 11,673,637	\$ 11,738,508	\$ 13,336,723	\$ 13,301,805	\$ 14,962,448	\$ 16,809,480	\$ 16,079,182	\$ 17,231,395	\$ 17,874,179	\$ 18,243,652
Change in Net Assets/Position	\$ 494,447	\$ (525,126)	\$ 134,178	\$ 139,023	\$ 69,526	\$ 192,073	\$ 570,952	\$ 689,960	\$ 2,088,221	\$ 1,805,295
Governmental activities	10	(136)	84	830	18,929	5,515	10,387	1,864	(1,999)	4,245
Business-type activities	\$ 494,457	\$ (525,262)	\$ 134,262	\$ 139,853	\$ 88,455	\$ 197,588	\$ 581,339	\$ 691,824	\$ 2,086,222	\$ 1,809,540
Total district										

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 2,238,951	\$ 2,272,748	\$ 2,229,652	\$ 2,481,121	\$ 2,978,861	\$ 1,932,667	2,665,633	2,529,159	3,669,225	4,429,611
Assigned	718,420	333,442	276,193	205,733	338,269	928,922	227,687	371,624	180,501	546,704
Unassigned	287,965	293,132	273,774	357,131	235,877	187,802	278,697	257,210	653,774	769,262
Total general fund	\$ 3,245,336	\$ 2,901,322	\$ 2,779,619	\$ 3,043,985	\$ 3,553,007	\$ 3,049,391	\$ 3,172,017	\$ 3,157,993	\$ 4,503,500	\$ 5,745,577
All Other Governmental Funds										
Reserved - capital projects fund										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund										
Permanent fund										
Restricted, reported in:										
Special revenue fund	188,894	188,894	188,894	188,894	188,894	196,974	8,080		43,918	35,913
Capital projects fund										
Debt service fund										
Total all other governmental funds	\$ 188,894	\$ 188,894	\$ 188,894	\$ 188,894	\$ 188,894	\$ 196,974	\$ 8,080	\$ -	\$ 43,935	\$ 35,930

Source: CAFR B-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 10,136,420	\$ 10,334,737	\$ 10,540,381	\$ 11,226,381	\$ 12,686,593	\$ 13,231,463	13,295,868	13,739,702	14,129,080	14,398,325
Tuition charges	248,861	91,083	268,450	397,699	300,427	230,500	281,823	277,000	126,750	83,839
Interest earnings										
Miscellaneous	6,799	5,488	12,438	79,651	98,309	227,369	75,073	71,517	67,958	67,788
Student Fees									41,700	10,838
Student Group Receipts									1,701	30,034
State sources	1,379,519	1,407,599	1,501,628	1,704,858	1,982,996	2,183,344	2,436,832	2,485,118	3,162,021	3,839,434
Federal sources	131,944	143,463	148,106	188,068	163,410	211,294	213,076	213,484	284,253	264,360
Total revenue	11,903,543	11,982,370	12,471,003	13,596,657	15,231,735	16,083,970	16,302,672	16,786,821	17,813,463	18,694,618
Expenditures										
Instruction										
Regular Instruction	2,621,942	3,229,683	3,213,930	3,465,168	3,454,283	3,864,884	3,623,370	3,608,466	3,164,920	3,374,289
Special education instruction	793,801	857,586	1,017,441	1,003,994	1,055,704	867,661	748,234	847,986	820,578	892,260
Other special instruction	288,784	239,511	199,161	178,451	131,222	129,158	181,856	197,916	366,447	383,096
Other Instruction	9,006	4,758	9,440	-	18,769	14,891	83,740	149,086		
Support Services:										
Tuition	729,025	669,693	717,668	977,564	1,973,131	2,021,273	2,034,033	2,132,895	1,990,856	1,806,905
Student & inst. related services	2,013,317	2,001,914	1,860,860	1,705,509	1,678,622	1,793,804	1,825,205	1,829,374	2,031,856	2,212,751
School administrative services	163,127	115,084	111,846	106,622	149,606	179,587	190,974	189,075	214,245	229,986
General administration	346,608	307,513	339,030	329,097	381,901	400,529	424,898	474,494	415,409	447,830
Central services	209,226	254,243	264,287	200,595	260,806	211,287	233,045	212,163	209,210	209,888
Admin. information technology	101,899	81,329	181,306	169,503	129,484	152,526	86,241	121,326	50,129	42,663
Plant operations and maintenance	657,246	746,890	783,542	699,856	909,505	914,308	930,044	914,431	790,161	986,740
Pupil transportation	747,452	673,338	730,494	765,909	879,621	908,488	950,484	825,060	645,728	808,479
Employee benefits	1,521,771	1,813,073	1,715,804	2,112,378	2,059,585	2,170,566	2,275,727	2,308,440	2,412,599	2,547,468
On behalf contributions	722,033	709,128	864,275	1,056,737	1,245,974	1,458,172	1,613,450	1,679,755	2,159,933	2,688,748
Prior year encumbrances										

