ENGLEWOOD BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Englewood, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Englewood Board of Education

Englewood, New Jersey

For The Fiscal Year Ended June 30, 2011

Prepared by

Business Office

ENGLEWOOD BOARD OF EDUCATION
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INTRODUCTORY SECTION

ENGLEWOOD PUBLIC SCHOOLS

ADMINISTRATIVE BUILDING, 12 TENAFLY ROAD, ENGLEWOOD, NJ 07631

December 1, 2011

Honorable President and
Members of the Board of Education
Englewood Public Schools
Englewood, New Jersey 07631

Dear Board Members:

The comprehensive annual financial report of the Englewood School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, 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 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 and list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Englewood School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Englewood Board of Education and all its schools constitute the District's reporting entity.

   The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for handicapped youngsters. The District completed the 2009-2010 fiscal year with an enrollment of 2,936 students, which is 14 more students than previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Fiscal Year Ending 6/30	Total Student Enrollment	Percent Change From Previous Yr.
2004-05	2,974	2.9
2005-06	3,090	3.9
2006-07	2,962	(4.2)
2007-08	2,955	(0.23)
2008-09	2,922	(1.13)
2009-10	2,936	(0.48)

2. **ECONOMIC CONDITION AND OUTLOOK:** The work done over the past five years to recondition facilities and eliminate energy waste has positioned the district well for holding down these two aspects of school operations. Actions taken to reduce out-of-district special education placements by creating appropriate in-district options will reduce demands on the budget for many years to come. In addition, the district has taken significant steps to reduce student transportation costs and done so in a way to reduce cost going forward.

The poor condition of state revenue generation has forced the Governor to take drastic actions to balance the state budget. Funds the district had set aside to address real liabilities were taken by the State for its own needs leaving the district with a gap between known facilities need and the funds to acquire them.

In addition to taking funds, the district lost a substantial amount in anticipated State funding under the new School Funding Reform Act. The State action makes predicting funding levels into the near future difficult during the generally poor economic times facing the state. The local tax payers passed the budget for 2011 - 2012.

Despite the economic challenges faced over the past year the district is sound economically with sufficient funds to maintain operations with state mandates.

3. **MAJOR DISTRICT INITIATIVES:** District initiatives in 2010-11 focused on preparing for the future educationally and operationally.

   Savings generated from operating its own small bus fleet encouraged the board to expand the fleet with newer buses. Through shared services arrangements with neighboring districts the cost for out-of-district students will continue to decline.

   Extensive professional development has lead to major changes in how teachers and the total school approach the educational mandates. Teams of teachers are learning how to work as a unit to foster student achievement and to address gaps in student learning much earlier. If those works succeed, the district increases its prospects of meeting the NCLB mandates as well as avoiding the cost of remediation.

   Unfortunately, the middle school did not meet its NCLB mandates and will enter a restructuring plan in 2011-12. The district and school administration will be working with a State CAPA Team to address the educational issues. The restructuring plan does not require substantial new funding, but emphasizes using the existing resources more effectively.

   For the sixth consecutive year the district helped every graduating senior to have a college acceptance. The Graduating Class of 2011 had scholarship offers in excess of $5,112,142.

   On the spring assessment, the high school students scored sufficiently well to enable the school to lose its School in Need of Improvement status. Going into 2011-12, the middle school, McCloud and Grieco School have gone into School in Need of Improvement.

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 or misuse and to ensure that adequate accounting data are compiled to allow for the preparation 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 requires estimates 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 evaluation by the District management.

   As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted

for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects 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 purchase 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 re-appropriated are reported as reservations of fund balance at June 30.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which 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. 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.

8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. **OTHER INFORMATION:** **A) Independent Audit** - State statutes require an annual audit by independent Certified Public Accountants (CPA) or Registered Municipal Accountants. The accounting firm of Lerch, Vinci & Higgins, LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 04-04-OMB. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

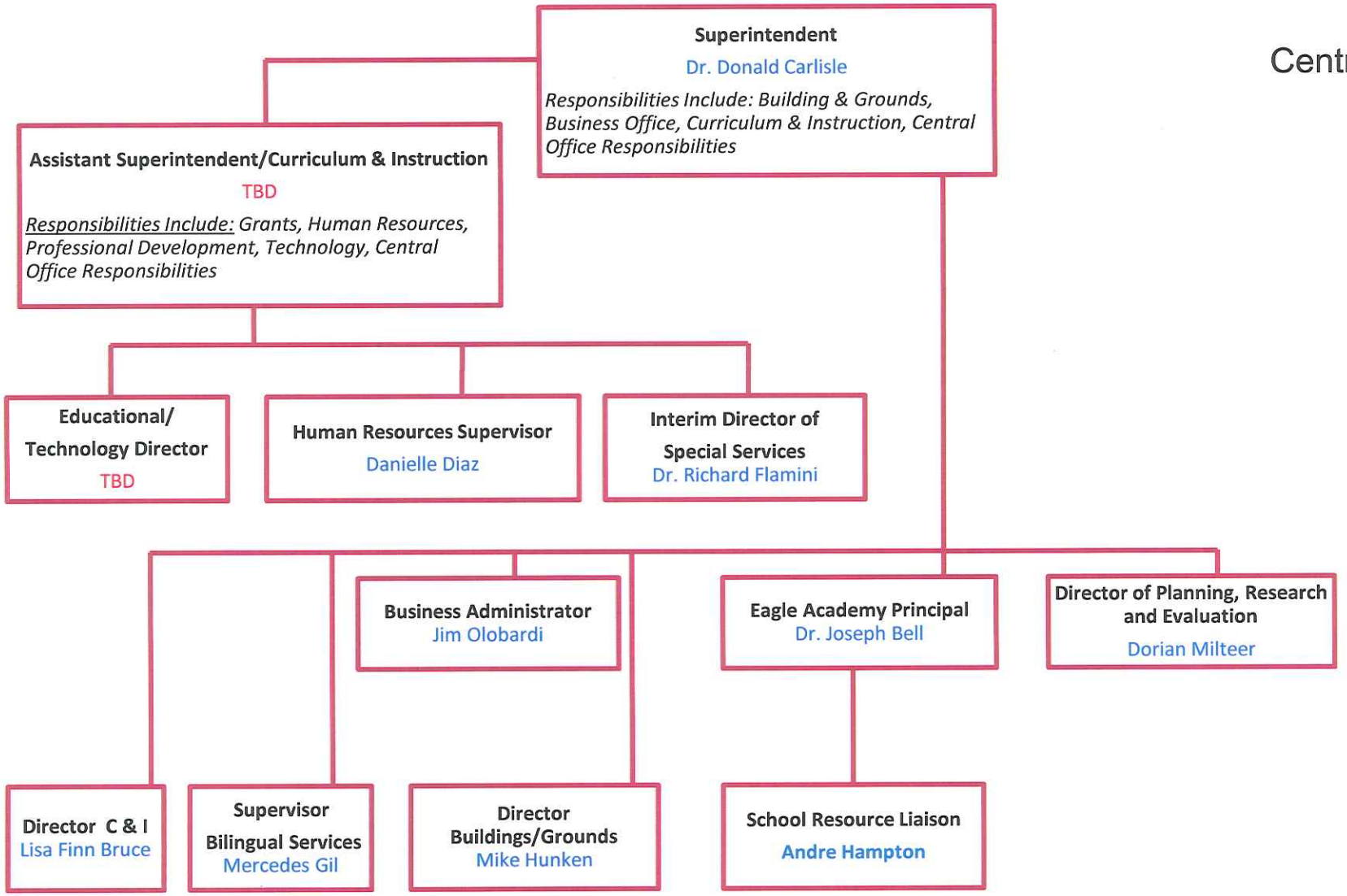
10. **ACKNOWLEDGMENTS:** I would like to express my appreciation to the members of the Englewood Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

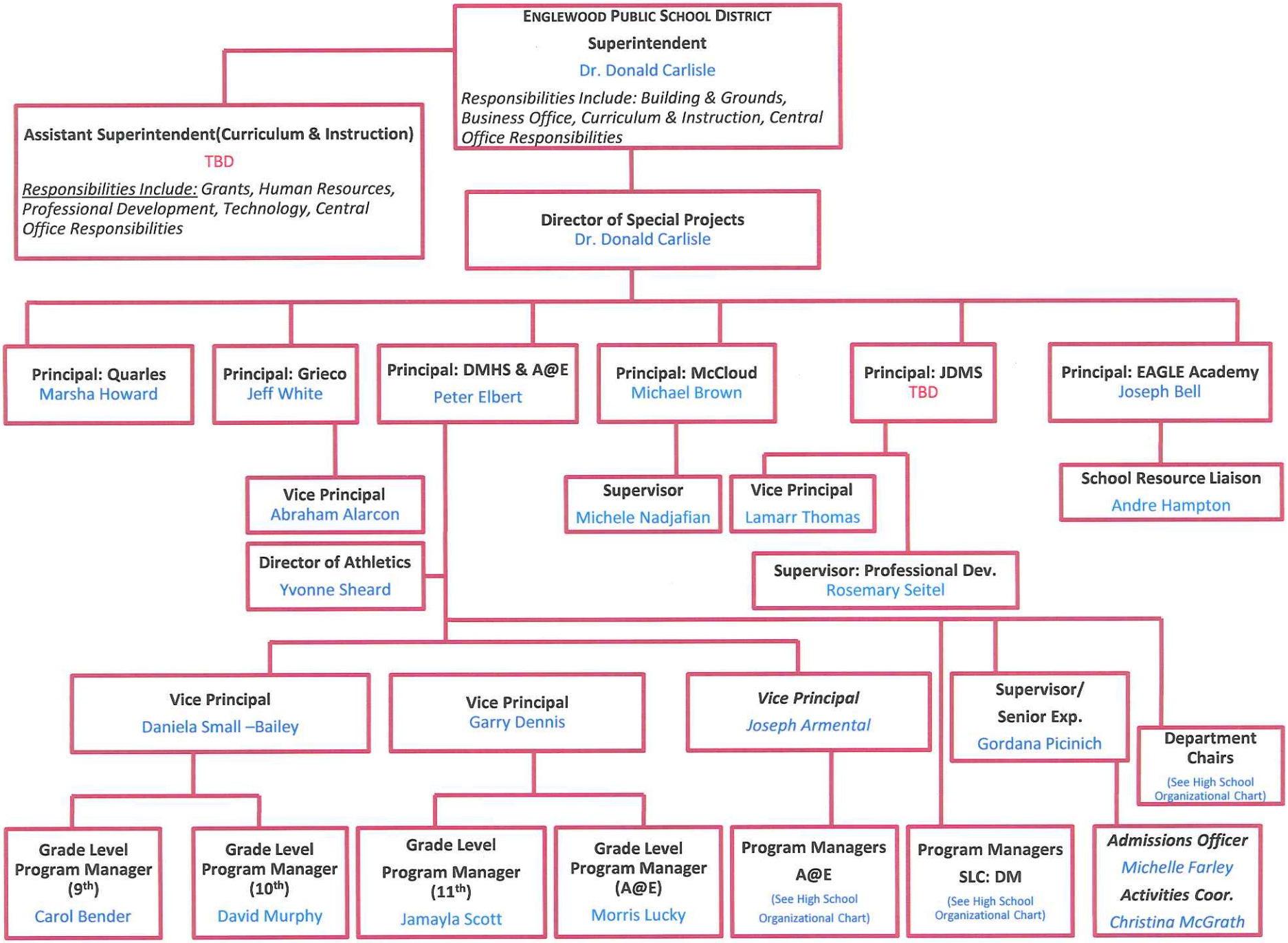
Respectfully submitted,

Donald K. Carlisle

Dr. Donald K. Carlisle
Superintendent of Schools

Central Office




ENGLEWOOD PUBLIC SCHOOL DISTRICT
Superintendent
Dr. Donald Carlisle
Responsibilities Include: Building & Grounds, Business Office, Curriculum & Instruction, Central Office Responsibilities
Assistant Superintendent(Curriculum & Instruction)
TBD
Responsibilities Include: Grants, Human Resources, Professional Development, Technology, Central Office Responsibilities
Director of Special Projects
Dr. Donald Carlisle
Principal: Quarles
Marsha Howard
Principal: Grieco
Jeff White
Principal: DMHS & A@E
Peter Elbert
Principal: McCloud
Michael Brown
Principal: JDMS
TBD
Principal: EAGLE Academy
Joseph Bell
Vice Principal
Abraham Alarcon
Director of Athletics
Yvonne Sheard
Supervisor
Michele Nadjafian
Vice Principal
Lamarr Thomas
Supervisor: Professional Dev.
Rosemary Seitel
School Resource Liaison
Andre Hampton
Vice Principal
Daniela Small –Bailey
Vice Principal
Garry Dennis
Vice Principal
Joseph Armental
Supervisor/
Senior Exp.
Gordana Picinich
Department Chairs
(See High School Organizational Chart)
Grade Level Program Manager (9th)
Carol Bender
Grade Level Program Manager (10th)
David Murphy
Grade Level Program Manager (11th)
Jamayla Scott
Grade Level Program Manager (A@E)
Morris Lucky
Program Managers A@E
(See High School Organizational Chart)
Program Managers SLC: DM
(See High School Organizational Chart)
Admissions Officer
Michelle Farley
Activities Coor.
Christina McGrath

ENGLEWOOD SCHOOL DISTRICT

CITY OF ENGLEWOOD, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

MEMBERS OF THE BOARD OF EDUCATION	TERM
Mr. George Garrison, III, President	2014
Mr. Enrique Diaz, Vice President	2013
Mr. Stephen Brown	2013
Mr. Mark deMontagnac	2014
Mr. Glenn Garrison	2013
Ms. Miriam Lubarr	2012
Mrs. Shirley Smith	2012
Mr. Henry Pruitt III	2012
Ms. Harley Ungar	2014

OTHER OFFICIALS

Dr. Donald Carlisle, Superintendent of Schools

Mr. James Olobardi, Board Secretary/School Business Administrator

Mr. Robert Sims, Account Manager

Mr. Robert Brown, Treasurer

ENGLEWOOD SCHOOL DISTRICT
CITY OF ENGLEWOOD, NEW JERSEY

Consultants, Independent Auditor and Advisors

Independent Auditor

Lerch Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Attorney

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Weiner Lesniak
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Parsippany, NJ 07054-0438

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Palisades Court
44 Nathaniel Place
Englewood, NJ 07631

FINANCIAL SECTION

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REGISTERED MUNICIPAL ACCOUNTANTS

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GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Trustees
Englewood Board of Education
Englewood, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Englewood Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood Board of Education as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2011 on our consideration of the Englewood 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Englewood Board of Education's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have not been subjected 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 them.

Larch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 30, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

Management's Discussion and Analysis of the District's financial results that follow will provide statement readers with some insight into this philosophy and its impact on the educational changes taking place within the District, as well as providing some understanding of the fiscal activities undertaken by the Board's administrative team to effect this change.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of basic financial statements as well as notes to those basic statements. These statements are organized so that the reader can understand the Englewood Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Englewood Public School District, the General Fund is by far the most significant fund.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found following the basic financial statements.

In addition to the basic financial statements and accompanying notes, the annual report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the basic financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and Statement of Activities help answer this question. These Statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two Statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial positions of the School District have improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental Activities – All of the School District's programs and services are reported here, including, but not limited to, Instruction, Support Services, Operation and Maintenance of Plant Facilities, Pupil Transportation and Extracurricular Activities.

- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and After School and Summer Day Care programs operations are reported as a business activity.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Detailed information about the School District's major funds is presented and an analysis of the School District's major funds is included in the 2010-2011 Comprehensive Annual Financial Report as presented by the School District. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS (Continued)

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2011 are as follows:

- The assets of the Englewood Board of Education exceeded its liabilities at the close of the fiscal year by $52,053,605 (net assets). The amount available to meet the District's ongoing obligations (unrestricted net assets) was $4,822,588.

- The District's total net assets increased $1,473,723.

- General revenues accounted for $53,762,012 in revenue or 79 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $14,343,787 or 21 percent to total revenues of $68,105,799.

- The School District had $64,920,819 in expenses for governmental activities; only $12,595,311 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $53,762,012 were adequate to provide for these programs.

- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $11,116,280. Of this amount, $940,982 was available only for the completion of voter approved capital projects and $4,331,264 was designated for use in the District's subsequent year's budget.

- The General Fund had $59,391,369 in revenues and $58,589,288 in expenditures. The General Fund's balance increased $808,428 from the previous year to $10,276,653 at June 30, 2011.

- The General Fund budgetary fund balance at the close of the current fiscal year was $11,437,442 which represented an increase of $482,317 from the previous year. unassigned budgetary fund balance decreased $7,940 from the previous year to $1,146,467 at June 30, 2011.

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

The following provides a summary of the School District's Net Assets for 2011 and 2010:

Net Assets
As of June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current Assets	$ 13,536,599	$ 16,336,773	$ 386,974	$ 601,269	$ 13,923,573	$ 16,938,042
Capital Assets	62,197,526	61,783,753	406,418	187,557	62,603,944	61,971,310
Total Assets	75,734,125	78,120,526	793,392	788,826	76,527,517	78,909,352
Long-Term Liabilities	21,653,235	23,057,691			21,653,235	23,057,691
Other Liabilities	2,715,071	5,133,520	105,606	138,259	2,820,677	5,271,779
Total Liabilities	24,368,306	28,191,211	105,606	138,259	24,473,912	28,329,470
Net Assets						
Invested in capital assets, net of related debt	43,967,952	43,208,702	406,418	187,557	44,374,370	43,396,259
Restricted	2,856,647	3,484,828			2,856,647	3,484,828
Unrestricted	4,541,220	3,235,785	281,368	463,010	4,822,588	3,698,795
Total Net Assets	$ 51,365,819	$ 49,929,315	$ 687,786	$ 650,567	$ 52,053,605	$ 50,579,882

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

THE SCHOOL DISTRICT AS A WHOLE (Continued)

The following shows the changes in Net Assets for fiscal years 2011 and 2010:

Change in Net Assets
For The Years Ended June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	$ 447,123	$ 100,241	$ 557,818	$ 639,029	$ 1,004,941	$ 739,270
Operating Grants and Contributions	12,115,343	11,931,729	1,190,658	1,135,020	13,306,001	13,066,749
Capital Grants and Contributions	32,845	28,691			32,845	28,691
General Revenues						
Property Taxes	48,674,564	48,182,672			48,674,564	48,182,672
State Aid - Unrestricted	4,672,573	6,743,399			4,672,573	6,743,399
Other	414,875	423,829	-	-	414,875	423,829
Total Revenues	**66,357,323**	**67,410,561**	**1,748,476**	**1,774,049**	**68,105,799**	**69,184,610**
Expenses						
Instruction						
Regular	24,602,798	24,971,944			24,602,798	24,971,944
Special Education	9,352,301	9,000,641			9,352,301	9,000,641
Other Instruction	2,794,491	2,855,352			2,794,491	2,855,352
School Sponsored Activities and Athletics	850,977	865,349			850,977	865,349
Support Services						
Student and Instruction Related Services	9,902,460	10,247,343			9,902,460	10,247,343
General Administrative Services	1,675,122	1,365,106			1,675,122	1,365,106
School Administrative Services	2,678,738	2,513,812			2,678,738	2,513,812
Central Services	1,173,719	1,298,110			1,173,719	1,298,110
Admin. Info. Technology	34,827	46,148			34,827	46,148
Plant Operations and Maintenance	7,603,088	7,058,751			7,603,088	7,058,751
Pupil Transportation	3,208,835	3,307,184			3,208,835	3,307,184
Interest on Debt	1,043,463	1,079,522			1,043,463	1,079,522
Food Services			1,625,727	1,590,750	1,625,727	1,590,750
Day Care Programs	-	-	85,530	125,052	85,530	125,052
Total Expenses	**64,920,819**	**64,609,262**	**1,711,257**	**1,715,802**	**66,632,076**	**66,325,064**
Increase (Decrease) in Net Assets	**1,436,504**	**2,801,299**	**37,219**	**58,247**	**1,473,723**	**2,859,546**
Net Assets, Beginning of Year	**49,929,315**	**58,342,947**	**650,567**	**592,320**	**50,579,882**	**58,935,267**
Prior Period Adjustment	-	**(11,214,931)**	-	-	-	**(11,214,931)**
Net Assets, End of Year	**$ 51,365,819**	**$ 49,929,315**	**$ 687,786**	**$ 650,567**	**$ 52,053,605**	**$ 50,579,882**

Governmental Activities. The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes of $48,674,564 and $48,182,672 made up 73% and 71% of the revenues for governmental activities for the Englewood Board of Education for fiscal years ended June 30, 2011 and 2010, respectively. The District's total revenues were $66,357,323 and $67,410,561 for the fiscal years ended June 30, 2011 and 2010. Federal, state and local aid and grants accounted for another $16,820,761 and $18,703,819 representing 25% and 28% of total governmental activities revenues for the fiscal years ended June 30, 2011 and 2010, respectively.

The total cost of all programs and services were $64,920,819 and $64,609,262 for the fiscal years ended June 30, 2011 and 2010. Instruction comprised $37,600,567 (58%) and $37,693,286 (58%) of District expenses for the fiscal years ended June 30, 2011 and 2010, respectively. Support services comprised $26,276,789 (40%) and $25,836,454 (40%) of the District expenses for the fiscal years ended June 30, 2011 and 2010, respectively.

Total governmental activities revenues exceeded expenses, increasing net assets $1,436,504 and $2,801,299 for the fiscal years ended June 30, 2011 and 2010, respectively.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Total and Net Cost of Governmental Activities
for the Years Ended June 30, 2011 and 2010

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction				
Regular	$ 24,602,798	$ 24,971,944	$ 20,886,777	$ 21,143,751
Special Education	9,352,301	9,000,641	5,441,995	5,437,638
Other Instruction	2,794,491	2,855,352	1,425,024	1,515,498
School Sponsored Activities and Athletics	850,977	865,349	850,977	865,349
Support Services				
Student and Instruction Related Services	9,902,460	10,247,343	8,517,435	8,640,400
General Administrative Services	1,675,122	1,365,106	1,675,122	1,365,106
School Administrative Services	2,678,738	2,513,812	2,471,927	2,323,321
Central Administrative	1,173,719	1,298,110	1,173,719	1,298,110
Admin. Info Technology	34,827	46,148	34,827	46,148
Plant Operations and Maintenance	7,603,088	7,058,751	6,426,668	6,260,373
Pupil Transportation	3,208,835	3,307,184	2,377,574	2,573,385
Interest on Debt	1,043,463	1,079,522	1,043,463	1,079,522
Total	**$ 64,920,819**	**$ 64,609,262**	**$ 52,325,508**	**$ 52,548,601**

Governmental Activities (Continued)

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

General administration, school administration, central services and administrative information technology include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges for debt of the School District.

Business-Type Activities. Revenues for the District's business-type activities (food service and after school day care programs) were comprised of charges for services and federal and state reimbursements.

- Business-Type activity revenues exceeded expenses $37,219 and $58,247 for the years ended June 30, 2011 and 2010, respectively.

- Charges for services represent $557,818 (32%) and $639,029 (36%) of revenue for the fiscal years ended June 30, 2011 and 2010. This represents amounts paid by patrons for daily food services and after school and summer day care program fees. Operating revenues for Food Service operations were $455,250 and operating revenues for Day Care program operations were $102,568 for the fiscal year ending June 30, 2011.

- Federal and state reimbursements for food service meals, including payments for free and reduced lunches and donated commodities were $1,190,658 (68%) and $1,135,020 (64%) for the fiscal years ended June 30, 2011 and 2010.

- Total expenses were $1,711,257 and $1,715,802 for the fiscal years ended June 30, 2011 and 2010. Expenses for Food Services were $1,625,727 and expenses for Day Care programs were $85,530 for the fiscal year ended June 30, 2011.

THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds is included in the 2010-2011 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund presented in the fund-based statements) had total revenues of $66,357,323 and $67,410,561 and expenditures of $66,753,567 and $67,197,070 for the fiscal years ended June 30, 2011 and 2010, respectively. As the District completed the year, its governmental funds reported a *combined* fund balance of $11,116,280, a decrease of $396,244 from last year's fund balance of $11,512,524.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The General Fund includes the primary operations of the District in providing educational services to students from Pre-Kindergarten through Grade 12 including pupil transportation and capital outlay activities. The following schedules present a summary of the revenues of the General Fund for the fiscal years ended June 30, 2011 and 2010, and the amount and percentage of increases or decreases in relation to prior-year revenues.

	Year Ended June 30, 2011	Year Ended June 30, 2010	Amount of Increase (Decrease)	Percent Change
Local Sources				
Property Taxes	$ 46,492,456	$ 45,828,226	$ 664,230	1%
Other	855,651	512,604	343,047	67%
State Sources	12,003,557	13,820,782	(1,817,225)	-13%
Federal Sources	39,705	68,331	(28,626)	-42%
Total General Fund Revenues	$ 59,391,369	$ 60,229,943	$ (838,574)	-1%

Overall General Fund revenues decreased 1% from the previous year. The net increase in Local Sources is attributable to a tax increase of 1% required to finance District operating costs and to offset reductions in State aid. A decrease in state revenues of 13% was due primarily to the reduction in categorical formula aid.

Revenues from Federal sources decreased 42% all attributable to Medicaid reimbursements for special education costs associated with the District's classified student population.

THE SCHOOL DISTRICT'S FUNDS (Continued)

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2011 and 2010:

	Year Ended June 30, 2011	Year Ended June 30, 2010	Amount of Increase (Decrease)	Percent Change
Instruction	$ 33,608,648	$ 34,129,021	$ (520,373)	-2%
Support Services	23,698,037	23,337,514	360,523	2%
Debt Service	258,719	398,129	(139,410)	-35%
Capital Outlay	1,023,884	1,338,513	(314,629)	-24%
Total Expenditures	$ 58,589,288	$ 59,203,177	$ (613,889)	-1%

Overall General Fund expenditures decreased 1% when compared to the previous year. The decrease in Instruction is attributed to costs for regular instruction and other instruction (i.e., basic skills) over the previous year.

The increase in support services is attributable to increases in plant operations and maintenance services.

The decrease in capital outlay is attributed to a reduction in capital projects undertaken during the current year in the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the budgetary basis of accounting for revenues, expenditures and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the 2010/2011 school year, the School District amended its General Fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- Staffing changes based on student needs.
- Accounting changes in maintenance and operations.
- Changes in appropriations to prevent budget overruns.

GENERAL FUND BUDGETARY HIGHLIGHTS

While the District's final budget for the General Fund anticipated that revenues and expenditures would roughly equal with the use of $3,703,310 of prior year assigned ($973,310) and restricted ($2,730,000)) fund balance, the actual results for the year ended June 30, 2011 was an increase of $482,317 in budgetary fund balance in 2011 compared to an increase of $1,138,661 in budgetary fund balance in 2010. The total unassigned fund balance (budgetary basis) at June 30, 2011 was $1,146,467 compared to $1,154,407 at June 30, 2010.

CAPITAL ASSETS

At the end of the fiscal years 2011 and 2010, the School District had $62,603,944 and $61,971,310 invested in land, land improvements, construction in progress, buildings, furniture, equipment and vehicles. Depreciation charges for the fiscal years 2011 and 2010 were $1,645,262 and $1,604,409 for governmental activities, respectively, and $34,977 and $28,599 for business-type activities, respectively. The following is a comparison of the June 30, 2011 and 2010 balances.

Capital Assets

at June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 513,200	$ 513,200			$ 513,200	$ 513,200
Construction in Progress	323,875	-			323,875	-
Land Improvements	3,010,610	2,990,110			3,010,610	2,990,110
Buildings and Building Improvements	73,563,856	72,686,711			73,563,856	72,686,711
Machinery and Equipment	3,507,857	2,682,342	$ 643,823	$ 389,985	4,151,680	3,072,327
	80,919,398	78,872,363	643,823	389,985	81,563,221	79,262,348
Less Accumulated Depreciation	(18,721,872)	(17,088,610)	(237,405)	(202,428)	(18,959,277)	(17,291,038)
Total	$ 62,197,526	$ 61,783,753	$ 406,418	$ 187,557	$ 62,603,944	$ 61,971,310

Additional information on the District's capital assets can be found in the Notes to the Basic Financial Statements.

LONG-TERM LIABILITIES

At June 30, 2011, the School District had $21,653,234 as outstanding debt consisting of $20,358,000 of bonds, $305,404 of capital leases and $989,830 for compensated absences. The following is a comparison of the June 30, 2011 and 2010 balances:

Outstanding Long-Term Liabilities
At June 30, 2011 and 2010

	Governmental Activities	
	2011	2010
Serial Bonds Payable	$ 20,358,000	$ 21,678,000
Capital Leases Payable	305,404	540,007
Compensated Absences	989,830	839,684
Total	$ 21,653,234	$ 23,057,691

Additional information on the District's long-term liabilities can be found in the Notes to the Basic Financial Statements.

FOR THE FUTURE

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements and the economy will have the most impact on educational and fiscal decisions in the future.

These and many other factors were considered by the District's administration during the process of developing the fiscal year 2011-2012 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2011-2012. Budgeted expenditures in the General Fund increased 2.0% to $60,529,347 in fiscal year 2011-2012. The primary reasons for this can be mainly attributable to the increase in employee health benefit appropriations in the amount of $900,000 and capital outlay appropriations in the amount of $1,000,000.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the funds it receives. If you have questions on this report or need additional financial information, please contact the Business Office at Englewood Board of Education, 12 Tenafly Road, Englewood, NJ 07631.

BASIC FINANCIAL STATEMENTS

ENGLEWOOD BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 5,891,505	$ 213,091	$ 6,104,596
Accounts Receivable	7,610,599	146,688	7,757,287
Deferred Charges	34,495		34,495
Inventories		27,195	27,195
Capital Assets, Not Being Depreciated	837,075		837,075
Capital Assets, Being Depreciated, Net	61,360,451	406,418	61,766,869
Total Assets	75,734,125	793,392	76,527,517
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,936,492	75,587	2,012,079
Accrued Interest Payable	329,247		329,247
Payable to Other Governments	145,478		145,478
Unearned Revenue	303,854	30,019	333,873
Noncurrent Liabilities			
Due within one year	1,656,935		1,656,935
Due beyond one year	19,996,300	-	19,996,300
Total Liabilities	24,368,306	105,606	24,473,912
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	43,967,952	406,418	44,374,370
Restricted for			
Capital Projects	1,140,647		1,140,647
Other Purposes	1,716,000		1,716,000
Unrestricted	4,541,220	281,368	4,822,588
Total Net Assets	$ 51,365,819	$ 687,786	$ 52,053,605

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

ENGLEWOOD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities							
Instruction							
Regular Instruction	$ 24,602,798		$ 3,716,021		$ (20,886,777)		$ (20,886,777)
Special Education Instruction	9,352,301	$ 75,348	3,834,958		(5,441,995)		(5,441,995)
Other Instruction	2,794,491		1,369,467		(1,425,024)		(1,425,024)
School Sponsored Activities and Athletics	850,977				(850,977)		(850,977)
Support Services							
Student & Instruction Related Services	9,902,460		1,352,180	$ 32,845	(8,517,435)		(8,517,435)
General Administration	1,675,122				(1,675,122)		(1,675,122)
School Administration	2,678,738		206,811		(2,471,927)		(2,471,927)
Central Services	1,173,719				(1,173,719)		(1,173,719)
Administrative Information Technology	34,827				(34,827)		(34,827)
Plant Operations & Maintenance	7,603,088	228,067	948,353		(6,426,668)		(6,426,668)
Student Transportation	3,208,835	143,708	687,553		(2,377,574)		(2,377,574)
Interest on Long-Term Debt	1,043,463	-	-	-	(1,043,463)	-	(1,043,463)
Total Governmental Activities	64,920,819	447,123	12,115,343	32,845	(52,325,508)	-	(52,325,508)
Business-Type Activities							
Food Service	1,625,727	455,250	1,190,658			$ 20,181	20,181
After School Day Care Program	85,530	102,568	-	-	-	17,038	17,038
Total Business-Type Activities	1,711,257	557,818	1,190,658	-	-	37,219	37,219
Total Primary Government	$ 66,632,076	$ 1,004,941	$ 13,306,001	$ 32,845	(52,325,508)	37,219	(52,288,289)
General Revenues							
Taxes:							
Property Taxes, levied for general purposes, net					46,492,456		46,492,456
Property Taxes, levied for debt service, net					2,182,108		2,182,108
Unrestricted State Aid					4,672,573		4,672,573
Investment Earnings					93,456		93,456
Miscellaneous Income					321,419	-	321,419
Total General Revenues					53,762,012	-	53,762,012
Change in Net Assets					1,436,504	37,219	1,473,723
Net Assets, Beginning of Year					49,929,315	650,567	50,579,882
Net Assets, End of Year					$ 51,365,819	$ 687,786	$ 52,053,605

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

FUND FINANCIAL STATEMENTS

ENGLEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 5,891,505				$ 5,891,505
Accounts Receivable:					
Intergovernmental	48,684	$ 728,360	$ 6,800,000		7,577,044
Other		33,555			33,555
Due from Other Funds	6,046,773	-	-	-	6,046,773
Total Assets	$ 11,986,962	$ 761,915	$ 6,800,000	$ -	$ 19,548,877
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 915,397	$ 156,528	$ 158,342		$ 1,230,267
Accrued Salaries and Wages	441,122	38,565			479,687
Compensated Absences	116,353				116,353
Other Liabilities	92,753				92,753
Due to Other Funds	17,432	340,032	5,700,676	$ 6,065	6,064,205
Intergovernmental Accounts Payable:					
State		120,963			120,963
Federal		24,515			24,515
Deferred Revenue	127,252	176,602	-	-	303,854
Total Liabilities	1,710,309	857,205	5,859,018	6,065	8,432,597
Fund Balances (Deficits)					
Restricted					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	279,997				279,997
Reserved Excess Surplus	2,277,438				2,277,438
Capital Reserve - Designated for Subsequent Year's Expenditures	300,000				300,000
Capital Reserve	700,000				700,000
Maintenance Reserve	1,000,000				1,000,000
Emergency Reserve	591,229				591,229
Tuition Adjustments - Designated for Subsequent Year Expenditures	375,000				375,000
Tuition Adjustments	341,000				341,000
Capital Projects			940,982		940,982
Assigned					
Designated for Subsequent Year's Expenditures	3,376,267				3,376,267
Year End Encumbrances	1,050,044				1,050,044
Unassigned (Deficits)	(14,322)	(95,290)	-	(6,065)	(115,677)
Total Fund Balances (Deficits)	10,276,653	(95,290)	940,982	(6,065)	11,116,280
Total Liabilities and Fund Balances	$ 11,986,962	$ 761,915	$ 6,800,000	$ -	

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 $80,919,398 and the accumulated depreciation is $18,721,872.		62,197,526
Bond issuance costs are amortized over the life of the bonds on the statement of net assets		34,495
The District has financed capital assets through the issuance of serial bonds and long term lease obligations. The interest accrual at year end is:		(329,247)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Serial Bonds Payable	(20,358,000)	
Capital Leases Payable	(305,404)	
Compensated Absences Payable	(989,831)	
		(21,653,235)
Net assets of governmental activities		$ 51,365,819

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

EXHIBIT B-2

ENGLEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	$ 46,492,456			$ 2,182,108	$ 48,674,564
Tuition	75,348				75,348
Transportation Fees	143,708				143,708
Interest	87,109		$ 6,347		93,456
Rentals	228,067				228,067
Miscellaneous	321,419	$ 25,938	-	-	347,357
Total - Local Sources	47,348,107	25,938	6,347	2,182,108	49,562,500
Intergovernmental					
State Sources	12,003,557	1,663,701			13,667,258
Federal Sources	39,705	3,087,860	-	-	3,127,565
Total Revenues	59,391,369	4,777,499	6,347	2,182,108	66,357,323
EXPENDITURES					
Current					
Instruction					
Regular Instruction	22,983,501	1,496,563			24,480,064
Special Education Instruction	8,152,268	1,167,508			9,319,776
Other Instruction	1,624,482	1,163,082			2,787,564
School Sponsored Activities and Athletics	848,397				848,397
Undistributed:					
Student & Instruction Related Services	8,906,112	945,455			9,851,567
General Administration	1,667,908				1,667,908
School Administration	2,642,472				2,642,472
Central Services	1,170,096				1,170,096
Administrative Information Technology	34,827				34,827
Plant Operations & Maintenance	6,104,859				6,104,859
Student Transportation	3,171,763				3,171,763
Debt Service					
Principal	234,603			1,320,000	1,554,603
Interest	24,116			1,036,520	1,060,636
Capital Outlay	1,023,884	32,845	1,002,306	-	2,059,035
Total Expenditures	58,589,288	4,805,453	1,002,306	2,356,520	66,753,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	802,081	(27,954)	(995,959)	(174,412)	(396,244)
OTHER FINANCING SOURCES (USES)					
Capital Leases					-
Transfers In	6,347				6,347
Transfers Out	-	-	(6,347)	-	(6,347)
Total Other Financing Sources and Uses	6,347	-	(6,347)	-	-
Net Change in Fund Balances	808,428	(27,954)	(1,002,306)	(174,412)	(396,244)
Fund Balance, Beginning of Year	9,468,225	(67,336)	1,943,288	168,347	11,512,524
Fund Balance, End of Year	$ 10,276,653	$ (95,290)	$ 940,982	$ (6,065)	$ 11,116,280

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

EXHIBIT B-3

ENGLEWOOD BOARD OF EDUCATION
ILLUSTRATIVE RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds (Exhibit B-2)		$ (396,244)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.		
Capital Outlay	$ 2,059,035	
Depreciation Expense	(1,645,262)	
		413,773
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.		(2,654)
Repayment of bond and capital lease principal are expenditures 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.		
Serial Bonds	1,320,000	
Capital Leases	234,603	
		1,554,603
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.		
Decrease in Accrued Interest		17,173
In the statement of activities, certain operating expenses e.g. compensated absences (unused sick and vacation days) 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). The amount presented is the net change.		
Increase in Compensated Absences		(150,147)
Change in net assets of governmental activities		$ 1,436,504

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement.