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Special Schools										
Charter Schools										
Capital outlay	218,092	562,897	229,951	208,667	38,361	1,136,667	817,494	968,965	810,585	574,188
Debt service:										
Principal	235,000	245,000	260,000	270,000	285,000	335,000	330,000	335,000	345,000	340,000
Interest and other charges	110,984	101,984	92,515	82,240	71,140	20,705	20,145	14,493	8,696	2,890
Total expenditures	11,489,313	12,613,624	12,591,550	13,332,290	14,722,714	16,579,506	16,368,940	16,808,925	16,436,352	17,548,181
Excess (Deficiency) of revenues over (under) expenditures	414,230	(631,254)	(120,547)	264,367	509,021	(495,536)	(66,268)	(22,104)	1,377,111	1,146,437
Other Financing sources (uses)										
Proceeds from borrowing										
Lease-Purchase										
Agreements (non-budgeted)										87,635
Transfers in	1,321	42,861	448	472	474	189,043				
Transfers out	(1,321)	(42,861)	(448)	(472)	(474)	(189,043)				
Capital Reserve - Capital Outlay			287,300							
Total other financing sources (uses)	-	-	287,300	-	-	-	-	-	-	87,635
Net change in fund balances	\$ 414,230	\$ (631,254)	\$ 166,753	\$ 264,367	\$ 509,021	\$ (495,536)	\$ (66,268)	\$ (22,104)	\$ 1,377,111	\$ 1,234,072
Debt service as a percentage of noncapital expenditures	2.95%	2.88%	2.85%	2.68%	2.43%	2.30%	2.25%	2.21%	2.26%	2.02%

Source: District records

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

Source: CAFR, Schedule B-2

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

Fiscal Year Ending June 30,	Tuition	PTA Donations	Interest	Refunds	Settlements	Prior Year Voided Checks	Balance of Unemployment Closed to General Fund	Technology Fees	Subscription Busing Fees	Proceeds from Sale of Technology	Miscellaneous	Annual Totals
2013	248,861		2,765			2,078					575	254,279
2014	91,083		1,828								3,212	96,123
2015	268,450		1,055	984		4,983					5,416	280,888
2016	397,699		3,065		62,160						13,952	476,876
2017	300,427		10,546				21,611				66,003	398,587
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
2020	277,000		6,347	26,232		2,500		25,887			10,551	348,517
2021	126,750		5,914						39,173		8,509	141,173
2022	83,839		2,979	3,418		967					1,365	131,741

Source: District records

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized) Value	% of Net Assessed to Estimated Full Cash Valuations
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	3,563,626,700	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%
2019	89,466,900	2,528,668,000	776,952,800	-	1,750,000	3,396,837,700	917,566,200	1,296,492	2,480,567,992	0.405	3,770,912,189	65.78%
2020	105,814,100	2,520,641,200	773,795,200	-	1,750,000	3,402,000,500	920,081,200	1,273,132	2,483,192,432	0.423	3,473,555,748	71.49%
2021	53,533,400	2,521,655,900	944,312,300	-	1,750,000	3,521,251,600	919,026,100	1,621,675	2,603,847,175	0.401	3,465,798,819	75.13%
2022	57,828,900	2,529,953,500	944,895,400	-	1,750,000	3,534,427,800	919,026,100	1,745,565	2,617,147,265	0.407	3,895,115,495	67.19%

Source: Municipal Tax Assessor

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

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

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

b Tax rates are per \$100

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

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

Year Ended Dec. 31,	Englewood Cliffs Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	6) Total Direct School	Borough of Englewood Cliffs	Bergen County	
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
2019	0.398	0.007	0.405	0.418	0.258	1.081
2020	0.415	0.008	0.423	0.894	0.257	1.574
2021	0.381	0.020	0.401	0.464	0.259	1.124
2022	0.387	0.020	0.407	0.476	0.240	1.123