ENGLEWOOD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	Business-Type Activities - Enterprise Fund		
	Food Service	Non-Major Enterprise Fund	Totals
ASSETS			
Cash and Cash Equivalents	$ 158,063	$ 55,028	$ 213,091
Accounts Receivable:			
State	1,655		1,655
Federal	87,632		87,632
Other	57,401		57,401
Inventories	27,195	-	27,195
Total Current Assets	331,946	55,028	386,974
Capital Assets:			
Equipment	643,823		643,823
Accumulated Depreciation	(237,405)	-	(237,405)
Total Capital Assets, Net of Accumulated Depreciation	406,418	-	406,418
Total Assets	738,364	55,028	793,392
LIABILITIES			
Current Liabilities:			
Accounts Payable	68,387		68,387
Accrued Salaries and Wages		7,200	7,200
Unearned Revenue	5,139	24,880	30,019
Total Liabilities	73,526	32,080	105,606
NET ASSETS			
Invested in Capital Assets	406,418	-	406,418
Unrestricted	258,420	22,948	281,368
Total Net Assets	$ 664,838	$ 22,948	$ 687,786

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

ENGLEWOOD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Fund		
	Food Service	Non-Major Enterprise Fund	Totals
OPERATING REVENUES			
Local Sources			
Daily Food Sales	$ 455,250		455,250
Program Fees	-	$ 102,568	$ 102,568
Total Operating Revenues	455,250	102,568	557,818
OPERATING EXPENSES			
Salaries and Employee Benefits	625,860	76,105	701,965
Cost of Sales	749,764		749,764
Purchased Management Services	101,958		101,958
Other Purchased Services	40,418	6,920	47,338
Supplies and Materials	55,893	2,505	58,398
Miscellaneous	16,857		16,857
Depreciation	34,977	-	34,977
Total Operating Expenses	1,625,727	85,530	1,711,257
Operating Income (Loss)	(1,170,477)	17,038	(1,153,439)
NONOPERATING REVENUES (EXPENSES)			
State Sources:			
School Lunch Program	19,497		19,497
Federal Sources			
School Breakfast Program	174,793		174,793
School Lunch Program	919,629		919,629
Snack Program	76,739	-	76,739
Total Nonoperating Revenues	1,190,658	-	1,190,658
Change in Net Assets	20,181	17,038	37,219
Net Assets, Beginning of Year	644,657	5,910	650,567
Net Assets, End of Year	$ 664,838	$ 22,948	$ 687,786

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

EXHIBIT B-6

ENGLEWOOD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Fund		
	Food Service	Non-Major Enterprise Fund	Totals
Cash Flows from Operating Activities			
Cash Received from Customers	$ 455,250	$ 95,563	$ 550,813
Cash Payments to Employees			
Salaries and Benefits	(625,860)	(68,905)	(694,765)
Cash Payments to Suppliers for Goods and Services	(923,035)	(9,425)	(932,460)
Net Cash Provided by (Used for) Operating Activities	(1,093,645)	17,233	(1,076,412)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Sources	1,119,326	-	1,119,326
Net Cash Provided by (Used for) Noncapital Financing Activities	1,119,326	-	1,119,326
Cash Flows from Capital Financing Activities			
Purchases of Capital Assets	(253,838)	-	(253,838)
Net Cash Provided by (Used for) Capital Financing Activities	(253,838)	-	(253,838)
Net Increase (Decrease) in Cash and Cash Equivalents	(228,157)	17,233	(210,924)
Cash and Cash Equivalents, Beginning of Year	386,220	37,795	424,015
Cash and Cash Equivalents, End of Year	$ 158,063	$ 55,028	$ 213,091
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$ (1,170,477)	$ 17,038	$ (1,153,439)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	34,977		34,977
Non-Cash Federal Assistance - Food Distribution Program	89,211		89,211
Change in Assets and Liabilities			-
(Increase)/Decrease in Inventory	(14,508)		(14,508)
Increase/(Decrease) in Accounts Payable	(35,204)	-	(35,204)
Increase/Decrease in Accrued Salaries and Wages		7,200	7,200
Increase/(Decrease) in Unearned Revenue	2,356	(7,005)	(4,649)
Total Adjustments	76,832	195	77,027
Net Cash Provided by (Used for) Operating Activities	$ (1,093,645)	$ 17,233	$ (1,076,412)
Noncash Investing, Capital and Financing Activities			
Value Received Food Distribution Program	$ 91,567		$ 91,567

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

ENGLEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2011

	Unemployment Compensation Trust Fund	Scholarship Trust Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 172,564	$ 30,970	$ 513,654
Due from Other Funds	15,004	17,432	-
Total Assets	187,568	48,402	$ 513,654
LIABILITIES			
Accrued Salaries and Wages			$ 10,000
Payroll Deductions Payable			411,710
Payable to State Governments	53,127		-
Payable to Other Funds			15,004
Due to Student Groups	-	-	76,940
Total Liabilities	53,127	-	$ 513,654
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	$ 134,441	$ 48,402	

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

ENGLEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Trust Fund	Scholarship Trust Fund
ADDITIONS		
Contributions		
District	$ 150,000	
Employee	55,583	-
Total Contributions	205,583	-
Investment Earnings		
Interest	776	$ 68
Total Additions	206,359	68
DEDUCTIONS		
Claims and Contributions	358,077	
Scholarships Awarded		200
Other	-	50
Total Deductions	358,077	250
Change in Net Assets	(151,718)	(182)
Net Assets, Beginning of Year	286,159	48,584
Net Assets, End of Year	$ 134,441	$ 48,402

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Englewood Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Englewood Board of Education this includes general operations, food service, child care and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. Basic Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and food service enterprise funds to be major funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The District reports the following non-major proprietary funds which is organized to be self-supporting through user charges:

The *after school day care program fund* accounts for the activities of the District's extended after school and summer programs which provide day care and recreation services for elementary school students of the District.

Additionally, the District reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, and of the after school day care and summer program enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

> *Tuition Revenues* - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.
>
> *Tuition Expenditures* - Tuition charges for the fiscal years 2009-2010 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as unearned revenue.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of $2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land Improvements	20
Buildings	50
Building Improvements	20
Machinery and Vehicles	5-20
Office Equipment and Furniture	5
Computer Equipment	5

5. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. There was no liability for compensated absences at year end in the Proprietary Funds. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

6. Long-term obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund Equity

Beginning with fiscal year 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

Capital Reserve – Designated for Subsequent Year's Expenditures – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures that was appropriated in the 2011/2012 original budget certified for taxes. (See Note 2D)

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures. (See Note 2D)

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education.

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

7. Fund Equity (Continued)

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2008/2009 and 2009/2010 contract year that is appropriated in the 2011/2012 original budget certified for taxes.

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2011/2012 District budget certified for taxes.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund and represents fund deficits that exist at year end in other funds.

8. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. 6:20-2A.2(m)1. The Board approved several budget transfers during 2010/2011. During 2010/2011 the Board increased the original General Fund budget by $2,831,411 and the Special Revenue Fund by $2,848,950. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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 certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned 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 which are reappropriated and honored during the subsequent fiscal year.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	Modified Budget	Actual	Unfavorable Variance
General Fund			
Facilities Acquisition and Construction Services			
Other Objects		$150,143	$150,143
Debt Service Fund			
Regular Debt Service			
Interest on Bonds	$1,034,446	$1,036,520	$ 2,074

The above variances were offset with other available resources.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

C. Deficit Fund Equity (Include and amend as necessary)

The District has an accumulated deficit of $6,065 in the Debt Service Fund. The District expects to eliminate this deficit through operations in the 2011/2012 fiscal year.

The District has an unassigned deficit fund balance of $14,322 in the General Fund and $95,290 in the Special Revenue Fund as of June 30, 2011 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2010/2011 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund and Special Revenue Fund deficits do not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund or special revenue fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficits in the GAAP (fund) financial statements of $14,322 in the General Fund and $95,290 in the Special Revenue Fund are less than the delayed state aid payments.

D. Capital Reserve

A capital reserve account was established by the District on June 30, 2009. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2011 is as follows:

Balance, June 30, 2010	$ 1,000,000
Balance, June 30, 2011	$ 1,000,000

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is $12,299,554.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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 in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2011 is $2,557,435. Of this amount, $279,997 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of $2,277,438 will be appropriated in the 2012/2013 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or $200 million for all deposits not covered by the FDIC.

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2011, the book value of the Board's deposits was $6,821,784 and bank balances of the Board's cash and deposits amounted to $8,346,808. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash and equivalents" are categorized as:

Depository Account

Insured	$ 8,340,871
Uninsured and Collateralized	5,937
	$ 8,346,808

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

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 Board does not have a policy for custodial credit risk. As of June 30, 2011 the Board's bank balance of $5,937 was exposed to custodial credit risk as follows:

Depository Account	
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department or agent but not in the Board's name	$ 5,937

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute. As of June 30, 2011, the Board had no outstanding investments.

Interest Rate Risk – The Board 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.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

Receivables as of June 30, 2011 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Revenue	Capital Projects	Food Service	Total
Receivables:					
Intergovernmental	$ 48,684	$ 728,360	$ 6,800,000	$ 89,287	$ 7,666,331
Other	-	33,555	-	57,401	90,956
Gross Receivables	48,684	761,915	6,800,000	146,688	7,757,287
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	$ 48,684	$ 761,915	$ 6,800,000	$ 146,688	$ 7,757,287

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unearned
General Fund	
Unencumbered Restricted Formula Aid	$ 127,252
Special Revenue Fund	
Unencumbered grant draw downs	119,293
Grant drawdowns reserved for encumbrances	57,309
Total Deferred Revenue for Governmental Funds	$ 303,854

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance, July 1, 2010	Increases	Decreases	Balance, June 30, 2011
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 513,200			$ 513,200
Construction in Progress	-	$ 323,875	-	323,875
Total Capital Assets, Not Being Depreciated	513,200	323,875	-	837,075
Capital assets, Being Depreciated:				
Land Improvements	2,990,110	$ 20,500		3,010,610
Buildings and Building Improvements	72,686,711	877,145		73,563,856
Machinery and Equipment	2,682,342	837,515	$ (12,000)	3,507,857
Total Capital Assets Being Depreciated	78,359,163	1,735,160	(12,000)	80,082,323
Less Accumulated Depreciation for:				
Land Improvements	(1,082,041)	(104,200)		(1,186,241)
Building and Building Improvements	(13,784,111)	(1,354,959)		(15,139,070)
Machinery and Equipment	(2,222,458)	(186,103)	12,000	(2,396,561)
Total Accumulated Depreciation	(17,088,610)	(1,645,262)	12,000	(18,721,872)
Total Capital Assets, Being Depreciated, Net	61,270,553	89,898	-	61,360,451
Government Activities Capital Assets, Net	$ 61,783,753	$ 413,773	$ -	$ 62,197,526
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	$ 389,985	$ 253,838	-	$ 643,823
Total Capital Assets Being Depreciated	389,985	253,838	-	643,823
Less Accumulated Depreciation for:				
Machinery and Equipment	(202,428)	(34,977)	-	(237,405)
Total Accumulated Depreciation	(202,428)	(34,977)	-	(237,405)
Business-Type Activities Capital Assets, Net	$ 187,557	$ 218,861	$ -	$ 406,418

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Instruction	
Regular	$ 48,556
Special Education	12,725
Total Instruction	61,281
Support Services	
Student and Instruction Related Services	26,838
General Administration	1,260
School Administration	27,585
Student Transportation	34,749
Plant Operations and Maintenance	1,493,549
Total Support Services	1,583,981
Total Governmental Activities	$ 1,645,262
Business-Type Activities:	
Food Service Fund	$ 34,977
Total Depreciation Expense-Business-Type Activities	$ 34,977

Construction commitments

The District has the following active construction projects as of June 30, 2011:

Project	Remaining Commitment
Durie Park Elementary School - Additions and Renovations	$ 103,111
Winton White Stadium Improvements	575,208
	$ 678,319

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 340,032
General Fund	Capital Projects Fund	5,700,676
General Fund	Debt Service Fund	6,065
Scholarship Trust Fund	General Fund	17,432
Unemployment Trust Fund	Payroll Agency Fund	15,004
		$ 6,079,209

The above balances are the result of receipts deposited in one fund which are due to another fund or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund Transfers

	Transfer In: General
Transfer Out:	
Capital Projects Fund	$ 6,347
Total	$ 6,347

The above transfer was the result of revenues earned in one fund to finance expenditures in another fund.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases

The District is leasing building improvements and copiers totaling $673,633 under capital leases. The leases are for terms of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

	Governmental Activities
Building Improvements	$ 198,462
Machinery and Equipment	475,171
Total	$ 673,633

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30	Governmental Activities
2012	$ 150,566
2013	107,488
2014	67,133
Total minimum lease payments	325,187
Less: amount representing interest	19,783
Present value of minimum lease payments	$ 305,404

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2011 are comprised of the following issues:

$3,494,000, 2003 ERIP Bonds, due in annual installments of $289,000 to $351,000 through March 1, 2016, interest at 4.70% to 5.25%	$ 1,599,000
$25,607,000, 2004 Bonds, due in annual installments of $1,080,000 to $1,894,000 through March 1, 2024, interest at 4.00% to 5.25%	18,759,000
	$20,358,000

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Total
2012	$ 1,369,000	$ 986,195	$ 2,355,195
2013	1,439,000	917,022	2,356,022
2014	1,510,000	844,312	2,354,312
2015	1,575,000	781,672	2,356,672
2016	1,641,000	716,160	2,357,160
2017-2021	7,400,000	2,545,101	9,945,101
2022-2024	5,424,000	542,050	5,966,050
	$ 20,358,000	$ 7,332,512	$ 27,690,512

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

4% of Equalized Valuation Basis (Municipal)	$ 218,185,617
Less: Net Debt Issued	18,759,000
Remaining Borrowing Power	$ 199,426,617

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	Balance, July 1, 2010	Additions	Deletions	Balance, June 30, 2011	Due Within One Year
Governmental activities:					
Bonds payable	$ 21,678,000		$ 1,320,000	$ 20,358,000	$ 1,369,000
Capital leases	540,007		234,603	305,404	137,935
Compensated absences	839,684	$ 294,416	144,269	989,831	150,000
Governmental activity Long-term liabilities	$ 23,057,691	$ 294,416	$ 1,698,872	$ 21,653,235	$ 1,656,935

For the governmental activities, compensated absences are generally liquidated from the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against various type of coverages.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

NJSBAIG provide its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2011	$ 150,000	$ 55,583	$ 358,077	$ 134,441
2010	200,000	46,331	300,454	286,159
2009	-0-	75,945	133,125	338,444

B. Contingent Liabilities

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 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2011, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as $1/7^{th}$ of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of $45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and $30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and $15.1 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS and for TPAF of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2011, 2010 and 2009 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-Behalf TPAF	DCRP
2011	$ 489,643	$ 72,314	None
2010	396,586	87,102	None
2009	189,743	73,794	None

During the last three fiscal years the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed $72,314, $87,102 and $73,794 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $1,884,890 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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 above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the State had a $56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to $20.5 billion for state active and retired members and $36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed $883.8 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions (Continued)

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were $1,535,943, $1,635,906 and $1,407,808, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 SUBSEQUENT EVENT

On November 17, 2011 the District was notified by the State Department of Education that the District must submit an employment contract for the District Superintendent to the Executive County Superintendent for his review and approval. The State Department of Education has indicated the District risks having its 2011/2012 school year State aid withheld if a contract is not submitted and approved compliant with State regulations. The District is expected to receive in excess of $9,000,000 in State aid for the 2011/2012 school year. As of the date of audit, the matter is currently under review by the Board and the Board Attorney.

BUDGETARY COMPARISON SCHEDULES

ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	$ 46,492,456		$ 46,492,456	$ 46,492,456	
Tuition				75,348	$ 75,348
Transportation Fees		$ 180,000	180,000	143,708	(36,292)
Interest	460,000	(360,000)	100,000	87,109	(12,891)
Rentals	240,000	(11,933)	228,067	228,067	-
Miscellaneous	-	191,933	191,933	321,419	129,486
Total Local Sources	47,192,456	-	47,192,456	47,348,107	155,651
State Sources					
School Choice Aid	4,383,726		4,383,726	4,383,726	
Special Education Aid	1,652,970		1,652,970	1,652,970	
Security Aid	949,438		949,438	949,438	
Transportation Aid	626,765		626,765	626,765	
Extraordinary Aid	532,363		532,363	526,856	(5,507)
Nonpublic School Transportation Aid				44,544	44,544
On-behalf TPAF Pension Contributions - NCGI (Non-Budget)				72,314	72,314
On-behalf TPAF Post Retirement Medical Benefits Contributions (Non-Budget)				1,535,943	1,535,943
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,884,890	1,884,890
Total State Sources	8,145,262	-	8,145,262	11,677,446	3,532,184
Federal Sources:					
Medicaid Assistance Program	81,906	-	81,906	39,705	(42,201)
Total Revenues	55,419,624	-	55,419,624	59,065,258	3,645,634
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	1,425,839	(239,894)	1,185,945	1,105,088	80,857
Grades 1-5	4,098,344	160,277	4,258,621	4,206,146	52,475
Grades 6-8	2,610,784	(292,679)	2,318,105	2,300,067	18,038
Grades 9-12	6,706,078	(306,430)	6,399,648	6,345,677	53,971
Regular Program - Home Instruction					
Salaries of Teachers	140,000	(33,000)	107,000	101,039	5,961
Purchased Professional-Educational Services	2,500	3,000	5,500	5,125	375
Purchased Technical Services		28,000	28,000	8,027	19,973
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	20,000	102,467	122,467	110,147	12,320
Purchased Professional-Educational Services	171,600	(55,918)	115,682	91,464	24,218
Other Purchased Services	51,650	79,789	131,439	101,112	30,327
General Supplies	350,000	201,078	551,078	535,153	15,925
Textbooks	265,000	309	265,309	257,488	7,821
Other Objects	4,500	15,540	20,040	18,651	1,389
Total Regular Programs	15,846,295	(337,461)	15,508,834	15,185,184	323,650
Special Education					
Cognitive - Mild					
Other Salaries for Instruction	-	7,141	7,141	5,012	2,129
Total Cognitive - Mild	-	7,141	7,141	5,012	2,129
Learning and/or Language Disabilities					
Salaries of Teachers	396,185	9,112	405,297	399,276	6,021
Other Salaries for Instruction	135,928	26,194	162,122	156,190	5,932
Purchased - Professional Educational Services	20,000	3,172	23,172	19,085	4,087
General Supplies	5,000	600	5,600	5,257	343
Textbooks	3,000	(3,000)			
Objects	1,000	(300)	700	489	211
Total Learning and/or Language Disabilities	561,113	35,778	596,891	580,297	16,594

Continued

ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	$ 133,206	$ (66,821)	$ 66,385	$ 62,060	$ 4,325
Other Salaries for Instruction	39,233	2,000	41,233	37,773	3,460
Purchased Professional-Educational Services	2,000		2,000		2,000
General Supplies	2,500		2,500	1,836	664
Textbooks	2,500	-	2,500	620	1,880
Total Behavioral Disabilities	179,439	(64,821)	114,618	102,289	12,329
Multiple Disabilities					
Salaries of Teachers	349,279	(32,029)	317,250	317,249	1
Other Salaries for Instruction	479,330	16,842	496,172	485,871	10,301
Purchased Professional-Educational Services	95,000	(31,000)	64,000	17,777	46,223
General Supplies	13,000	10	13,010	6,261	6,749
Textbooks	8,000		8,000		8,000
Other Objects	2,500	(2,120)	380	-	380
Total Multiple Disabilities	947,109	(48,297)	898,812	827,158	71,654
Resource Room/Resource Center					
Salaries of Teachers	1,746,891	(31,118)	1,715,773	1,658,193	57,580
Other Salaries for Instruction	320,019	6,537	326,556	322,166	4,390
Other Purchased Services	2,000		2,000		2,000
General Supplies	14,000	4,225	18,225	4,457	13,768
Textbooks	7,000	(7,000)			
Other Objects	1,500	-	1,500	485	1,015
Total Resource Room/Resource Center	2,091,410	(27,356)	2,064,054	1,985,301	78,753
Autism					
Salaries of Teachers	51,152	12,000	63,152	60,940	2,212
Other Salaries for Instruction	19,413	5,000	24,413	21,654	2,759
Other Purchased Servcies	46,000	(46,000)			
General Supplies	1,000		1,000		1,000
Other Objects	1,000	-	1,000	-	1,000
Total Autism	118,565	(29,000)	89,565	82,594	6,971
Preschool Disabilities - Full-Time					
Salaries of Teachers	176,209	(102,620)	73,589	51,960	21,629
Other Salaries for Instruction	235,274		235,274	194,064	41,210
Purchased Professional-Educational Services	55,000	(49,945)	5,055		5,055
Other Purchased Services		5,945	5,945	5,945	
General Supplies	5,500	945	6,445	5,651	794
Other Objects	2,000	(500)	1,500	-	1,500
Total Preschool Disabilities - Full-Time	473,983	(146,175)	327,808	257,620	70,188
Total Special Education	4,371,619	(272,730)	4,098,889	3,840,271	258,618
Basic Skills / Remedial					
Salaries of Teachers	137,300	-	137,300	50,265	87,035
Total Basic Skills / Remedial	137,300	-	137,300	50,265	87,035
Bilingual Education					
Salaries of Teachers	1,145,914	(34,821)	1,111,093	1,071,082	40,011
Other Salaries for Instruction	-	34,821	34,821	34,199	622
Total Bilingual Education	1,145,914	-	1,145,914	1,105,281	40,633

Continued

ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra-Curricular Activities					
Salaries	$ 141,391	$ (15,000)	$ 126,391	$ 108,900	$ 17,491
Purchased Services	34,500	(34,500)			
Supplies and Materials	15,750	1,000	16,750	1,466	15,284
Total School Sponsored Co/Extra-Curricular Activities	191,641	(48,500)	143,141	110,366	32,775
School Sponsored Athletics - Instruction					
Salaries	323,414		323,414	321,036	2,378
Purchased Services	146,144	2,033	148,177	123,190	24,987
Supplies and Materials	114,449	20,703	135,152	127,600	7,552
Other Objects	13,722	(12,000)	1,722	1,300	422
Total School Sponsored Athletics - Instruction	597,729	10,736	608,465	573,126	35,339
Total Instruction	22,290,498	(647,955)	21,642,543	20,864,493	778,050
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	46,090	13,978	60,068		60,068
Tuition to Other LEAs Within the State-Special	514,849		514,849	472,514	42,335
Tuition to County Voc. School Dist. - Regular	325,950	(5,366)	320,584	184,379	136,205
Tuition to County Voc. School Dist. - Special	522,500	96,500	619,000	587,223	31,777
Tuition to CSSD & Reg. Day Schools	946,070	(249,210)	696,860	687,680	9,180
Tuition to Priv. Sch. for the Disabled Within the State	1,379,022	185,194	1,564,216	1,109,540	454,676
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S State	48,950	(10,000)	38,950	37,500	1,450
Tuition - State Facilities	207,069		207,069	207,069	
Tuition - Other	70,000	92,128	162,128	128,147	33,981
Total Undistributed Expenditures - Instruction	4,060,500	123,224	4,183,724	3,414,052	769,672
Attendance and Social Work					
Salaries	326,472	12,442	338,914	319,041	19,873
Supplies and Materials	3,000	(1,557)	1,443	635	808
Total Attendance and Social Work	329,472	10,885	340,357	319,676	20,681
Health Services					
Salaries	340,865	11,410	352,275	348,824	3,451
Purchased Professional and Technical Services	40,000	2,706	42,706	39,210	3,496
Other Purchased Services		1,995	1,995	310	1,685
Supplies and Materials	6,500	575	7,075	6,440	635
Other Objects	3,450	(2,800)	650	333	317
Total Health Services	390,815	13,886	404,701	395,117	9,584
Speech, OT, PT and Related Services					
Salaries	322,800	138,409	461,209	459,726	1,483
Purchased Professional-Educational Services	4,000	4,113	8,113	8,113	
Other Objects	960	1,400	2,360	1,348	1,012
Total Speech, OT, PT and Related Services	327,760	143,922	471,682	469,187	2,495
Guidance					
Salaries of Other Professional Staff	1,075,179	141,605	1,216,784	1,216,782	2
Salaries of Secretarial and Clerical Assistants	177,312	25,408	202,720	202,719	1
Purchased Professional-Educational Services	50,000	(2,700)	47,300	37,300	10,000
Other Purchased Services	9,000	13,600	22,600	18,840	3,760
Supplies and Materials	30,810	(9,700)	21,110	11,075	10,035
Other Objects	83,850	(25,500)	58,350	53,584	4,766
Total Guidance	1,426,151	142,713	1,568,864	1,540,300	28,564

Continued

ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Child Study Team					
Salaries of Other Professional Staff	$ 1,194,186	$ 24,267	$ 1,218,453	$ 1,151,301	$ 67,152
Salaries of Secretarial and Clerical Assistants	269,376	(61,721)	207,655	192,471	15,184
Other Salaries	30,000	30,000	60,000	54,578	5,422
Purchased Professional - Educational Services	1,596,593	3,756	1,600,349	950,904	649,445
Miscellaneous Purchased Services		684	684	684	
Supplies and Materials	11,000	(500)	10,500	8,727	1,773
Other Objects	1,000	250	1,250	576	674
Total Child Study Team	3,102,155	(3,264)	3,098,891	2,359,241	739,650
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	335,458		335,458	332,791	2,667
Salaries of Secretarial and Clerical Assistants	144,072	31,000	175,072	173,725	1,347
Other Purchased Services	26,000	(15,000)	11,000	8,600	2,400
Supplies and Materials	61,000	(46,511)	14,489	12,371	2,118
Other Objects	6,000	9,176	15,176	868	14,308
Total Improvement of Inst. Serv.	572,530	(21,335)	551,195	528,355	22,840
Edu. Media Serv./Sch. Library					
Salaries	499,338		499,338	492,757	6,581
Purchased Professional and Technical Services	52,000	(52,000)			
Other Purchased Services	304,012	28,539	332,551	209,522	123,029
Supplies and Materials	643,183	325,282	968,465	885,414	83,051
Other Objects	-	1,500	1,500	1,251	249
Total Edu. Media Serv./Sch. Library	1,498,533	303,321	1,801,854	1,588,944	212,910
Instructional Staff Training Services					
Purchased Professional/Educational Services	23,500	9,818	33,318	20,884	12,434
Other Purchased Services	12,675	6,125	18,800	9,277	9,523
Total Instructional Staff Training Services	36,175	15,943	52,118	30,161	21,957
Support Services General Administration					
Salaries	685,885	13,670	699,555	690,352	9,203
Legal Services	70,000	494,694	564,694	60,932	503,762
Audit Fees	85,000	48,000	133,000	58,175	74,825
Other Purchased Professional Services	11,000	61,700	72,700	61,892	10,808
Purchased Technical Services	3,000	(2,500)	500		500
Communications/Telephone	218,002	81,500	299,502	269,221	30,281
BOE Other Purchased Services	15,000	(7,900)	7,100	417	6,683
Other Purchased Services	81,000	28,655	109,655	47,916	61,739
General Supplies	11,000	4,154	15,154	11,622	3,532
Judgements Against the School District	191,000	(54,500)	136,500	26,166	110,334
Miscellaneous Expenditures	30,000	13	30,013	21,170	8,843
BOE Membership Dues and Fees	44,000	(1,369)	42,631	26,477	16,154
Total Support Services General Administration	1,444,887	666,117	2,111,004	1,274,340	836,664
Support Services School Administration					
Salaries of Principal/Asst. Principals/Program Directors	1,419,318	125,000	1,544,318	1,527,449	16,869
Salaries of Secretarial and Clerical Assistants	438,305		438,305	398,244	40,061
Purchased Professional and Technical Services	1,000		1,000		1,000
Other Purchased Services	10,000	31,812	41,812	16,631	25,181
Supplies and Materials	5,580	14,119	19,699	12,416	7,283
Other Objects	41,000	(10,749)	30,251	9,609	20,642
Total Support Services School Administration	1,915,203	160,182	2,075,385	1,964,349	111,036

Continued

ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	$ 903,754	$ (34,225)	$ 869,529	$ 757,865	$ 111,664
Purchased Professional Services	32,000	14,000	46,000	44,487	1,513
Purchased Technical Services	34,000	42,009	76,009	75,006	1,003
Misc. Purchased Services	23,000	(10,000)	13,000	4,128	8,872
Supplies and Materials	18,000	3,000	21,000	17,077	3,923
Interest on Lease Purchase Agreements	18,000		18,000		18,000
Other Objects	4,000	1,495	5,495	4,303	1,192
Total Central Services	1,032,754	16,279	1,049,033	902,866	146,167
Admin. Info. Tech.					
Other Purchased Services	40,000		40,000	33,304	6,696
Supplies and Materials	16,000		16,000	1,523	14,477
Other Objects	1,500	-	1,500	-	1,500
Total Admin. Info. Tech.	57,500	-	57,500	34,827	22,673
Required Maintenance for School Facilities					
Salaries	63,854		63,854	61,617	2,237
Cleaning, Repair and Maintenance	817,000	431,506	1,248,506	968,776	279,730
Total Required Maintenance for School Facilities	880,854	431,506	1,312,360	1,030,393	281,967
Custodial Services					
Salaries	775,000	(118,666)	656,334	631,888	24,446
Salaries of Non-Instructional Aides		285,490	285,490	285,489	1
Purchased Prof. And Technical Serv.	46,000		46,000	6,000	40,000
Cleaning, Repair and Maint. Serv.	2,392,379	(31,100)	2,361,279	1,531,641	829,638
Rental of Land & Bldg Oth. Than Lease purch. Agmt	495,648	(495,648)			
Other Purchased Property Services	115,500	(28,000)	87,500	79,165	8,335
Insurance	400,000		400,000	284,828	115,172
Miscellaneous Purchased Services	85,000	113,395	198,395	184,574	13,821
General Supplies	269,961	135,878	405,839	342,320	63,519
Energy (Natural Gas)		350,000	350,000	340,155	9,845
Energy (Electricity)	1,714,997	(350,000)	1,364,997	1,040,668	324,329
Other Objects	5,000	(2,000)	3,000	2,536	464
Total Custodial Services	6,299,485	(140,651)	6,158,834	4,729,264	1,429,570
Student Transportation Services					
Sal. For Pupil Trans. (Bet Home & School)-Reg.	46,823	116	46,939	46,934	5
Sal. For Pupil Trans. (Bet Home & School)-Sp. Ed.	342,523	4,074	346,597	338,161	8,436
Sal. For Pupil Trans. (Other than Bet Home & School)	65,000	35,870	100,870	100,870	
Cleaning, Repair & Maint. Services	8,000	26,184	34,184	34,184	
Contracted Services (Between Home and School) - Vendors	2,000,000	(356,815)	1,643,185	1,296,636	346,549
Contracted Services (Other than Between Home and School) - Vendors	49,400	(1,622)	47,778	34,204	13,574
Contracted Services (Spl. Ed. Students)-Vendors	175,000	105,981	280,981	268,039	12,942
Contracted Services (Spl. Ed. Students)-Joint Agreements	1,050,000	(34,000)	1,016,000	636,115	379,885
Contracted Serv.-Aid in Lieu of Payments - Non-Public Schools	300,000		300,000	240,952	59,048
Miscellaneous Purchased Services - Transportation		3,625	3,625	3,625	
Miscellaneous Expenditures	-	800	800	688	112
Total Student Transportation Services	4,036,746	(215,787)	3,820,959	3,000,408	820,551
Unallocated Benefits - Employee Benefits					
Social Security Contributions	585,000	34,075	619,075	600,619	18,456
Other Retirement Contributions -PERS	267,000	222,643	489,643	489,643	
Unemployment Compensation	150,000		150,000	150,000	
Workmen's Compensation	375,000		375,000	369,582	5,418
Health Benefits	5,422,940	94,275	5,517,215	5,432,925	84,290
Tuition Reimbursement	120,000	95,484	215,484	215,484	
Other Employee Benefits	300,000	46,815	346,815	144,269	202,546
Total Unallocated Benefits - Employee Benefits	7,219,940	493,292	7,713,232	7,402,522	310,710

Continued

ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
On-behalf TPAF Pension Contributions - NCGI (Non-Budget)				$ 72,314	$ (72,314)
On-behalf TPAF - Post Retirement Medical Benefits (Non-Budget)				1,535,943	(1,535,943)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,884,890	(1,884,890)
Total On-Behalf Payments	-	-	-	3,493,147	(3,493,147)
Total Undistributed Expenditures	$ 34,631,460	$ 2,140,233	$ 36,771,693	34,477,149	2,294,544
Total Expenditures - Current Expenditures	56,921,958	1,492,278	58,414,236	55,341,642	3,072,594
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures:					
Instruction		60,400	60,400	46,746	13,654
Required Maintenance for School Facilities		115,800	115,800	115,800	
School Buses Regular		78,775	78,775	78,775	
School Buses Special	-	183,809	183,809	183,809	-
Total Equipment	-	438,784	438,784	425,130	13,654
Facilities Acquisition and Construction Services					
Construction Services		857,270	857,270	598,754	258,516
Lease Purchase Agreements - Principal		43,079	43,079	43,079	
Other Objects	-	-	-	150,143	(150,143)
Total Facilities Acquisition and Construction Services	-	900,349	900,349	791,976	108,373
Total Capital Outlay	-	1,339,133	1,339,133	1,217,106	122,027
Transfer of Funds to Charter Schools	2,200,976	-	2,200,976	2,030,540	170,436
Total Expenditures	59,122,934	2,831,411	61,954,345	58,589,288	3,365,057
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(3,703,310)	(2,831,411)	(6,534,721)	475,970	7,010,691
Other Financing Sources/(Uses)					
Transfer In-Capital Projects Fund	-	-	-	6,347	6,347
Total Other Financing Sources (Uses)	-	-	-	6,347	6,347
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	(3,703,310)	(2,831,411)	(6,534,721)	482,317	7,017,038
Fund Balance, Beginning of Year	10,955,125	-	10,955,125	10,955,125	-
Fund Balance, End of Year	$ 7,251,815	$ (2,831,411)	$ 4,420,404	$ 11,437,442	$ 7,017,038

Recapitulation of Fund Balance

Restricted Fund Balance	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	$ 279,997
Reserved Excess Surplus	2,277,438
Capital Reserve - Designated for Subsequent Year's Expenditures	300,000
Capital Reserve	700,000
Maintenance Reserve	1,000,000
Emergency Reserve	591,229
Tuition Adjustments - 2009/2010 - Designated for Subsequent Year Expenditures	375,000
Tuition Adjustments - 2010/2011	341,000
Assigned Fund Balance	
Designated for Subsequent Year's Expenditures	3,376,267
Year End Encumbrances	1,050,044
Unassigned Fund Balance	1,146,467
Reconciliation to Governmental Funds Statements (GAAP):	11,437,442
Less: State Aid Revenue Not Recognized on GAAP Basis	(1,160,789)
Fund Balance Per Governmental Funds (GAAP)	$ 10,276,653

ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Modified Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
Local Sources		$ 61,133	$ 61,133	$ 44,917	$ (16,216)
State Sources	$ 993,920	815,450	1,809,370	1,691,655	(117,715)
Federal Sources	1,973,124	1,972,367	3,945,491	3,015,961	(929,530)
Total Revenues	2,967,044	2,848,950	5,815,994	4,752,533	(1,063,461)
EXPENDITURES					
Instruction					
Salaries of Teachers	2,286,118	120,379	2,406,497	2,012,309	394,188
Purchased Professional and Technical Services	-	646,148	646,148	509,140	137,008
Other Purchased Services	680,926	(124,040)	556,886	556,886	-
General Supplies	-	569,473	569,473	479,320	90,153
Textbooks	-	125,730	125,730	108,906	16,824
Other Objects	-	3,489	3,489	189	3,300
Total Instruction	2,967,044	1,341,179	4,308,223	3,666,750	641,473
Support Services					
Salaries of Supervisors of Instruction	-	97,288	97,288	87,460	9,828
Purchased Professional/Educational Services	-	871,627	871,627	565,428	306,199
Other Purchased Professional Services	-	148,736	148,736	148,736	-
Other Purchased Professional and Technical Services	-	38,434	38,434	15,650	22,784
Travel	-	16,872	16,872	4,308	12,564
Purchased Property Services	-	9,473	9,473	9,473	-
Other Purchased Services	-	79,378	79,378	48,822	30,556
Supplies and Materials	-	42,429	42,429	40,456	1,973
Other Objects	-	1,008	1,008	1,008	-
Total Support Services	-	1,305,245	1,305,245	921,341	383,904
Unallocated Employed Benefits	-	169,681	169,681	131,597	38,084
Facilities Acquisition and Construction Services					
Instructional Equipment	-	32,845	32,845	32,845	-
Total Facilities Acquisition and Construction Svs	-	32,845	32,845	32,845	-
Contribution to Charter Schools	-	-	-	-	-
Total Expenditures	2,967,044	2,848,950	5,815,994	4,752,533	1,063,461
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	-	$ -
Reconciliation to Governmental Fund Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				(95,290)	
Fund Balance Per Governmental Funds (GAAP)				$ (95,290)	

ENGLEWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

The accounting records of the Special Revenue Funds 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.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$ 59,065,258	$ 4,752,533
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2010		110,229
Encumbrances, June 30, 2011		(57,309)
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2009/2010 State Aid)	1,486,900	67,336
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2010/2011 State Aid)	(1,160,789)	(95,290)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 59,391,369	$ 4,777,499
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 58,589,288	$ 4,752,533
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances , June 30, 2010		110,229
Encumbrances , June 30, 2011	-	(57,309)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 58,589,288	$ 4,805,453

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Preschool Education Aid	Title I		Title I School Improvement		Title II-A		Title II-D		To Exhibit E-1A
		Current	Interim	Current	Interim	Current	Interim	Current	Interim	
REVENUES										
Intergovernmental										
State	$ 993,920									$ 993,920
Federal		$ 328,694	$ 31,328	$ 73,076	$ 13,402	$ 63,604	$ 50,721	$ 1,672	$ 2,976	565,473
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	$ 993,920	$ 328,694	$ 31,328	$ 73,076	$ 13,402	$ 63,604	$ 50,721	$ 1,672	$ 2,976	$ 1,559,393
EXPENDITURES										
Instruction										
Salaries of teachers	$ 993,920	$ 143,250	$ 3,385			$ 25,225	$ 33,818			$ 1,199,598
Purchased prof. and technical services		58,549	6,998							65,547
Other purchased services										-
General Supplies		52,987	113	$ 34,027	$ 49			$ 1,037	$ 2,093	90,306
Textbooks										-
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Instruction	993,920	254,786	10,496	34,027	49	25,225	33,818	1,037	2,093	1,355,451
Support Services										
Salaries of Supervisors of Instruction		38,804	8,857							47,661
Personal Services-Employee Benefits		21,751	936			1,929	2,587			27,203
Purchased Professional/Educational Services		5,355	11,039	27,000	10,461	11,375	3,622	635	883	70,370
Other Purchased Professional Services										-
Purchased Professional Technical Services										-
Other Purchased Professional Technical Services										-
Purchased Educational Services - Contracted Pre-K										-
Travel				2,969		331				3,300
Purchased Property Services										-
Other Purchased Services				5,166	2,892	19,384	10,009			37,451
Supplies & Materials		7,998		3,914		4,694	343			16,949
Other Objects	-	-	-	-	-	666	342	-	-	1,008
Total Support Services	-	73,908	20,832	39,049	13,353	38,379	16,903	635	883	203,942
Facilities Acquisition and Construction Services:										
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Svs.	-	-	-	-	-	-	-	-	-	-
Contribution to Charter Schools	-	-	-	-	-	-	-	-	-	-
Total Expenditures	$ 993,920	$ 328,694	$ 31,328	$ 73,076	$ 13,402	$ 63,604	$ 50,721	$ 1,672	$ 2,976	$ 1,559,393

ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Exhibit E-1 Subtotal	Title III Current	Title III Interim	Title III Immigrant Current	Title IV Interim	IDEA Part B Basis Current	IDEA Part B Basis Interim	ARRA IDEA Preschool Current	IDEA Part B Preschool Current	To Exhibit E-1B
REVENUES										
Intergovernmental										
State	$ 993,920									$ 993,920
Federal	565,473	$ 86,201	$ 6,753	$ 17,172	$ 6,267	$ 1,066,763	$ 9,441	$ 20,258	$ 39,542	1,817,870
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	$ 1,559,393	$ 86,201	$ 6,753	$ 17,172	$ 6,267	$ 1,066,763	$ 9,441	$ 20,258	$ 39,542	$ 2,811,790
EXPENDITURES										
Instruction										
Salaries of Teachers	$ 1,199,598	$ 23,550				$ 56,747				$ 1,279,895
Purchased Prof. and Technical services	65,547				$ 1,500					67,047
Other purchased services	-					519,558				519,558
General Supplies	90,306	58,665	$ 6,714	$ 5,020	4,767			$ 20,258		185,730
Textbooks	-									-
Other Objects	-	150	39	-	-	-	-	-	-	189
Total Instruction	1,355,451	82,365	6,753	5,020	6,267	576,305	-	20,258	-	2,052,419
Support Services										
Salaries of Supervisors of Instruction	47,661					32,690				80,351
Personal Services-Employee Benefits	27,203	1,802				22,443	$ 1,330			52,778
Purchased Professional/Educational Services	70,370					401,639	8,111		$ 39,542	519,662
Other Purchased Professional Services	-									-
Purchased Professional Technical Services	-									-
Other Purchased Professional Technical Services		600		12,000						12,600
Purchased Educational Services - Contracted Pre-K	-									-
Travel	3,300									3,300
Purchased Property Services										-
Other Purchased Services	37,451	469				841				38,761
Supplies & Materials	16,949	965		152						18,066
Other Objects	1,008	-	-	-	-	-	-	-	-	1,008
Total Support Services	203,942	3,836	-	12,152	-	457,613	9,441	-	39,542	726,526
Facilities Acquisition and Construction Services:										
Instructional Equipment	-	-	-	-	-	32,845	-	-	-	32,845
Total Facilities Acquisition and Construction Svs.	-	-	-	-	-	32,845	-	-	-	32,845
Contribution to Charter Schools	-	-	-	-	-	-	-	-	-	-
Total Expenditures	$ 1,559,393	$ 86,201	$ 6,753	$ 17,172	$ 6,267	$ 1,066,763	$ 9,441	$ 20,258	$ 39,542	$ 2,811,790

ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Exhibit E-1A Subtotal	Title I SIA ARRA Current	Title I Part A ARRA Current	IDEA Part B ARRA Current	Project Image Current	Project Image Interim	Reading First Interim	Leads Current	Other Programs	To Exhibit E-1C
REVENUES										
Intergovernmental										
State	$ 993,920							$ 2,000		$ 995,920
Federal	1,817,870	$ 7,053	$ 228,824	$ 560,961	$ 307,261	$ 33,232	$ 60,760			3,015,961
Other	-	-	-	-	-	-	-	-	$ 44,917	44,917
Total Revenues	$ 2,811,790	$ 7,053	$ 228,824	$ 560,961	$ 307,261	$ 33,232	$ 60,760	$ 2,000	$ 44,917	$ 4,056,798
EXPENDITURES										
Instruction										
Salaries of teachers	$ 1,279,895		$ 123,354	$ 312,765	$ 272,857	$ 22,558	$ 880			$ 2,012,309
Purchased prof. and technical services	67,047			4,000						71,047
Other purchased services	519,558			37,328						556,886
General Supplies	185,730	$ 7,053	47,728	182,941		233	46,883	$ 2,000	$ 6,752	479,320
Textbooks	-									-
Other Objects	189	-	-	-	-	-	-	-	-	189
Total Instruction	2,052,419	7,053	171,082	537,034	272,857	22,791	47,763	2,000	6,752	3,119,751
Support Services										
Salaries of Supervisors of Instruction	80,351						7,109			87,460
Personal Services-Employee Benefits	52,778		9,436	23,927	34,404	10,441	611			131,597
Purchased Professional/Educational Services	519,662		44,266						1,500	565,428
Other Purchased Professional Services	-									-
Purchased Professional Technical Services	-									-
Other Purchased Professional Technical Services	12,600						3,050			15,650
Purchased Educational Services - Contracted Pre-K	-									-
Travel	3,300								1,008	4,308
Purchased Property Services	-								9,473	9,473
Other Purchased Services	38,761		2,798						7,263	48,822
Supplies & Materials	18,066		1,242				2,227		18,921	40,456
Other Objects	1,008	-	-	-	-	-	-	-	-	1,008
Total Support Services	726,526	-	57,742	23,927	34,404	10,441	12,997	-	38,165	904,202
Facilities Acquisition and Construction Services:										
Instructional Equipment	32,845	-	-	-	-	-	-	-	-	32,845
Total Facilities Acquisition and Construction Svs.	32,845	-	-	-	-	-	-	-	-	32,845
Contribution to Charter Schools	-	-	-	-	-	-	-	-	-	-
Total Expenditures	$ 2,811,790	$ 7,053	$ 228,824	$ 560,961	$ 307,261	$ 33,232	$ 60,760	$ 2,000	$ 44,917	$ 4,056,798

EXHIBIT E-1C

ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Exhibit E-1B Subtotal	Chapter 192 Compensatory Education	Chapter 192 ESL	Chapter 193 Exam and Classification	Chapter 193 Corrective Speech	Chapter 193 Supplementary Instruction	Nonpublic Textbooks	Nonpublic Nursing	Grand Total
REVENUES									
Intergovernmental									
State	$ 995,920	$ 97,207	$ 8,197	$ 122,033	$ 119,147	$ 91,509	$ 108,906	$ 148,736	$ 1,691,655
Federal	3,015,961	-	-	-					3,015,961
Other	44,917	-	-	-	-	-	-	-	44,917
Total Revenues	$ 4,056,798	$ 97,207	$ 8,197	$ 122,033	$ 119,147	$ 91,509	$ 108,906	$ 148,736	$ 4,752,533
EXPENDITURES									
Instruction									
Salaries of Teachers	$ 2,012,309								$ 2,012,309
Purchased Prof. and Technical Services	71,047	$ 97,207	$ 8,197	$ 122,033	$ 119,147	$ 91,509			509,140
Other Purchased Services	556,886								556,886
General Supplies	479,320								479,320
Textbooks	-						$ 108,906		108,906
Other Objects	189	-	-	-	-	-	-	-	189
Total Instruction	3,119,751	97,207	8,197	122,033	119,147	91,509	108,906	-	3,666,750
Support Services									
Salaries of Supervisors of Instruction	87,460								87,460
Personal Services-Employee Benefits	131,597								131,597
Purchased Professional/Educational Services	565,428								565,428
Other Purchased Professional Services	-							$ 148,736	148,736
Purchased Professional Technical Services	-								-
Other Purchased Professional Technical Services	15,650								15,650
Purchased Educational Services - Contracted Pre-K	-								-
Travel	4,308								4,308
Purchased Property Services	9,473								9,473
Other Purchased Services	48,822								48,822
Supplies & Material	40,456								40,456
Other Objects	1,008	-	-	-	-	-	-	-	1,008
Total Support Services	904,202	-	-	-	-	-	-	148,736	1,052,938
Facilities Acquisition and Construction Services:									
Instructional Equipment	32,845	-	-	-	-	-	-	-	32,845
Total Facilities Acquisition and Construction Svs.	32,845	-	-	-	-	-	-	-	32,845
Contribution to Charter Schools	-	-	-	-	-	-	-	-	-
Total Expenditures	$ 4,056,798	$ 97,207	$ 8,197	$ 122,033	$ 119,147	$ 91,509	$ 108,906	$ 148,736	$ 4,752,533

EXHIBIT E-2

ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL - ALL PROGRAMS - FULL DAY 4 YR.
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Districtwide	Final Budget	Actual	Variance
EXPENDITURES			
Instruction			
Salaries of Teachers	$ 993,920	$ 993,920	$ -
Total Instruction	993,920	993,920	-
Total Expenditures	$ 993,920	$ 993,920	$ -

Total 2010-2011 ECPA Allocation	$ 993,920
Add: Actual Preschool Aid Carryover (June 30, 2010)	4,102
Prior Year Encumbrances Cancelled	
Budgeted Transfer from General Fund	-
Total Preschool Aid Funds Available for 2010-2011 Budget	998,022
Less: 2010-2011 Budgeted Preschool Aid (Including Prior Year Budgeted Carryover)	993,920
Available & Unbudgeted Preschool Aid Funds as of June 30, 2011	4,102
Add: June 30, 2011 Unexpended Preschool Aid	-
2010-2011 Actual Carryover - Preschool Aid	$ 4,102
2010-2011 Preschool Aid Carryover Budgeted in 2011-2012	$ -

CAPITAL PROJECTS FUND

EXHIBIT F-1

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project	Modified Appropriations	Expenditures to Date Prior Year	Expenditures to Date Current Year	Unexpended Balance, June 30, 2011
Renovations to Existing Buildings	$ 4,900,000	$ 4,759,453		$ 140,547
Dwight D. Morrow High School Renovations	3,829,583	3,511,976	$ 306,600	11,007
Janis E. Dismus Middle School Renovations	3,792,640	3,792,640	-	-
Durie Park Elementary School Construction	22,422,844	21,896,742	351,830	174,272
Donald A Quarles Early Childhood Center Renovations	4,605,328	4,605,328	-	-
Cleveland Elementary School Renovations	15,659,718	15,560,962	20,000	78,756
Winton White Stadium Renovations	2,482,203	1,622,953	323,876	535,374
Durie Park Elementary School - Light Dimmers Capital Lease	199,488	198,462	-	1,026
	57,891,804	55,948,516	1,002,306	940,982

Reconciliation to GAAP

Project Balance - Budgetary Basis, June 30, 2011	$ 940,982
Fund Balance - GAAP Basis, June 30, 2011	$ 940,982

Recapitulation of Fund Balance

Restricted for Capital Projects:	
Year End Encumbrances	$ 687,287
Available for Capital Projects	253,695
Total Fund Balance - Restricted for Capital Projects	$ 940,982

EXHIBIT F-2

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues and Other Financing Sources	
Revenues	
Interest Earned	$ 6,347
Total Revenues	6,347
Expenditures and Other Financing Uses	
Expenditures:	
Purchased Professional and Technical Services	
Construction Services	1,002,306
Other Financing Uses	
Transfers to the General Fund	6,347
Total Expenditures and Other Financing Uses	1,008,653
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(1,002,306)
Fund Balance- Beginning of Year	1,943,288
Fund Balance- End of Year	$ 940,982

Reconciliation to GAAP

Fund Balance - End of Year - Budgetary Basis	$ 940,982
Fund Balance, June 30, 2011 - GAAP Basis	$ 940,982

EXHIBIT F-2a

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
RENOVATIONS TO EXISTING BUILDINGS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bergen County Grant	$ 1,000,000		$ 1,000,000	$ 1,000,000
Englewood City Grant	3,900,000	-	3,900,000	3,900,000
Total Revenues and Other Financing Sources	4,900,000	-	4,900,000	4,900,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	127,268		127,268	127,268
Construction Services	3,001,128		3,001,128	3,001,128
General Supplies	1,160,756		1,160,756	1,160,756
Equipment	470,301	-	470,301	470,301
Total Expenditures and Other Financing Uses	4,759,453	-	4,759,453	4,759,453
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 140,547	$ -	$ 140,547	$ 140,547

EXHIBIT F-2b

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
DWIGHT D. MORROW HIGH SCHOOL RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant	$ 1,894,043		$ 1,894,043	$ 1,894,043
Bond Proceeds	1,861,531		1,861,531	1,861,531
Transfer from Capital Outlay	74,009	-	74,009	74,009
Total Revenues and Other Financing Sources	3,829,583	-	3,829,583	3,829,583
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	474,337	-	474,337	500,000
Construction Services	3,037,639	306,600	3,344,239	3,329,583
Total Expenditures and Other Financing Uses	3,511,976	306,600	3,818,576	3,829,583
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 317,607	$ (306,600)	$ 11,007	$ -

Additional project information:

Project Number	1370-040-04-2000
Grant Date	December 29, 2004
Bond Authorization Date	April 1, 2003
Bonds Authorized	3,142,411
Bonds Issued	3,142,411
Original Authorized Cost	5,311,361
Additional Authorized Cost	
Reduced Authorized Costs	(1,481,778)
Revised Authorized Cost	3,829,583
Percentage Increase(Decrease) Over Original Authorized Cost	-27.90%
Percentage Completion	99.71%
Original Target Completion Date	December 31, 2005
Revised Target Completion Date	June 30, 2012

EXHIBIT F-2c

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
JANIS E. DISMUS MIDDLE SCHOOL RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant	$ 1,385,017		$ 1,385,017	$ 1,385,017
Bond Proceeds	2,407,623	-	2,407,623	2,407,623
Total Revenues and Other Financing Sources	3,792,640	-	3,792,640	3,792,640
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	377,479		377,479	377,479
Construction Services	3,415,161	-	3,415,161	3,415,161
Total Expenditures and Other Financing Uses	3,792,640	-	3,792,640	3,792,640
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ -	$ -	$ -	$ -

Additional project information:	
Project Number	1370-076-04-1000
Grant Date	December 29, 2004
Bond Authorization Date	April 1, 2003
Bonds Authorized	2,291,700
Bonds Issued	2,291,700
Original Authorized Cost	3,819,499
Reduced Authorized Costs	(26,859)
Revised Authorized Cost	3,792,640
Percentage Increase(Decrease) Over Original Authorized Cost	-0.70%
Percentage Completion	100.00%
Original Target Completion Date	November 30, 2005
Revised Target Completion Date	September 30, 2008

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
DURIE PARK ELEMENTARY SCHOOL CONSTRUCTION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant	$ 4,876,300		$ 4,876,300	$ 4,876,300
Sale of Property - City of Englewood	6,800,000		6,800,000	6,800,000
Bond Proceeds	7,796,981		7,796,981	7,796,981
Transfer from Capital Outlay	2,949,563	-	2,949,563	2,949,563
Total Revenues and Other Financing Sources	22,422,844	-	22,422,844	22,422,844
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	1,837,404		1,837,404	1,900,000
Construction Services	19,471,932	351,830	19,823,762	19,932,844
Equipment	587,406	-	587,406	590,000
Total Expenditures and Other Financing Uses	21,896,742	351,830	22,248,572	22,422,844
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 526,102	$ (351,830)	$ 174,272	$ -

Additional project information:

Project Number	1370-N01-04-1000
Grant Date	December 29, 2004
Bond Authorization Date	April 1, 2003
Bonds Authorized	6,942,696
Bonds Issued	6,942,696
Original Authorized Cost	18,618,996
Additional Authorized Cost	3,803,848
Revised Authorized Cost	22,422,844
Percentage Increase(Decrease) Over Original Authorized Cost	20.43%
Percentage Completion	99.22%
Original Target Completion Date	September 30, 2008
Revised Target Completion Date	June 30, 2012

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
DONALD A. QUARLES EARLY CHILDHOOD CENTER RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant	$ 993,641		$ 993,641	$ 993,641
Bond Proceeds	3,215,251		3,215,251	3,215,251
Transfer from Capital Outlay	396,436	-	396,436	396,436
Total Revenues and Other Financing Sources	4,605,328	-	4,605,328	4,605,328
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	406,088		406,088	406,088
Construction Services	4,163,863		4,163,863	4,163,863
Equipment	35,377		35,377	35,377
	-	-	-	-
Total Expenditures and Other Financing Uses	4,605,328	-	4,605,328	4,605,328
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ -	$ -	$ -	$ -

Additional project information:

Project Number	0940-090-04-0OEX
Grant Date	December 29, 2004
Bond Authorization Date	April 1, 2003
Bonds Authorized	3,215,251
Bonds Issued	3,215,251
Original Authorized Cost	4,208,892
Additional Authorized Cost	396,436
Reduced Authorized Costs	
Revised Authorized Cost	4,605,328
Percentage Increase(Decrease) Over Original Authorized Cost	9.42%
Percentage Completion	100.00%
Original Target Completion Date	September 30, 2006
Revised Target Completion Date	June 30, 2008

EXHIBIT F-2f

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
CLEVELAND ELEMENTARY SCHOOL RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant	$ 4,389,061		$ 4,389,061	$ 4,389,061
Bond Proceeds	9,538,115		9,538,115	9,538,115
Transfer from Capital Outlay	1,732,542	-	1,732,542	1,732,542
Total Revenues and Other Financing Sources	15,659,718	-	15,659,718	15,659,718
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	1,313,161		1,313,161	1,325,000
Construction Services	13,762,829	$ 20,000	13,782,829	13,849,718
Equipment	484,972		484,972	485,000
	-	-	-	-
Total Expenditures and Other Financing Uses	15,560,962	20,000	15,580,962	15,659,718
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 98,756	$ (20,000)	$ 78,756	$ -

Additional project information:

Project Number	1370-060-04-1000
Grant Date	December 29, 2004
Bond Authorization Date	April 1, 2003
Bonds Authorized	9,227,443
Bonds Issued	9,227,443
Original Authorized Cost	13,616,504
Additional Authorized Cost	2,043,214
Revised Authorized Cost	15,659,718
Percentage Increase(Decrease) Over Original Authorized Cost	15.01%
Percentage Completion	99.50%
Original Target Completion Date	September 30, 2010
Revised Target Completion Date	June 30, 2012

EXHIBIT F-2g

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
WINTON WHITE STADIUM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant	$ 308,359		$ 308,359	$ 308,359
Bond Proceeds	788,316		788,316	788,316
Transfer from Capital Outlay	1,385,528	-	1,385,528	1,385,528
Total Revenues and Other Financing Sources	2,482,203	-	2,482,203	2,482,203
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	181,095		181,095	200,000
Construction Services	1,441,858	$ 323,876	1,765,734	2,282,203
Total Expenditures and Other Financing Uses	1,622,953	323,876	1,946,829	2,482,203
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 859,250	$ (323,876)	$ 535,374	$ -

Additional project information:	
Project Number	1370-X01-04-1000
Grant Date	December 29, 2004
Bond Authorization Date	April 1, 2003
Bonds Authorized	788,316
Bonds Issued	788,316
Original Authorized Cost	1,096,675
Additional Authorized Cost	1,385,528
Reduced Authorized Costs	
Revised Authorized Cost	2,482,203
Percentage Increase(Decrease) Over Original Authorized Cost	55.82%
Percentage Completion	78.43%
Original Target Completion Date	September 30, 2006
Revised Target Completion Date	September 30, 2012

EXHIBIT F-2h

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
DURIE PARK ELEMENTARY SCHOOL - LEASE PROCEEDS LIGHT DIMMERS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Lease Proceeds	$ 198,462		$ 198,462	$ 198,462
Interest	1,026	-	1,026	1,026
Total Revenues and Other Financing Sources	199,488	-	199,488	199,488
Expenditures and Other Financing Uses				
Construction Services	198,462	-	198,462	199,488
Total Expenditures and Other Financing Uses	198,462	-	198,462	199,488
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 1,026	$ -	$ 1,026	$ -

Additional project information:

Project Number	
Lease Date	March 15, 2008
Lease Proceeds	198,462
Original Authorized Cost	198,462
Additional Authorized Cost - Interest	1,026
Reduced Authorized Costs	
Revised Authorized Cost	199,488
Percentage Increase(Decrease) Over Original Authorized Cost	0.51%
Percentage Completion	100.00%
Original Target Completion Date	September 30, 2008
Revised Target Completion Date	November 30, 2008

PROPRIETARY FUNDS

EXHIBIT G-1

ENGLEWOOD BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	Non-Major Enterprise Fund After School Day Care Program
ASSETS	
Cash and Cash Equivalents	$ 55,028
Total Assets	55,028
LIABILITIES	
Current Liabilities	
Accrued Salaries and Wages	7,200
Unearned Revenue	24,880
Total Liabilities	32,080
NET ASSETS	
Unrestricted	22,948
Total Net Assets	$ 22,948

EXHIBIT G-2

ENGLEWOOD BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Non-Major Enterprise Fund After School Day Care Program
OPERATING REVENUES	
Charges for Services	
Program Fees	$ 102,568
Total Operating Revenues	102,568
OPERATING EXPENSES	
Salaries and Wages	76,105
Other Purchased Services	6,920
Supplies and Materials	2,505
Other Objects	-
Total Operating Expenses	85,530
Operating Income	17,038
Change in Net Assets	17,038
Total Net Assets, Beginning of Year	5,910
Total Net Assets, End of Year	$ 22,948