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

	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 172,039,700	1	6.57%	\$ 109,310,000	1	0.0439182
Taxpayer 2	82,500,000	2	3.15%	90,000,000	2	3.62%
Taxpayer 3	62,327,400	3	2.38%	89,145,700	3	3.58%
Taxpayer 4	61,831,600	4	2.36%	72,100,000	4	2.90%
Taxpayer 5	47,223,300	5	1.80%	37,194,600	5	1.49%
Taxpayer 6	35,500,000	6	1.36%	35,719,500	6	1.44%
Taxpayer 7	34,000,000	7	1.30%	35,500,000	7	1.43%
Taxpayer 8	32,700,000	8	1.25%	25,125,000	8	1.01%
Taxpayer 9	20,588,300	9	0.79%	17,780,600	9	0.71%
Taxpayer 10		10	#VALUE!	14,624,800	10	0.59%
Total	\$ 548,710,300		#VALUE!	\$ 526,500,200		21.15%

Total Net Assessed Value 2,617,147,265

2,488,945,337

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2020	13,739,702	13,739,702	100.00%	-
2021	14,129,080	14,129,080	100.00%	-
2022	14,398,325	14,398,325	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 ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Lease Purchase Agreements	Bond Anticipation Notes (BANs)	Lease Purchase Agreements				
2013	2,931,000	-	-	-	-	2,931,000	0.76%	\$ 40.88	
2014	2,696,000	-	-	-	-	2,696,000	0.67%	\$ 36.20	
2015	2,451,000	-	-	-	-	2,451,000	0.59%	\$ 31.52	
2016	2,191,000	-	-	-	-	2,191,000	0.52%	\$ 27.59	
2017	1,921,000	-	-	-	-	1,921,000	0.44%	\$ 23.52	
2018	1,685,000	-	-	-	-	1,685,000	0.36%	\$ 19.50	
2019	1,020,000	-	-	-	-	1,020,000	0.21%	\$ 11.40	
2020	685,000	-	-	-	-	685,000	0.14%	\$ 7.45	
2021	340,000	-	-	-	-	340,000	Not Available	Not Available	
2022	-	-	65,205	-	-	65,205	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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	2,696,000	-	2,696,000	0.11%	71,699
2014	2,451,000	-	2,451,000	0.10%	74,480
2015	2,191,000	-	2,191,000	0.09%	77,767
2016	1,921,000	-	1,921,000	0.08%	79,407
2017	1,685,000	-	1,685,000	0.07%	81,676
2018	1,350,000	-	1,350,000	0.05%	86,404
2019	1,020,000	-	1,020,000	0.04%	89,456
2020	685,000	-	685,000	0.03%	91,972
2021	340,000	-	340,000	0.01%	Not Available
2022	-	-	-	0.00%	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, 2022**

<u>Governmental Unit</u>	Estimated Percentage Applicable ^a	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2022			\$ -
Debt repaid with property taxes			
Borough of Englewood Cliffs	100.00%	\$ 14,844,579	
County of Bergen - Borough's Share	2.113%	19,040,908	
Bergen County Utilities Authority - Borough's Share	1.318%	<u>1,297,720</u>	
Subtotal, overlapping debt			<u>35,183,207</u>
Total direct and overlapping debt			<u><u>\$ 35,183,207</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 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 97,356,728	\$ 95,577,452	\$ 95,621,040	\$ 94,786,098	\$ 95,967,744	\$ 99,403,549	\$ 100,656,881	\$ 105,831,453	\$ 107,702,608	\$ 108,344,701
Total net debt applicable to limit	2,696,000	2,451,000	2,191,000	1,921,000	1,685,000	1,350,000	1,020,000	685,000	340,000	-
Legal debt margin	\$ 94,660,728	\$ 93,126,452	\$ 93,430,040	\$ 92,865,098	\$ 94,282,744	\$ 98,053,549	\$ 99,636,881	\$ 105,146,453	\$ 107,362,608	\$ 108,344,701
Total net debt applicable to the limit as a percentage of debt limit	2.77%	2.56%	2.29%	2.03%	1.76%	1.36%	1.01%	0.65%	0.32%	0.00%