EXHIBIT G-3

ENGLEWOOD BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Non-Major Enterprise Fund After School Day Care Program
Cash Flows from Operating Activities	
Cash Received from Customers	$ 95,563
Cash Payments for Employees	
Salaries & Benefits	(68,905)
Cash Payments to Suppliers for Goods and Services	(9,425)
Net Cash Provided by Operating Activities	17,233
Net Increase in Cash and Cash Equivalents	17,233
Cash and Cash Equivalents, Beginning of Year	37,795
Cash and Cash Equivalents, End of Year	$ 55,028
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 17,038
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Charges in Assets and Liabilities	
Increase/(Decrease) in Accrued Salaries and Wages	7,200
Increase/(Decrease) in Unearned Revenue	(7,005)
Total Adjustments	195
Net Cash Provided by (Used for) by Operating Activities	$ 17,233

FIDUCIARY FUNDS

EXHIBIT H-1

ENGLEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	Student Activities	Payroll	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	$ 76,940	$ 436,714	$ 513,654
Total Assets	$ 76,940	$ 436,714	$ 513,654
LIABILITIES			
Accrued Salaries and Wages		$ 10,000	$ 10,000
Payroll Deductions Payable		411,710	411,710
Due to Other Funds		15,004	15,004
Due to Student Groups	$ 76,940	-	76,940
Total Liabilities	$ 76,940	$ 436,714	$ 513,654

EXHIBIT H-2

ENGLEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT H-3

STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance, July 1, 2010	Receipts	Disbursements	Balance, June 30, 2011
Elementary				
Dismus Middle School	$ 10,419	24,402	31,111	$ 3,710
High School - Academies at Englewood	58,642	153,424	151,264	60,802
Athletic Account	1,520	65,881	54,973	12,428
Total All Schools	$ 70,581	$ 243,707	$ 237,348	$ 76,940

EXHIBIT H-4

ENGLEWOOD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance, July 1, 2010	Additions	Deletions	Balance, June 30, 2011
ASSETS				
Cash and Cash Equivalents	$ 93,632	$ 38,682,586	$ 38,339,504	$ 436,714
Total	$ 93,632	$ 38,682,586	$ 38,339,504	$ 436,714
LIABILITIES				
Accrued Salaries and Wages	$ 10,000	$ 23,216,776	$ 23,216,776	$ 10,000
Payroll Deductions Payable	78,155	15,456,283	15,122,728	411,710
Due to Other Funds	5,477	9,527	-	15,004
Total	$ 93,632	$ 38,682,586	$ 38,339,504	$ 436,714

LONG-TERM DEBT

ENGLEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Purpose	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2010	Issued	Matured	Balance, June 30, 2011
Refunding of Early Retirement Pension Debt	4/1/2003	$ 3,494,000	3/1/2012	$ 289,000	5.25%				
			3/1/2013	304,000	5.25%				
			3/1/2014	320,000	4.70%				
			3/1/2015	335,000	4.75%				
			3/1/2016	351,000	4.80%	$ 1,874,000		$ 275,000	$ 1,599,000
School Bonds of 2004	7/14/2004	25,607,000	3/1/2012	1,080,000	5.00%				
			3/1/2013	1,135,000	5.00%				
			3/1/2014	1,190,000	4.00%				
			3/1/2015	1,240,000	4.00%				
			3/1/2016	1,290,000	4.13%				
			3/1/2017	1,345,000	4.25%				
			3/1/2018	1,400,000	5.25%				
			3/1/2019	1,475,000	5.25%				
			3/1/2020	1,550,000	5.25%				
			3/1/2021	1,630,000	5.25%				
			3/1/2022	1,720,000	5.25%				
			3/1/2023	1,810,000	5.00%				
			3/1/2024	1,894,000	4.75%	19,804,000	-	1,045,000	18,759,000
						$ 21,678,000	$ -	$ 1,320,000	$ 20,358,000

EXHIBIT I-2

ENGLEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Purpose	Original Issue	Interest Rate	Balance, June 30, 2010	Issued	Matured	Balance, June 30, 2011
Light Dimmers	198,462	4.27%	$ 80,938		39,623	$ 41,315
Computers - 378	432,734	4.26%	103,051		103,051	-
Savin Copiers	46,870	4.90%	32,009		9,186	22,823
Savin Copiers	428,301	4.90%	324,009	-	82,743	241,266
			$ 540,007	$ -	$ 234,603	$ 305,404

ENGLEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Property Tax Levy	$ 2,182,108	-	$ 2,182,108	$ 2,182,108	$ -
Total Revenues	2,182,108	-	2,182,108	2,182,108	-
EXPENDITURES					
Regular Debt Service					
Principal on Bonds	1,272,000	$ (48,000)	1,320,000	1,320,000	
Interest on Bonds	1,082,446	48,000	1,034,446	1,036,520	$ (2,074)
Total Expenditures	2,354,446	-	2,354,446	2,356,520	(2,074)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(172,338)	-	(172,338)	(174,412)	(2,074)
Fund Balance, Beginning of Year	168,347	-	168,347	168,347	-
Fund Balance, End of Year	$ (3,991)	$ -	$ (3,991)	$ (6,065)	$ (2,074)

STATISTICAL SECTION

This part of the Oradell Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government'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 government's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government 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 for the relevant year.

EXHIBIT J-1

ENGLEWOOD BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	$ 14,141,315	$ 12,537,625	$ 2,136,558	$ 26,283,659	$ 34,559,823	$ 43,634,374	$ 53,246,058	$ 43,208,702	$ 43,967,952
Restricted	776,246	427,013	25,584,274	535,670	3,052,604	4,999,021	3,138,107	3,484,828	2,856,647
Unrestricted	(3,871,570)	(4,300,096)	108,250	2,648,562	3,275,124	3,332,107	1,958,782	3,235,785	4,541,220
Total governmental activities net assets	$ 11,045,991	$ 8,664,542	$ 27,829,082	$ 29,467,891	$ 40,887,551	$ 51,965,502	$ 58,342,947	$ 49,929,315	$ 51,365,819
Business-type activities									
Invested in capital assets, net of related debt	$ 94,420	$ 17,767	$ 92,705	$ 100,989	$ 88,186	$ 83,993	$ 176,156	$ 187,557	$ 406,418
Restricted									
Unrestricted	(88,982)	96,458	(88,968)	1,547	201,435	433,510	416,164	463,010	281,368
Total business-type activities net assets	$ 5,438	$ 114,225	$ 3,737	$ 102,536	$ 289,621	$ 517,503	$ 592,320	$ 650,567	$ 687,786
District-wide									
Invested in capital assets, net of related debt	$ 14,235,735	$ 12,555,392	$ 2,229,263	$ 26,384,648	$ 34,648,009	$ 43,718,367	$ 53,422,214	$ 43,396,259	$ 44,374,370
Restricted	776,246	427,013	25,584,274	535,670	3,052,604	4,999,021	3,138,107	3,484,828	2,856,647
Unrestricted	(3,960,552)	(4,203,638)	19,282	2,650,109	3,476,559	3,765,617	2,374,946	3,698,795	4,822,588
Total district net assets	$ 11,051,429	$ 8,778,767	$ 27,832,819	$ 29,570,427	$ 41,177,172	$ 52,483,005	$ 58,935,267	$ 50,579,882	$ 52,053,605

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2004 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

ENGLEWOOD BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities									
Instruction	$ 32,045,686	$ 32,235,197	$ 35,605,806	$ 31,098,458					
Regular					$ 23,220,725	$ 25,929,122	$ 24,675,017	$ 24,971,944	$ 24,602,798
Special education					11,350,755	9,275,592	9,289,136	9,000,641	9,352,301
Other instruction					1,341,850	2,639,929	2,854,846	2,855,352	2,794,491
School Sponsored Activities and Athletics					859,462	620,547	829,197	865,349	850,977
Support Services:									
Student & instruction related services	6,649,605	8,999,068	10,718,963	9,455,739	10,805,609	10,519,470	10,943,790	10,247,343	9,902,460
General and business administrative services	2,585,804	2,417,970	3,194,238	2,911,002	2,169,915	1,958,682	1,902,960	1,365,106	1,675,122
School administrative services	1,666,096	2,107,322	2,044,902	1,964,477	2,563,235	2,754,190	2,866,179	2,513,812	2,678,738
Central Services	430,644	600,094			1,275,142	1,298,763	1,202,351	1,298,110	1,173,719
Administrative Information Technology					178,769	177,733	256,616	46,148	34,827
Plant operations and maintenance	6,886,292	5,006,983	4,011,878	4,421,696	4,433,815	5,829,455	6,401,538	7,058,751	7,603,088
Pupil transportation	2,924,265	3,178,560	3,340,781	3,400,865	3,575,690	3,683,748	3,410,634	3,307,184	3,208,835
Unallocated Employee Benefits				8,941,989					
Interest on long-term debt	-	154,502	1,037,698	1,491,852	1,144,244	1,150,819	1,112,202	1,079,522	1,043,463
Unallocated depreciation	59,800		53,089	2,654					
Total governmental activities expenses	53,248,192	54,699,696	60,007,355	63,688,732	62,919,211	65,838,050	65,744,466	64,609,262	64,920,819
Business-type activities:									
Food service	1,151,355	1,115,552	1,212,616	1,467,083	1,276,845	1,384,572	1,451,515	1,590,750	1,625,727
After school program	3,246	29,199						125,052	85,530
Total business-type activities expense	1,154,601	1,144,751	1,212,616	1,467,083	1,276,845	1,384,572	1,451,515	1,715,802	1,711,257
Total district expenses	$ 54,402,793	$ 55,844,447	$ 61,219,971	$ 65,155,815	$ 64,196,056	$ 67,222,622	$ 67,195,981	$ 66,325,064	$ 66,632,076
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction	$ 14,913	$ 72,849	$ 91,727		$ 82,692	$ 16,321	$ 163,522	$ 100,241	$ 447,123
Operating grants and contributions	11,836,581	12,498,329	11,889,171	11,453,089	7,465,511	16,824,866	11,449,529	11,931,729	12,115,343
Capital grants and contributions	3,400,000				1,338,844	5,491,099	2,843,714	28,691	32,845
Total governmental activities program revenues	15,251,494	12,571,178	11,980,898	11,453,089	8,887,047	22,332,286	14,456,765	12,060,661	12,595,311
Business-type activities:									
Charges for services									
Food service	$ 361,411	$ 391,674	$ 434,472	$ 496,423	$ 502,374	$ 544,674	$ 495,706	$ 508,067	$ 455,250
After School Program	9,813	27,490						130,962	102,568
Operating grants and contributions	592,211	587,938	649,880	738,024	808,844	885,780	979,007	1,135,020	1,190,658
Total business type activities program revenues	963,435	1,007,102	1,084,352	1,234,447	1,311,218	1,430,454	1,474,713	1,774,049	1,748,476
Total district program revenues	$ 16,214,929	$ 13,578,280	$ 13,065,250	$ 12,687,536	$ 10,198,265	$ 23,762,740	$ 15,931,478	$ 13,834,710	$ 14,343,787
Net (Expense)/Revenue									
Governmental activities	$ (37,996,698)	$ (42,128,518)	$ (48,026,457)	$ (52,235,643)	(54,032,164)	(43,505,764)	(51,287,701)	(52,548,601)	(52,325,508)
Business-type activities	(191,166)	(137,649)	(128,264)	(232,636)	34,373	45,882	23,198	58,247	37,219
Total district-wide net expense	$ (38,187,864)	$ (42,266,167)	$ (48,154,721)	$ (52,468,279)	$ (53,997,791)	$ (43,459,882)	$ (51,264,503)	$ (52,490,354)	$ (52,288,289)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, net	$ 30,417,975	$ 34,011,926	$ 36,721,305	$ 38,742,421	$ 40,600,443	$ 42,370,771	$ 44,065,602	$ 45,828,226	$ 46,492,456
Property taxes levied for debt service, net		360,502	2,360,294	1,899,246	2,358,026	2,354,501	2,358,870	2,354,446	2,182,108
Unrestricted grants and contributions	5,592,981	6,870,368	11,795,573	12,282,816	15,839,776	7,527,045	10,772,943	6,743,399	4,672,573
State aid restricted for capital projects			4,296,198	61,698					
Donations	716,007	2,800,000	1,200,000						
Investment earnings	78,966		490,297	680,800	1,121,384	694,462	108,781	91,173	93,456
Miscellaneous income	270,821	552,053	381,562	699,392	2,488,248	1,082,065	530,860	332,656	321,419
Loss on Disposal of Capital Assets							(112,831)		
Sale of Property			6,800,000						
Prior Year Receivables Cancelled			890,882						
Transfers	(200,786)	(84,862)	(126,563)	(331,435)	(152,712)	(182,000)	(59,079)		
Total governmental activities	36,875,964	44,509,987	64,809,548	54,034,938	62,255,165	53,846,844	57,665,146	55,349,900	53,762,012
Business-type activities:									
Prior Year Receivables Cancelled		(56,000)							
Loss on Disposal of Capital Assets							(7,460)		
Transfers	200,786	84,862	126,563	331,435	152,712	182,000	59,079		
Total business-type activities	200,786	28,862	126,563	331,435	152,712	182,000	51,619	-	-
Total district-wide	$ 37,076,750	$ 44,538,849	$ 64,936,111	$ 54,366,373	$ 62,407,877	$ 54,028,844	$ 57,716,765	$ 55,349,900	$ 53,762,012
Change in Net Assets									
Governmental activities	$ (1,120,734)	$ 2,381,469	$ 16,783,091	$ 1,799,295	$ 8,223,001	$ 10,341,080	$ 6,377,445	$ 2,801,299	$ 1,436,504
Business-type activities	9,620	(108,787)	(1,701)	98,799	187,085	227,882	74,817	58,247	37,219
Total district	$ (1,111,114)	$ 2,272,682	$ 16,781,390	$ 1,898,094	$ 8,410,086	$ 10,568,962	$ 6,452,262	$ 2,859,546	$ 1,473,723

Note:

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EXHIBIT J-3

ENGLEWOOD BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved				$ 747,896	$ 5,416,909	$ 6,236,365	$ 8,088,378	$ 8,827,408	
Unreserved	$ 237,167	$ 317,751	$ 3,483,218	3,448,542	2,134,656	1,361,818	341,615	640,817	
Restricted									$ 5,864,664
Assigned									4,426,311
Unassigned									(14,322)
Total General Fund	$ 237,167	$ 317,751	$ 3,483,218	$ 4,196,438	$ 7,551,565	$ 7,598,183	$ 8,429,993	$ 9,468,225	$ 10,276,653
All Other Governmental Funds									
Reserved					$ 14,655,674	$ 10,881,343	$ 942,583	$ 543,068	
Unreserved	$ 260,078	$ 620,544	$ 23,083,250	$ 22,487,182	6,221,187	(858,229)	1,926,457	1,501,231	
Restricted									$ 940,982
Assigned									
Unassigned									(101,355)
Total all other governmental funds	$ 260,078	$ 620,544	$ 23,083,250	$ 22,487,182	$ 20,876,861	$ 10,023,114	$ 2,869,040	$ 2,044,299	$ 839,627

Note:
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EXHIBIT J-4

ENGLEWOOD BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Property Tax levy	$ 30,417,975	$ 34,372,428	$ 39,081,599	$ 40,641,667	$ 42,958,469	$ 44,725,272	$ 46,424,472	$ 48,182,672	$ 48,674,564
Tuition charges	14,913	72,849	91,727		82,692	16,321	163,522	100,241	75,348
Transportation Fees									143,708
Interest earnings				680,800	1,121,384	694,462	108,781	91,173	93,456
Rentals								92,460	228,067
Miscellaneous	1,115,799	498,163	1,762,741	734,190	2,502,321	1,097,996	559,446	344,980	347,357
State sources	11,741,516	13,487,549	22,923,592	19,555,452	21,088,493	26,048,577	21,830,380	15,368,595	13,667,258
Federal sources	5,638,040	5,881,149	5,006,913	4,207,353	3,541,565	3,778,502	3,207,220	3,230,440	3,127,565
Total revenue	48,928,243	54,312,138	68,866,572	65,819,462	71,294,924	76,361,130	72,293,821	67,410,561	66,357,323
Expenditures									
Instruction									
Regular Instruction	17,710,729	18,101,347	19,002,876	14,547,469	21,808,748	25,761,158	24,615,625	24,998,727	24,480,064
Special education instruction	2,308,710	2,940,555	3,461,613	8,160,242	13,843,917	9,244,869	9,285,109	9,022,277	9,319,776
Other instruction	1,868,548	1,425,752	1,682,148	1,818,482	1,559,818	2,623,023	2,852,727	2,865,085	2,787,564
School Sponsored Activities and Athletics					718,753	616,703	828,711	876,834	848,397
Support Services:									
Tuition	5,479,535	4,885,665	5,585,250	6,582,779					
Student & inst. related services	5,760,582	7,786,229	9,287,982	9,453,171	8,814,024	10,474,349	10,938,270	10,315,759	9,851,567
General and business admin. Services	3,049,387	2,859,754	2,887,877	2,905,984	3,117,631	1,866,482	1,764,448	1,378,158	1,667,908
School administrative services	1,371,877	1,736,716	1,610,820	1,964,477	1,880,256	2,737,090	2,863,814	2,502,549	2,642,472
Central Services					955,845	1,290,651	1,201,234	1,320,106	1,170,096
Administrative Information Technology					145,517	177,733	256,616	46,148	34,827
Plant operations and maintenance	3,775,570	5,039,478	4,032,743	4,496,537	4,037,869	5,624,481	5,676,519	5,618,870	6,104,859
Pupil transportation	2,902,412	3,151,123	3,299,378	3,400,865	3,499,690	3,682,341	3,410,368	3,309,544	3,171,763
Other support services	6,258,825	6,622,288	7,802,857	8,941,989					
Capital outlay	3,298,289	1,677,634	15,852,066	742,967	6,661,358	21,174,014	12,636,661	2,186,447	2,059,035
Debt service:									
Principal		206,000	1,112,120	1,154,738	1,190,010	1,597,896	1,569,585	1,654,946	1,554,603
Interest and other charges		154,502	927,367	1,201,175	1,163,970	1,140,641	1,132,490	1,101,620	1,060,636
Total expenditures	53,784,464	56,587,043	76,545,097	65,370,875	69,397,406	88,011,431	79,032,177	67,197,070	66,753,567
Excess (Deficiency) of revenues over (under) expenditures	(4,856,221)	(2,274,905)	(7,678,525)	448,587	1,897,518	(11,650,301)	(6,738,356)	213,491	(396,244)
Other Financing sources (uses)									
Proceeds from borrowing			25,607,000						
Sale of property			6,800,000						
Contributions	3,400,000	2,800,000	1,200,000						
Capital Leases						1,025,172	475,171		
Transfers in		143,239	490,297	680,800	3,143,508	2,765,111	1,862,025	11,466	6,347
Transfers out	(200,786)	(227,284)	(616,860)	(1,012,235)	(3,296,220)	(2,947,111)	(1,921,104)	(11,466)	(6,347)
Total other financing sources (uses)	3,199,214	2,715,955	33,480,437	(331,435)	(152,712)	843,172	416,092	-	-
Net change in fund balances	$ (1,657,007)	$ 441,050	$ 25,801,912	$ 117,152	$ 1,744,806	$ (10,807,129)	$ (6,322,264)	$ 213,491	$ (396,244)
Debt service as a percentage of noncapital expenditures	0.00%	0.66%	3.36%	3.65%	3.75%	4.10%	4.07%	4.24%	4.04%

Note:
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ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Sale of Used Equipment	Cancellation of Prior Year Payables	E-Rate Rebates	Summer Program	Rentals	Contributions	Refunds	Transportation Fees	Miscellaneous	Total
2002		$ 167,018		$ 155,346	$ 15,396		$ 69,313	$ 10,942			$ 11,462	$ 429,477
2003	$ 14,913	78,966	$ 1,938	157,547	14,976		65,500	766,012			30,860	1,130,712
2004	72,849	60,789		329,843	4,712		62,293	27,530			12,996	571,012
2005	91,727	664,327	20,112	957,335			67,465	44,678			8,824	1,854,468
2006		306,354		263,235		$ 65,733	85,496	527			12,845	734,190
2007	82,692	317,439		2,169,154			113,888				205,206	2,888,379
2008	16,321	240,003		272,019			93,745		$ 408,694		148,146	1,178,928
2009	163,522	54,457		191,018			70,983		198,322		70,537	748,839
2010	100,241	79,707		240,196			92,460					512,604
2011	75,348	87,109		173,466			228,067			143,708	147,953	855,651

EXHIBIT J-6

ENGLEWOOD BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2002	$ 8,576,300	$ 1,508,011,700	$ 306,579,500	$ 134,174,000	$ 55,667,500	$ 2,013,009,000	$ 7,629,645	$ 2,020,638,645	$ 299,139,100	$ 2,817,761,758	$ 1.521
2003	11,298,500	1,510,602,800	305,606,800	135,624,000	55,667,500	2,018,799,600	7,414,256	2,026,213,856	302,796,700	2,992,144,064	1.648
2004	12,304,700	1,519,405,300	304,527,200	134,260,300	55,207,000	2,025,704,500	6,740,533	2,032,445,033	302,696,200	3,391,661,315	1.859
2005	10,366,200	1,540,883,600	298,024,500	134,260,300	54,851,300	2,038,385,900	5,878,294	2,044,264,194	303,901,600	3,791,471,048	1.970
2006	10,159,600	1,553,886,000	306,751,200	134,244,200	53,899,800	2,058,940,800	4,714,313	2,063,655,113	304,635,600	4,263,982,337	2.025
2007	27,778,700	3,737,817,100	750,996,800	318,166,500	147,715,300	4,982,474,400	9,881,940	4,992,356,340	669,189,600	4,249,003,469	0.886
2008	27,421,700	3,817,259,000	768,746,400	400,016,900	199,250,600	5,212,694,600	9,812,256	5,222,506,856	673,501,200	5,359,461,925	0.880
2009	26,685,000	3,808,010,000	838,479,300	408,021,200	193,090,900	5,274,286,400	9,853,722	5,284,140,122	673,231,400	5,559,848,578	0.901
2010	29,171,600	3,799,690,800	813,362,800	401,489,200	210,031,400	5,253,745,800	9,783,421	5,263,529,221	674,706,200	5,558,816,073	0.920
2011	25,783,400	3,090,930,100	824,052,800	245,715,900	212,374,300	4,398,856,500	10,185,900	4,409,042,400	648,260,900	4,916,867,735	1.106

Source: County Abstract of Ratables

EXHIBIT J-7

ENGLEWOOD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per $100 of assessed value)

Calendar Year	Total Direct School Tax Rate	Overlapping Rates: City of Englewood	Overlapping Rates: County of Bergen	Total Direct and Overlapping Tax Rate
2002	$ 1.521	$ 1.321	$ 0.418	$ 3.260
2003	1.648	1.393	0.419	3.460
2004	1.859	1.491	0.460	3.810
2005	1.970	1.688	0.362	4.020
2006	2.025	1.762	0.373	4.160
2007	0.886	0.781	0.173	1.840
2008	0.880	0.836	0.190	1.906
2009	0.901	0.877	0.190	1.968
2010	0.920	0.897	0.206	2.023
2011	1.106	1.067	0.228	2.401

Source: County Abstract of Ratables

ENGLEWOOD BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2011 Taxable Assessed Value	2011 % of Total District Net Assessed Value
Englewood Redevelopment	$ 129,000,000	2.93%
SHG Englewood South I LLC	34,461,200	0.78%
SHG Englewood South II LLC	29,393,400	0.67%
S Van Brunt Invest, LLC	19,540,000	0.44%
Rockwood Property Holding, LLC	18,778,600	0.43%
Flatrock 3 LLC	17,989,800	0.41%
45-53 West Palisade Ave LLC	16,500,000	0.37%
Englewood Village LLC	16,173,000	0.37%
SH729-744 LLC	14,250,000	0.32%
Seol Shik Poom, Inc.	13,658,000	0.31%
	$ 180,744,000	4.10%

	2002 Taxable Assessed Value	2002 % of Total District Net Assessed Value
S Van Brunt Investors, LLC	$ 13,221,400	0.66%
Englewood Village LLC NJ	8,727,000	0.44%
Sothern States Investment Co.	8,274,500	0.41%
Rockwood Property Holding, LLC	8,000,000	0.40%
New Jersey Bell Telephone Co.	7,629,645	0.38%
Lackland Partners	7,366,300	0.37%
Ira Newdow	6,454,300	0.32%
John Sexton & Co.	6,342,000	0.32%
First Industrial, L.P.	6,050,000	0.30%
Edward Murphy	5,227,500	0.26%
	$ 77,292,645	3.86%

Source: Municipal Tax Assessor

EXHIBIT J-9

ENGLEWOOD BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	$ 28,969,500	$ 28,969,500	100.00%	
2003	30,417,975	30,417,975	100.00%	
2004	34,372,428	34,372,428	100.00%	
2005	39,081,599	39,081,599	100.00%	
2006	40,641,667	40,641,667	100.00%	
2007	42,958,469	42,958,469	100.00%	
2008	44,725,272	44,725,272	100.00%	
2009	46,424,472	46,424,472	100.00%	
2010	48,182,672	48,182,672	100.00%	
2011	48,674,564	48,674,564	100.00%	

EXHIBIT J-10

ENGLEWOOD BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities					
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Total District	Population	Per Capita
2002		5,697,580	344,582	6,042,162	26,013	232
2003	$ 3,494,000		389,365	3,883,365	25,905	150
2004	3,288,000		316,386	3,604,386	26,007	139
2005	27,782,880		240,980	28,023,860	25,797	1,086
2006	26,628,142		163,114	26,791,256	27,237	984
2007	25,438,132		101,959	25,540,091	27,697	922
2008	24,219,342		748,025	24,967,367	28,932	863
2009	22,962,941		910,012	23,872,953	29,478	810
2010	21,678,000		540,007	22,218,007	29,478 (E)	754
2011	20,358,000		305,404	20,663,404	29,478 (E)	701

Source: District records

(E) Estimated

EXHIBIT J-11

ENGLEWOOD BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST NINE FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	$ 3,494,000		$ 3,494,000	0.17%	$ 134
2004	3,288,000		3,288,000	0.16%	125
2005	27,782,880		27,782,880	1.36%	1,070
2006	26,628,142		26,628,142	1.29%	969
2007	25,438,132		25,438,132	0.51%	908
2008	24,219,342		24,219,342	0.46%	865
2009	22,962,941		22,962,941	0.43%	789
2010	21,678,000		21,678,000	0.41%	745
2011	20,358,000		20,358,000	0.46%	699

Source: District records

EXHIBIT J-12

ENGLEWOOD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010
(Unaudited)

	Total Debt
Municipal Debt:	
City of Englewood	$ 49,864,421
Englewood Board of Education (June 30, 2011)	20,358,000
	70,222,421
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	20,436,017
Bergen County Utilities Authority - Wastewater (B)	13,581,122
	34,017,139
Total Direct and Overlapping Debt	$ 104,239,560

Source:
Borough of Englewood's 2010 Annual Debt Statement
County of Bergen's 2010 Annual Debt Statement
Bergen County Utilities Authority's 2010 Annual Audit

(A) The debt for this entity was apportioned to Englewood by dividing the municipality's 2010 equalized value by the total 2010 equalized value for Bergen County.
(B) The debt was computed based upon usage

EXHIBIT J-13

ENGLEWOOD BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis	
	2010	$ 5,376,876,267
	2009	5,536,146,111
	2008	5,450,898,881
		$ 16,363,921,259
Average equalized valuation of taxable property		$ 5,454,640,420
Debt limit (4% of average equalization value)		218,185,617
Total Net Debt Applicable to Limit		18,759,000
Legal debt margin		$ 199,426,617

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 97,346,079	$ 107,252,925	$ 119,326,341	$ 129,115,964	$ 150,227,220	$ 183,082,523	$ 284,931,559	$ 201,779,318	$ 214,248,132	$ 218,185,617
Total net debt applicable to limit	-	3,494,000	3,288,000	27,782,882	26,628,142	22,813,132	21,833,342	20,826,941	19,804,000	18,759,000
Legal debt margin	$ 97,346,079	$ 103,758,925	$ 116,038,341	$ 101,333,082	$ 123,599,078	$ 160,269,391	$ 263,098,217	$ 180,952,377	$ 194,444,132	$ 199,426,617
Total net debt applicable to the limit as a percentage of debt limit	0.00%	3.26%	2.76%	21.52%	17.73%	12.46%	7.66%	10.32%	9.24%	8.60%

Source: Annual Debt Statements

EXHIBIT J-14

ENGLEWOOD BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Year	Population	County Per Capita Personal Income	Unemployment Rate
2002	26,013	51,931	4.4%
2003	25,905	51,291	6.0%
2004	26,007	54,669	5.9%
2005	25,797	56,936	4.8%
2006	27,237	63,021	4.6%
2007	27,697	67,113	4.0%
2008	28,932	68,541	5.1%
2009	29,478	64,388	8.2%
2010	29,478 (E)	N/A	8.2%
2011	29,478 (E)	N/A	N/A

Source: New Jersey State Department of Education

(E) Estimate

EXHIBIT J-15

ENGLEWOOD BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2011		2002	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

ENGLEWOOD BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	197.0	207.0	217.0	221.0	237.0	225.0	229.0	305.0	301.0	216.0
Special Education	77.0	77.0	77.0	90.0	79.0	91.0	51.0	50.0	13.0	92.0
Support Services:										
Student & instruction related services	45.0	45.0	47.0	62.0	65.0	69.0	67.0	69.0	72.0	76.0
School administrative services	4.0	4.0	4.0	6.0	8.0	8.0	28.0	25.0	26.0	23.0
General and business administrative services	29.0	29.0	31.0	32.0	32.0	32.0	17.0	20.0	18.0	18.0
Plant operations and maintenance	17.0	17.0	17.0	17.0	23.0	23.0	12.0	20.0	17.0	17.0
Pupil transportation	0.5	0.5	0.5	0.5	0.5	0.5	1.0	1.0	12.0	17.0
Food Service	0.5	0.5	0.5	0.5	0.5	0.5	0.5			
Total	370.0	380.0	394.0	429.0	445.0	449.0	405.5	490.0	459.0	459.0

Source: District Personnel Records

EXHIBIT J-17

ENGLEWOOD BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Teacher/Pupil Ratio Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	2,750	44,485,877	16,177	8.57%	290	1:11	1:11	1:11	2,674.1	2,527.4	11.58%	0.00%
2003	2,761	50,486,175	18,285	13.03%	290	1:09	1:09	1:09	2,582.5	2,416.4	-3.43%	97.87%
2004	2,891	54,548,907	18,869	3.19%	323	1:12	1:10	1:08	2,565.2	2,415.7	-0.67%	94.20%
2005	2,974	58,827,283	19,781	4.83%	301	1:12	1:11	1:09	2,703.6	2,528.6	5.40%	93.53%
2006	3,090	62,271,995	20,153	1.88%	316	1:15	1:15	1:15	2,776.2	2,587.0	2.69%	93.18%
2007	2,962	60,382,068	20,386	1.16%	316	1:14	1:14	1:14	2,694.5	2,558.2	-2.94%	94.94%
2008	2,766	64,098,880	23,174	13.68%	314	1:13	1:13	1:13	2,705.0	2,603.7	0.39%	96.26%
2009	2,734	63,693,411	23,297	0.53%	316	1:12	1:12	1:12	2,679.0	2,578.1	-0.96%	96.23%
2010	2,849	62,254,057	21,851	-6.21%	315	1:12	1:12	1:12	2,839.0	2,653.0	5.97%	93.45%
2011	3,020	62,079,293	20,556	-5.93%	323	1:12	1:12	1:12	2,869.0	2,696.0	1.06%	93.97%

Sources: District records

(b) Operating expenditures equal total expenditures less debt service and capital outlay

EXHIBIT J-18

ENGLEWOOD BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary										
Quarles Elementary (1958)										
Square Feet	46,310	46,310	46,310	46,310	46,310	46,310	46,310	66,210	66,210	66,210
Capacity (students)	400	400	400	400	400	400	400	500	500	500
Enrollment	497	521	511	420	384	506	524	490	376	353
Cleveland/McCloud Elementary (1935)										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	148,000	148,000	148,000
Capacity (students)	500	500	500	500	500	500	500	550	550	550
Enrollment	439	434	427	422	367	406	257	257	565	503
Lincoln/Grieco Elementary (1915)										
Square Feet	58,520	58,520	58,520	58,520	58,520	58,520	58,520	91,000	91,000	91,000
Capacity (students)	550	550	550	550	550	550	550	600	600	600
Enrollment	406	384			428	416	383	394	553	564
Liberty Elementary (1901)										
Square Feet	41,150	41,150	41,150	41,150	41,150	41,150	41,150	41,150	41,150	41,150
Capacity (students)			60	60	60	60	60	60	60	60
Enrollment			175	175	175	127	63			41
Middle School										
Janis Dismus School (1968)										
Square Feet	41,150	41,150	41,150	41,150	41,150	41,150	41,150	94,680	94,680	94,680
Capacity (students)	700	700	700	700	700	700	700	700	700	700
Enrollment	678	627	635	654	534	468	516	518	380	377
Senior High School										
High School (1931)										
Square Feet	203,100	203,100	203,100	203,100	203,100	203,100	203,100	203,100	203,100	203,100
Capacity (students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	630	668	781	892	1,051	1,039	1,023	1,011	1,013	1,001

Number of Schools at June 30, 2011
- Elementary = 4
- Middle School = 1
- Senior High School = 1
- Other = 0

Source: District Records

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

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

School Facilities	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Quarles Elementary	$ 88,834	$ 96,392	$ 78,064	$ 85,189	$ 114,165	$ 81,160	$ 128,072	$ 81,751	$ 94,151	$ 103,039
Cleveland Elementary	71,067	77,113	60,684	63,892	91,332	64,929	102,459	65,401	75,322	82,432
Lincoln Elementary	106,600	115,670	98,646	102,227	125,581	89,276	140,879	89,926	103,567	113,343
Liberty School	71,067	77,113	69,365	72,411	102,748	73,044	115,265	73,576	84,736	92,735
Middle School	177,667	192,784	159,600	170,378	228,329	162,321	256,146	163,502	188,304	206,079
High School	373,102	404,846	342,361	357,795	479,491	340,873	537,905	343,354	395,437	432,765
Total School Facilities	$ 888,337	$ 963,918	$ 808,720	$ 851,892	$ 1,141,646	$ 811,603	$ 1,280,726	$ 817,509	$ 941,518	$ 1,030,393

Source: District Records

Note:
Beginning in fiscal year 2001, the New Jersey State Department of Education required Districts to report maintenance expenditures by location, therefore, ten years of data is not required or available.

EXHIBIT J-20

ENGLEWOOD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2011
(Unaudited)

	Coverage (A)	Self-Insured Retention	Deductible (A)
School Package Policy (1)			
Blanket Real and Personal Property (All Locations)			
Limits of Liability per occurrence	$ 300,000,000		$ 5,000
Blanket Extra Expense	50,000,000		5,000
Blanket Valuable Papers	10,000,000		5,000
Blanket Electronic Data Processing	2,835,000		5,000
Flood Zones - Per Occurrence	50,000,000		
Earthquake - Per Occurrence	50,000,000		
Terrorism - Aggregate	1,000,000		
Comprehensive General Liability	16,000,000		1,000
Workers Compensation	Statutory		
Public Employee Dishonesty Faithful Performance Bond	250,000		1,000
Theft, Disappearance and Destruction	100,000		1,000
Forgery or Alteration	25,000		500
Surety Bonds (3)			
Treasurer of School Monies	350,000		
School Business Administrator/Board Secretary	140,000		

(1) New Jersey School Boards Association Insurance Group
(2) Hartford Fire Insurance Company

Source: District's records

SINGLE AUDIT SECTION

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EXHIBIT K-1

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 Trustees
Englewood Board of Education
Englewood, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Englewood Board of Education's basic financial statements and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Englewood Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as items 2011-1 and 2011-2 that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Englewood 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2011-1 and 2011-2.

We noted certain matters that we have reported to management of the Englewood Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 30, 2011.

Englewood Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Englewood Board of Education's responses and, accordingly, we express no opinion on the responses.

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

Lerch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 30, 2011

LERCH, VINCI & HIGGINS, LLP

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EXHIBIT K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Independent Auditor's Report

Honorable President and Members
of the Board of Trustees
Englewood Board of Education
Englewood, New Jersey

Compliance

We have audited the Englewood Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Englewood Board of Education's major federal and state programs for the fiscal year ended June 30, 2011. Englewood 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Englewood Board of Education's management. Our responsibility is to express an opinion on Englewood Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Englewood Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Englewood Board of Education's compliance with those requirements.

In our opinion, Englewood Board of Education complied, in all material respects, with the compliance requirements referred to above that have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as items 2011-3 through 2011-5.

Internal Control Over Compliance

Management of Englewood Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Englewood Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but nor for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or 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 or state program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-3 through 2011-5. 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 or 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.

The Englewood Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board's responses and, accordingly, we express no opinion on the responses.