	2022	2021	2020
Equalized valuation basis	\$ 3,895,115,495	\$ 3,465,798,819	\$ 3,473,555,748
[A]	\$ 10,834,470,062		
Average equalized valuation of taxable property	[A/3]	\$ 3,611,490,021	
Debt limit (3% of average equalization value)	[B]	108,344,701	^a
Total Net Debt Applicable to Limit	[C]	-	
Legal debt margin	[B-C]	\$ 108,344,701	

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

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

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2013	5,371	385,095,329	71,699	8.00%
2014	5,370	399,957,600	74,480	4.40%
2015	5,363	417,064,421	77,767	3.40%
2016	5,346	424,509,822	79,407	3.60%
2017	5,364	438,110,064	81,676	3.10%
2018	5,366	463,643,864	86,404	2.60%
2019	5,354	478,947,424	89,456	2.20%
2020	5,320	489,291,040	91,972	8.30%
2021	5,342	Not Available	Not Available	5.50%
2022	Not Available	Not Available	Not Available	Not Available

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

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

	2022			2013		
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment

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

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	36.0	38.5	40.9	40.5	38.5	42.7	49.8	46.0	42.3	40.3
Special education	14.0	11.5	10.9	12.0	11.5	11.0	13.0	16.0	14.3	16.7
Other special education	12.0	2.0	2.0	3.0	3.5	1.9	-			
Vocational										
Other instruction	2.0	2.0	2.3	2.0						
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	4.0	25.7	25.7	25.5	24.5	23.0	11.2	23.0	22.5	19.6
General administration	4.0	1.6	1.7	1.9	2.1	2.1	2.1	2.1	2.1	2.1
School administrative services	4.0	2.5	2.0	2.0	2.7	3.0	2.5	3.0	3.0	3.0
Other administrative services							7.0			
Central services	4.0	2.3	2.3	2.3	2.3	2.3	1.8	1.3	1.3	1.3
Administrative Information Technology			2.5	1.5	1.0	1.0	2.5	1.0		
Plant operations and maintenance	8.0	7.5	8.0	7.6	7.5	7.6	6.0	5.5	5.5	7.0
Pupil transportation			0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other support services	3.0	0.3					2.0			2.3
Special Schools										
Food Service										
Child Care										
Total	91	93.8	98.6	98.4	93.8	94.9	98.2	98.1	91.3	92.6

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
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	15,201,301	31,087	1.99%	54.50	1:8.98	1:8.98		489.48	478.78	-0.99%	97.81%
2020	489	15,490,467	31,678	1.90%	55.65	1:8.61	1:9.17		486.44	474.21	-0.62%	97.49%
2021	483	15,272,071	31,721	0.14%	56.60	1:10.47	1:6.62		432.78	425.46	-1.103%	98.31%
2022	427	13,593,479	31,835	0.36%	57.00	1:6.73	1:9.70		409.69	392.39	-5.34%	95.78%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
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)	230	230	230	230	230	230	230	230	230	230
Enrollment	196	201	224	230	230	166	163	184	142	
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	51,531	51,531	51,531	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	286	295	343	354	354	329	326	315	307	285

Number of Schools at June 30, 2022
 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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Northcliff School	N/A	78,169	39,162	26,960	39,786	59,964	59,738	15,324	14,054	14,890	10,473
Upper School	N/A	178,681	102,201	69,944	98,221	104,981	79,787	61,793	48,237	48,357	38,717
Grand Total		\$ 256,850	\$ 141,363	\$ 96,904	\$ 138,007	\$ 164,945	\$ 139,525	\$ 77,117	\$ 62,291	\$ 63,247	\$ 49,190

Source: District records

**Englewood Cliffs Board of Education
Insurance Schedule
June 30, 2022**

Company	Type of Coverage	Coverage	Deductible
National Union Fire	Flood & Earthquake	5,000,000 occurrence 5,000,000 aggregate	\$50k/\$100k
	Flood: Within Special Flood "A"	2,000,000 occurrence 2,000,000 aggregate	500,000
	Extra Expense	5,000,000	Loss of Income Limit \$250,000
	Building Ord Demolition Cost	1,000,000	
	Building Ord Increased Cost of Construction	1,000,000	
	Pollution - Clean Up & Removal	250,000	
	Broadened Water - Loss of Income Planned Events and Tuition Fees	100,000	
	Claim Data Expenses	25,000	
	Fire Dept Service Charge	50,000	
	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 per occurrence	50,000	
	Outdoor Property	150,000	
	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	
	Accts Receivable	250,000	
	Fine Arts	50,000	
	Musical Instruments	250,000	
	Cameras, Audio/Video Equip	250,000	
	Misc School Property	100,000	
	Contractors Equipment	350,000	
	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	
General Liability			
General Aggregate	1,000,000		
Products & Completed Operations	1,000,000		
Each Occurrence	1,000,000		

**Englewood Cliffs Board of Education
Insurance Schedule
June 30, 2022**

Company	Type of Coverage	Coverage	Deductible
	General Liability (continued)		
	Personal & Advertising Injury	1,000,000	
	Fire Damage Legal Liability	1,000,000	
	Medical Expense Limit	10,000	
	Pesticide or Herbicide Applicator	1,000,000	1,000
	Employee Benefits Liability: Claims Made	1,000,000 occurrence 2,000,000 aggregate	1,000
	Sexual Abuse & Molestation	1,000,000 occurrence 2,000,000 aggregate	
	Inline Marine (Commercial)		
	Contractors Equipment Leased/ Rented Unscheduled	350,000	
	Miscellaneous Property Coverage: outdoor fences, lighting, radio & TV antennas, satellite dishes, signs, guardrails, portable bleachers under 100 capacity, playground equip., bicycle racks, outdoor benches & flagpoles: 10,000 max per items	150,000	
	EDP Equipment	5,000,000	
	Accounts Receivable	250,000	
	Camera & Audio Equipment Max 10,000 per item	5,000,000	
	Musical Instruments, Band Uniforms and Theatrical Equipment 10,000 max per item	250,000	
	Valuable Papers Coverage	5,000,000	
	Installation Floater	500,000	
	Contractor's Equipment Leased/ Rented	250,000	
National Union Fire	Automobile Coverages		
	Liability Limit	1,000,000	
	Uninsured Motorist	1,000,000	
	Underinsured Motorist	1,000,000	
	Auto Medical Payment	10,000	
	AL Deductible - 10,000 2,500 member/ 7,500 Fund		
Nathional Union Fire	Crime		Deductible
	Employee Theft - Incl. Faithful Performance	500,000	5,000
	Forgery or Alteration	250,000	5,000
	Inside the Premises – Theft of Money & Securities	250,000	5,000
	Inside the Premises – Robbery/Safe Burglary	100,000	5,000
	Outside the Premises	250,000	5,000
	Computer and Funds Transfer Fraud	250,000	5,000
	Money Orders	250,000	5,000
	Fraudulent Impersonation	250,000	5,000
Markel Ins Co	Pollution Liability/ Environmental Impairment		25,000
	Aggregate Limit per Name Insured	4,000,000	50,000 Mold
	Fund Aggregate Limit	20,000,000	

**Englewood Cliffs Board of Education
Insurance Schedule
June 30, 2022**

Company	Type of Coverage	Coverage	Deductible
Greenwich Insurance Co.	School Board E & O		
	Educator's Legal Liability/ Employment Practices Liability	1,000,000	
	Acts of School Violence Crisis Management	250,000	
	Amendment of Exclusion B Endorsement: defense of non-monetary claims	500,000	
	Harassment/ Bullying, Defense Only	100,000	
	Prevailing Party Fees for IEP Claims	250,000	
Gerber Life Insurance	Accident Coverage		
	Accidental Death, Dismemberment & Paralysis	100,000	
	Total Limit of Liability per Accident	500,000	
	Total Limit of Liability per All Other Accidents	500,000	
Safety National	Excess Worker's Comp		
	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	
Coalition	Cyber Liability		Retention
	Network and Information Security Liability	1,000,000	25,000
	Regulatory Defense and Penalties	1,000,000	25,000
	Multimedia Content Liability	1,000,000	25,000
	PCI Fines and Assessments	1,000,000	25,000
	Breach Response	1,000,000	25,000
	Crisis Management and Public Relations	1,000,000	25,000
	Cyber Extortion	1,000,000	25,000
	Business Interruption and Extra Expenses	1,000,000	25,000
	Digital Asset Restoration	1,000,000	25,000
	Funds Transfer Fraud	250,000	25,000

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

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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, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated February 3, 2023.

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 Englewood Cliffs Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated February 3, 2023.

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

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

February 3, 2023





WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY STATE OF NEW JERSEY OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Borough of Englewood Cliffs School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Englewood Cliffs Board of Education’s major federal and state programs for the year ended June 30, 2022. The Borough of Englewood Cliffs Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Englewood Cliffs Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our responsibilities under those standards



and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Borough of Englewood Cliffs Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Borough of Englewood Cliffs Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Borough of Englewood Cliffs Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Borough of Englewood Cliffs Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Borough of Englewood Cliffs Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of Englewood Cliffs Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Borough of Englewood Cliffs Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Englewood Cliffs Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



Honorable President and
Members of the Board of Education

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

Steven D. Wielkocz

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

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

February 3, 2023

ENGLEWOOD CLIFFS BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	(Accounts Receivable) at June 30, 2022
U.S. Department of Education										
Passed-through State Department of Education										
Special Revenue Fund:										
Title I, Part A	84.010	S010A210030	7/1/21-9/30/22	28,037	(52,909)	(52,909)	58,838	29,235	71	(23,235)
Title I, Part A	84.010	S010A2200030	7/1/20-9/30/21	61,535	(52,909)	52,909				
Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	11,661		302	4,117	11,269		(6,850)
Title II, Part A	84.367A	S367A2200029	7/1/20-9/30/21	12,965	302	(302)				
Title III, Immigrant	84.365A	S365A210030	7/1/21-9/30/22	9,511	(3,515)	(3,515)	3,515	674		(674)
Title III, Immigrant	84.365A	S365A2200030	7/1/20-9/30/21	10,000	(3,515)	3,515				
Title IV	84.424	S424A210030	7/1/21-9/30/22	10,000	(5,596)	(5,596)	9,111	8,700		(5,185)
Title IV	84.424	S424A2200030	7/1/20-9/30/21	10,000	(5,596)	5,596	116,495	117,695		(1,200)
I.D.E.A. Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	117,695		(4,736)	9,361	4,625		
I.D.E.A. Part B, Preschool	84.173A	H173A210114	7/1/21-9/30/22	4,625		4,736				
I.D.E.A. Part B, Preschool	84.173A	H173A2200114	7/1/20-9/30/21	4,736	(4,736)	4,736	14,199	14,373		(495)
CARES Emergency Relief Act	84.425D	S425D200027	3/13/20-10/15/22	63,463	(321)		19,515	38,054		(18,539)
CARES Act 2020/ESSER II	84.425D	S425D200027	3/13/20-10/15/22	271,690						
Non-public Digital Divide	84.425D	S425U210027	7/16/20-10/30/20	4,350						
ARP - ESSER III	84.425D	S425U210027	3/13/20-09/30/24	453,285						
ARP - Accelerated Learning Coach & Educator Support	84.425U	S425U210027	3/13/20-09/30/24	50,000						
ARP - Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-09/30/24	40,000						
ARP - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-09/30/24	40,000						
ARP - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-09/30/24	45,000				3,899		(3,899)
ARP - IDEA, Part B	84.027X	H027X210100	7/1/21-9/30/22	24,614				24,614		(24,614)
ARP - IDEA, PSH	84.173X	H173X210114	7/1/21-9/30/22	2,103			1,953	2,103		(150)
Total U.S. Department of Education					(66,775)		237,104	255,241	71	(84,841)
U.S. Department of the Treasury										
Passed-through Bergen County										
COVID Relief Fund	21.019	SLT0007	3/1/20-12/31/21	25,000	31			31		
Total U.S. Department of the Treasury					31					
Total Federal Financial Assistance					(66,744)		237,104	255,272	71	(84,841)

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, 2022

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	Balance at June 30, 2022				MEMO
				Deferred Revenue (Accounts Receivable)	Revenue (Accounts Receivable)				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	
State Department of Education:													
General Fund:													
Special Education Aid	495-034-5120-089	7/1/21-6/30/22	\$ 405,463		369,900	405,463			*	(35,563)		405,463	
Transportation Aid	495-034-5120-014	7/1/21-6/30/22	141,069		128,696	141,069			*	(12,373)		141,069	
Security Aid	495-034-5120-084	7/1/21-6/30/22	8,968		8,181	8,968			*	(787)		8,968	
Securing our Children's Future Bond Act (Alyssa's Law)		7/1/20-6/30/22	25,434	(25,434)					*		(25,434)	25,434	
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/21-6/30/22	36,540		35,090	36,540			*		(36,540)	36,540	
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/20-6/30/21	35,090	(35,090)					*		(450,005)	35,090	
Extraordinary Aid	495-034-5120-044	7/1/21-6/30/22	450,005	(366,818)	366,818	450,005			*		(18,240)	450,005	
TPAF Social Security	495-034-5094-003	7/1/21-6/30/22	368,125	(16,945)	349,885	368,125			*			368,125	
TPAF Social Security	495-034-5094-003	7/1/20-6/30/21	348,963		16,945	348,963			*			348,963	
On-behalf TPAF Postretirement Medical Cont.	495-034-5094-001	7/1/21-6/30/22	439,354		439,354	439,354			*			439,354	
On-behalf TPAF Pension	495-034-5094-002	7/1/21-6/30/22	1,854,308		1,854,308	1,854,308			*			1,854,308	
On-behalf TPAF NCGH Premium	495-034-5094-004	7/1/21-6/30/22	26,162		26,162	26,162			*			26,162	
On-behalf TPAF - LTDI	495-034-5094-004	7/1/21-6/30/22	799		799	799			*			799	
Total General Fund			(444,287)		3,596,138	3,730,793			*	(530,219)		4,507,098	
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Security Aid	100-034-5120-509	7/1/21-6/30/22	19,950		19,950	19,950			*			19,950	
Security Aid	100-034-5120-509	7/1/20-6/30/21	21,700	21,700			21,700		*				
Textbook Aid	100-034-5120-064	7/1/21-6/30/22	5,762		5,762	5,762			*			5,762	
Textbook Aid	100-034-5120-064	7/1/20-6/30/21	6,109	6,109			6,109		*				
Nursing Services	100-034-5120-070	7/1/21-6/30/22	12,768		12,768	12,768			*			12,768	
Technology Aid	100-034-5120-373	7/1/21-6/30/22	4,032		4,032	4,032			*			4,032	
SDA Emergent & Capital Maintenance Needs Grant	22-495-034-5120-128	7/1/21-6/30/22	10,890	27,809	42,512	29,926	27,809		*			29,926	
Total Special Revenue Fund			87,394		87,394	87,394			*			87,394	
Debt Service Fund:													
Debt Service Aid Type II													
	495-034-5120-017	7/1/21-6/30/22	87,394		87,394	87,394			*			87,394	
				(416,478)	3,726,044	3,848,113	27,809		*	(530,219)		4,624,418	
Total State Financial Assistance													

ENGLEWOOD CLIFFS BOARD OF EDUCATION

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2022

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	Balance at June 30, 2022			MEMO
				Deferred Revenue (Accounts Receivable)	Deferred Revenue (Accounts Receivable)				(Accounts Receivable)	Deferred Revenue	Due to Grantor	
Other Financial Assistance												
Special Revenue Fund:												
Donation - PTA - COVID 19 Supplies			16,000	16,000			15,665					15,665
ECEF Music Play Donation			1,341	1,341	1,341		4,221					4,221
Read-a-thon Proceeds			5,962	5,962								
American Online Giving Proceeds			119	119			19,886					19,886
				22,081	1,341							
				(394,397)	3,727,385		3,867,999	27,809	(530,219)	3,536	12,586	(48,723)
Total State and Other Financial Assistance												4,644,304
Less: On-Behalf TPAF Pension System Contributions												
On-Behalf TPAF Pension - Contribution	495-034-5094-002	7/1/21-6/30/22	1,854,308				1,854,308					
On-Behalf TPAF Pension - Post Retirement	495-034-5094-001	7/1/21-6/30/22	439,354				439,354					
On-Behalf TPAF NCGI Premium	495-034-5094-004	7/1/21-6/30/22	26,162				26,162					
On-Behalf TPAF LTDI	495-034-5094-004	7/1/21-6/30/22	799				799					
							2,320,623					
Total for State Financial Assistance-Major Program Determination							1,527,490					

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 \$(8,170) for the General Fund and \$(8,579) 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	\$-0-	\$3,722,623	\$3,722,623
Special Revenue Fund	264,360	29,417	293,777
Debt Service Fund	-0-	87,394	87,394
Food Service Fund	-0-	-0-	0
Total Awards and Financial	<u>\$264,360</u>	<u>\$3,839,434</u>	<u>\$4,103,794</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, 2022. 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, 2022.

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 \$2,320,623 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>	\$29,235
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	11,269
Title III: <i>Immigrant</i>	674
Title IV: <i>Student Support and Academic Enrichment</i>	8,700
Total	<u>\$49,878</u>

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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>
495-034-5120-044 (B)	Extraordinary Aid

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

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2022**

Status of Prior Year Findings

There were no prior year findings.