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

Lerch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 30, 2011

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2010 (Accounts Receivable	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor	Accounts Receivable Carryover Amount	Deferred Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2011 (Account Receivable)	Balance, June 30, 2011 Deferred Revenue	Balance, June 30, 2011 Due to Grantor	MEMO GAAP Receivable
U.S. Department of Agriculture																	
Passed-through State Department of Education																	
National School Lunch Program	10.555	N/A															
Cash Assistance			7/1/10-6/30/11	$ 830,418						$ 764,817	$ 830,418			$ (65,601)			$ (65,601)
Cash Assistance			7/1/09-6/30/10	745,615	$ (77,153)					77,153							
Non-Cash Assistance (Food Distribution)			7/1/10-6/30/11	91,567						91,567	86,428				$ 5,139		
Non-Cash Assistance (Food Distribution)			7/1/09-6/30/10	102,258		$ 2,783					2,783						
School Breakfast program	10.553		7/1/10-6/30/11	174,793						160,487	174,793			(14,306)			(14,306)
School Breakfast program	10.553		7/1/09-6/30/10	149,727	(17,342)					17,342							
After School Snack Program	10.558		7/1/10-6/30/11	76,739						69,014	76,739			(7,725)			(7,725)
After School Snack Program	10.558		7/1/09-6/30/10	66,311	(8,309)	-	-	-	-	8,309	-	-	-	-	-	-	-
Total U.S. Department of Agriculture					(102,804)	2,783	-	-	-	1,188,689	1,171,161	-	-	(87,632)	5,139	-	(87,632)
U.S. Department of Health and Human Services																	
General Fund																	
Medicaid Assistance Program	93.778	N/A	7/1/10-6/30/11	39,705	-	-	-	-	-	39,705	39,705	-	-	-	-	-	-
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund																	
NCLB																	
Title I	84.010A	NCLB-3510-11	9/1/10-8/31/11	447,038				$ (69,859)	$ 69,859	252,397	328,694			(264,500)	188,203		(76,297)
Title I	84.010A	NCLB-3510-10	9/1/09-8/31/10	500,981	(178,991)	48,642		54,301	(70,056)	109,573	31,328	$ 52,742		(15,117)	-		(15,117)
Title I	84.010A	NCLB-3510-09	9/1/08-8/31/09	561,928	(15,755)			15,755									
Title I SIA	84.010A	NCLB -3510-11	9/1/10-8/31/11	36,080				(101,489)	101,489	594	73,076			(136,975)	64,493		(72,482)
Title I SIA	84.010A	NCLB -3510-10	9/1/09-8/31/10	122,093	(122,093)	87,057		73,848	(45,736)	21,815	13,402	(27,919)		(26,430)			(26,430)
Title I SIA	84.010A	NCLB -3510-09	9/1/08-8/31/09	71,338	(27,641)	55,753		27,641	(55,753)								
Title II A	84.367A	NCLB-3510-11	9/1/10-8/31/11	196,906				(77,173)	77,173	33,525	63,604			(240,554)	210,475		(30,079)
Title II A	84.367A	NCLB-3510-10	9/1/09-8/31/10	200,207	(111,185)	42,543		50,237	43,667	34,012	50,721	(35,489)		(26,936)			(26,936)
Title II A	84.367A	NCLB-3510-09	9/1/08-8/31/09	200,154	(89,884)	183,788		89,884	(183,788)								
Title II D	84.318X	NCLB-3510-11	9/1/10-8/31/11	1,703				(2,563)	2,563	1,037	1,672			(3,229)	2,594		(635)
Title II D	84.318X	NCLB-3510-10	9/1/09-8/31/10	5,061	(4,656)	3,822		1,799	2,559	2,093	2,976	(3,405)		(764)			(764)
Title II D	84.318X	NCLB-3510-09	9/1/08-8/31/09	4,667	(1,047)	5,405		1,047	(5,405)								
Title III	84.365	NCLB-3510-11	9/1/10-8/31/11	113,485				(18,785)	18,785	40,872	86,201			(91,398)	46,069		(45,329)
Title III	84.365	NCLB-3510-10	9/1/09-8/31/10	68,782	(46,271)	18,729		13,955	(7,615)	27,608	6,753	(4,361)		(4,708)			(4,708)
Title III	84.365	NCLB-3510-09	9/1/08-8/31/09	70,904	(8,144)	14,484		8,144	(14,484)								
Title III immigrant	84.365A	NCLB-3510-11	9/1/10-8/31/11					(33,956)	33,956		17,172			(33,956)	16,784		(17,172)
Title III immigrant	84.365A	NCLB-3510-10	9/1/09-8/31/10	85,220	(48,617)	33,956		33,956	(33,956)	14,661							
Title IV	84.186A	NCLB-3510-10	9/1/09-8/31/10	12,693	(12,693)	12,693		(1,122)	19,361	6,267	6,267	(18,239)					
Title IV	84.186A	NCLB-3510-09	9/1/08-8/31/09	13,582	(7,548)	25,787		7,548	(25,787)								
Title V	84.298A	NCLB-3510-09	9/1/08-8/31/10		(1,164)	4,940						(3,776)					
I.D.E.I.A Part B, Basic Regular	84.027	FT-3870-11	9/1/10-8/31/11	1,013,781				(197,862)	197,862	841,682	1,066,763			(369,961)	144,880		(225,081)
I.D.E.I.A Part B, Basic Regular	84.027	FT-3870-10	9/1/09-8/31/10	998,828	(498,950)	190,836		197,862	(197,862)	301,088	9,441	16,467					
I.D.E.I.A Part B, Basic Regular	84.027	FT-3870-09	9/1/08-8/31/09	999,328	(145,853)							145,853					-
I.D.E.I.A Preschool	84.173	PS-3870-11	9/1/10-8/31/11	39,542						39,542	39,542						-
I.D.E.I.A Preschool	84.173	PS-3870-10	9/1/09-8/31/10	37,702	(37,702)					37,702							
Title I - ARRA	84.389	ARRA-3510-10	9/1/09-8/31/11	323,731	(312,674)	288,916				239,527	228,824			(73,147)	60,092		(13,055)
Title I SIA - ARRA	84.389	ARRA-3510-10	9/1/09-8/31/11	34,265	(19,423)	7,053				17,501	7,053			(1,922)			(1,922)
IDEA Basic -ARRA	84.391	ARRA-3510-10	9/1/09-8/31/11	1,206,507	(827,522)	741,229				562,791	560,961			(264,731)	180,268		(84,463)
IDEA Preschool -ARRA	84.392	ARRA-3510-10	9/1/09-8/31/11	43,487	(26,006)	25,082				8,594	20,258			(17,412)	4,824		(12,588)
Project Image	84.293B		9/1/10-8/31/11	269,870					37,391	233,778	307,261			(36,092)	-		(36,092)
Project Image	84.293B		9/1/09-8/31/10	269,870	(125,134)	70,623			(37,391)	125,134	33,232						
21 st Century - HS/MS	84.287	6000059	9/1/05-8/31/07	410,000			1,476									$ 1,476	
21 st Century	84.287	6000059	9/1/05-8/31/07	410,000			70									70	
21 st Century	84.287	5000059	9/1/04-8/31/06	1,092,300			22,969									22,969	
Matrix	84.318X	6000220	9/1/05-8/31/06	112,613	(7,270)									(7,270)			(7,270)
Local Capacity Building Grant	84.027A	5000249	9/1/06-8/31/07	39,488		14,353									14,353		
Local Capacity Building Grant	84.027A	5000249	9/1/05-8/31/07	250,000		26,207									26,207		
Reading First	84.357	06000077	9/1/09-8/31/10	366,806	(33,411)					101,419	60,760				7,248		
Reading First	84.357	06000077	9/1/06-8/31/08	914,481	(27,057)									(27,057)			(27,057)
Reading First	84.357	06000077	9/1/05-8/31/07	868,381	(198)	-	-	-	-	-	-	-	-	(198)	-	-	(198)
Total U.S. Department of Education					(2,736,889)	1,901,898	24,515	73,168	(73,168)	3,053,212	3,015,961	121,873	-	(1,642,357)	966,490	24,515	(723,675)
Total Federal Awards					$ (2,839,693)	$ 1,904,681	$ 24,515	$ 73,168	$ (73,168)	$ 4,281,606	$ 4,226,827	$ 121,873	$ -	$ (1,729,989)	$ 971,629	$ 24,515	$ (811,307)

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2010 (Accounts Receivable	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustments	Balance, June 30, 2011 (Accounts Receivable)	Balance, June 30, 2011 Deferred Revenue	Balance, June 30, 2011 Due to Grantor	*	Memo GAAP Receivable	Memo Cumulative Total Expenditures
State Department of Education																	
General Fund:																	
School Choice Aid	11-495-034-5120-068	7/1/10-6/30/11	$ 4,383,726					$ 4,018,689	$ 4,383,726			$ (365,037)			*		$ 4,383,726
School Choice Aid	10-495-034-5120-068	7/1/09-6/30/10	4,224,825	$ (406,607)				406,607							*		-
Categorical Transportation Aid	11-495-034-5120-014	7/1/10-6/30/11	626,765					574,574	626,765			(52,191)			*		626,765
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	711,069	(68,435)				68,435							*		-
Categorical Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	1,652,970					1,515,326	1,652,970			(137,644)			*		1,652,970
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	1,602,646	(154,242)				154,242							*		-
Categorical Security Aid	11-495-034-5120-084	7/1/10-6/30/11	949,438					870,377	949,438			(79,061)			*		949,438
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	810,201	(77,976)				77,976							*		-
Adjustment Aid	10-495-034-5120-085	7/1/09-6/30/10	3,324,571	(247,277)				247,277							*		-
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	526,856						526,856			(526,856)			*		526,856
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	532,363	(532,363)				532,363							*		-
Demonstrably Effective Program Aid	08-495-034-5064-002	7/1/07-6/30/08	1,059,772		$ 127,137								$ 127,137		*		-
Targeted At Risk Aid	08-495-034-5120-005	7/1/07-6/30/08	817,000		115								115		*		-
Nonpublic School Transportation Aid	N/A	7/1/10-6/30/11	44,544						44,544			(44,544)			*	$ (44,544)	44,544
Nonpublic School Transportation Aid	N/A	7/1/09-6/30/10	38,980	(38,980)				38,980							*		-
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	7/1/10-6/30/11	1,884,890					1,884,890	1,884,890						*		1,884,890
On-Behalf TPAF Pension Contribution-NCGI	11-495-034-5095-007	7/1/10-6/30/11	72,314					72,314	72,314						*		72,314
On-Behalf TPAF Post Retirement															*		-
Medical Contribution	11-495-034-5095-001	7/1/10-6/30/11	1,535,943	-	-	-	-	1,535,943	1,535,943	-	-	-	-	-	*	-	1,535,943
Total General Fund				(1,525,880)	127,252	-	-	11,997,993	11,677,446	-	-	(1,205,333)	127,252	-	*	(44,544)	11,677,446
Special Revenue Fund															*		
Preschool Education Aid	11-495-034-5120-025	7/1/10-6/30/11	993,920				$ 4,102	894,528	993,920			(99,392)	4,102		*		993,920
Preschool Education Aid	10-495-034-5120-025	7/1/09-6/30/10	714,380	(71,438)	4,102		(4,102)	71,438							*		
Targeted At Risk Aid - 217	08-	7/1/07-6/30/08	817,000		7,790								7,790		*		
Character ED	06-495-034-5120-053	7/1/05-6/30/08	26,494		26,494								26,494		*		
LEADS Grant		7/1/06-6/30/07	41,200		24,589				2,000				22,589		*		2,000
New Jersey Non-Public Aid															*		
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	125,730					125,730	108,906					$ 16,824	*		108,906
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	149,926			$ 18,680				$ 18,680					*		
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	148,978					148,978	148,736					242	*		148,736
Auxiliary Services															*		
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	100,640					100,640	97,207					3,433	*		97,207
English as a Second Language	10-101-034-5120-067	7/1/09-6/30/11	12,978					12,978	8,197					4,781	*		8,197
English as a Second Language	10-101-034-5120-067	7/1/09-6/30/10	69,615			3,316				3,316					*		
English as a Second Language	07-101-034-5120-067	7/1/06-6/30/07	9,135			3,248								3,248	*		
Home Instruction	10-100-034-5120-068	7/1/09-6/30/10		(4,685)								(4,685)			*	(4,685)	-
Handicapped Services															*		
Examination and Classification	11-100-034-5120-066	7/1/10-6/30/11	192,484					192,484	122,033					70,451	*		122,033
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	131,195					131,195	119,147					12,048	*		119,147
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	140,424			6,783				6,783					*		
Supplementary Instruction	11-100-034-5120-066	7/1/10-6/30/11	101,445					101,445	91,509					9,936			91,509
Supplementary Instruction	10-100-034-5120-066	7/1/08-6/30/09	91,350	-	-	7,346	-	-	-	7,346	-	-	-	-	*	-	-
Total Special Revenue Fund				(76,123)	62,975	39,373	-	1,779,416	1,691,655	36,125	-	(104,077)	60,975	120,963	*	(4,685)	1,691,655
Enterprise Fund															*		
National School Lunch (State Share)	11-100-010-3350-023	7/1/10-6/30/11	19,497					17,842	19,497			(1,655)			*	(1,655)	19,497
National School Lunch (State Share)	10-100-010-3350-023	7/1/09-6/30/10	32,087	(3,203)				3,203							*		
State School Breakfast Program	10-100-010-3350-021	7/1/09-6/30/10	10,718	(1,159)	-	-	-	1,159	-	-	-	-	-	-	*	-	-
Total Enterprise Fund				(4,362)	-	-	-	22,204	19,497	-	-	(1,655)	-	-	*	(1,655)	19,497
Total State Financial Assistance				(1,606,365)	190,227	39,373	-	13,799,613	13,388,598	36,125	-	(1,311,065)	188,227	120,963	*	(50,884)	13,388,598
State Financial Assistance Not Subject to Single Audit Determination															*		
General Fund															*		
On-Behalf TPAF Pension Contribution-NCGI	10-495-034-5095-007	7/1/09-6/30/10	72,314					(72,314)	(72,314)						*		(72,314)
On-Behalf TPAF Post Retirement															*		
Medical Contribution	10-495-034-5095-001	7/1/09-6/30/10	1,535,943	-	-	-	-	(1,535,943)	(1,535,943)	-	-	-	-	-	*	-	(1,535,943)
Total State Financial Assistance Subject to Single Audit Determination				$ (1,606,365)	$ 190,227	$ 39,373	$ -	$ 12,191,356	$ 11,780,341	$ 36,125	$ -	$ (1,311,065)	$ 188,227	$ 120,963	*	$ (50,884)	$ 11,780,341

ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Englewood Board of Education. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using 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(C) to the Board's basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of $326,111 for the general fund and $24,966 for the special revenue fund. See the Notes to Required Supplementary 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 basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	$ 39,705	$ 12,003,557	$ 12,043,262
Special Revenue Fund	3,087,860	1,663,701	4,751,561
Food Service Fund	1,171,161	19,497	1,190,658
Total Financial Assistance	$ 4,298,726	$ 13,686,755	$ 17,985,481

ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of $1,884,890 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, 2011. The amount reported as TPAF Pension System Contributions in the amount of $72,314 and TPAF Post-Retirement Medical Benefits Contributions in the amount of $1,535,943 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

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, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

EXHIBIT K-6

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements	Unqualified	
Internal control over financial reporting:		
1) Material weakness(es) identified?	____ yes	X no
2) Significant deficiency(ies) identified that are not considered to be material weaknesses?	X yes	____ none reported
Noncompliance material to basic financial statements noted?	____ yes	X no

Federal Awards Section

Internal Control over major programs: (1) Material weakness(es) identified?	____ yes	X no
2) Significant deficiency(ies) identified that are not considered to be material weaknesses?	X yes	____ none reported
Type of auditor's report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	X yes	____ no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEA Part B Basic
84.173	IDEA Preschool
84.391	IDEA Basic - ARRA
84.392	IDEA Preschool - ARRA
84.010A	Title I, Title I SIA
84.389	Title I - ARRA, Title I-SIA-ARRA
10.558	After School Snack Program
10.555	National School Lunch Program
10.553	School Breakfast Program
84.293B	Project Image

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000	
Auditee qualified as low-risk auditee?	____ yes	X no

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified? ____ yes X no

2) Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes ____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 04-04? X yes ____ no

Identification of major state programs:

GMIS Number(s)	Name of State Program
495-034-5120-084	Security Aid
100-034-5120-473	Extraordinary Aid
495-034-5120-089	Special Education Aid
495-034-5120-068	School Choice Aid
495-034-5120-014	Transportation Aid
495-034-5120-086	Preschool Education Aid
100-034-5095-002	TPAF Social Security Contributions

Dollar threshold used to distinguish between Type A and Type B programs: $ 353,410

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

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2011-1

Our audit of budget account charges in the General, Special Revenue and Food Service Enterprise Funds revealed numerous expenditures were not charged to the proper budget line accounts.

Criteria or specific requirement:

Proper budget account charges in accordance with NJAC 6A:23A-16.2(f).

Condition:

Budget account charges for building improvements and equipment were not classified and charged to the proper budget line accounts. In addition, numerous payroll related expenditures for employees' salaries were also not classified and charged to the proper budget line accounts.

Context:

Approximately $509,000 of budget account charges for building improvements and equipment and $248,000 of payroll related expenditures were not charged to the proper budget line accounts.

Cause:

Expenditures were not properly classified and charged to the proper budget line item accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Effect:

The District's budget reports may not accurately reflect expenditure classifications in accordance with Uniform Minimum Chart of Accounts.

Recommendation:

Expenditures be classified and charged to the appropriate budget line accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Management's Response:

Management has reviewed this finding and has indicated appropriate corrective action will be implemented.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2011-2

Our audit of the original contract award for the stadium field house renovations revealed that the contract was not encumbered at year end. In addition, it was noted that the contract awarded was in excess of the funds available for the project.

Criteria or special requirements

Certification of Availability of Funds

Condition

Board approved contracts for the stadium field house renovations were not encumbered and were in excess of the funds available at the time of the contract award.

Context

The contract balance in the amount of $255,263 was not encumbered at year end. In addition, the Board approved contracts for $523,589. The funds available were $483,755, resulting in awards in excess of funds available in the amount of $39,834.

Effect

Funds are not available for commitments entered into by the Board resulting in a project overexpenditure.

Cause

Unknown.

Recommendation

Internal control procedures be reviewed and revised to ensure funds are available prior to contract awards and contracts are encumbered when awarded.

Management Response

Management has reviewed this finding and has indicated it will revise its procedures to ensure corrective action is taken.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

Finding 2011-3

Our audit of IDEA programs revealed the following:

- Budget account charges revealed expenditures were not charged to the proper budget line accounts.
- Competitive quotations were not obtained from vendors for purchases made in excess of the quote threshold.

State program information:

ARRA – IDEA Basic	84.391
ARRA – IDEA Preschool	84.392
IDEA – Basic	84.027
IDEA – Preschool	84.173

Criteria or specific requirement:

Federal Grant Compliance Supplement – Reporting, Allowable Costs.

Condition:

Budget account charges for equipment were not classified and charged to the proper budget line accounts. In addition, purchases for goods were made which were not in accordance with the procedures specified in the Public School Contracts Law and Federal procurement guidelines.

Questioned Costs:

Unknown.

Context:

We noted budget account charges for equipment in the amount of $32,845 were not charged to the proper budget line accounts. In addition, we noted the acquisition of computers in excess of the quote threshold for which quotations were not obtained from vendors.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS (Continued)

Finding 2011-3 (Continued)

Effect:

Noncompliance of Federal Grant Compliance Supplement

Cause:

See condition.

Recommendation:

Expenditures be classified and charged to the appropriate budget line accounts in accordance with the Uniform Minimum Chart of Accounts. In addition, purchases in excess of the quote threshold be made in accordance with the Public School Contracts Law.

Management's Response:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS

Finding 2011-4

Our audit of purchases and procedures related to compliance with the Public School Contracts Law revealed the following:

- Contracts awarded through State contracts, Educational Data Services (Ed Data) and Cooperative Purchasing Agreements in excess of the bid threshold were not always approved by Board resolution.
- Extraordinary Unspecifiable Services (EUS) contract awards were not advertised.
- Vendor political disclosure forms were not on file in all instances.
- Competitive quotations were not obtained from vendors for purchases made in excess of the quote threshold.

State program information:

Security Aid	495-034-5120-084
Special Education Aid	495-034-5120-089
School Choice Aid	495-034-5120-068

Criteria or specific requirement:

State Grant Compliance Supplement – State Aid – Public
NJSA 18A:18A – Public School Contracts Law

Condition:

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

Questioned Costs:

None.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2011-4 (Continued)

Context:

We noted one purchase was made through a State contract, two purchases through the Educational Services Commission, and one purchase through a Cooperative Purchasing Agreement (WSCA) that were in excess of the bid threshold, which were not approved in the minutes. Two contracts awarded as EUS contracts were not advertised. We noted certain vendors did not have political disclosure statements on file which was required to file such statements. We noted painting services, equipment purchases and gym floor in excess of the quote threshold for which quotations were not obtained from vendors.

Effect:

Noncompliance with bidding requirements of the Public School Contracts Law.

Cause:

See condition.

Recommendation:

Continued efforts be made to ensure purchases and contract awards in excess of the bid or quote threshold are made in accordance with the Public School Contracts Law.

Management's Response:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2011-5

Our audit of budget account charges in the General Fund revealed numerous expenditures were not charged to the proper budget line accounts.

State program information:

Security Aid	495-034-5120-084
Special Education Aid	495-034-5120-089
School Choice Aid	495-034-5120-068

Criteria or specific requirement:

Proper budget account charges in accordance with NJAC 6A:23A-16.2(f).

Condition:

Budget account charges for building improvements were not classified and charged to the proper budget line account. In addition, numerous payroll related expenditures for employees' salaries were also not classified and charged to the proper budget line accounts.

Questioned Costs:

None.

Context:

Approximately $223,000 of budget account charges for building improvements and $248,000 of payroll related expenditures were not charged to the proper budget line accounts.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2011-5 (Continued)

Effect:

The District's budget reports may not accurately reflect expenditure classifications in accordance with Uniform Minimum Chart of Accounts.

Cause:

Expenditures were not properly classified and charged to the proper budget line item accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Recommendation:

Expenditures be classified and charged to the appropriate budget line accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Management's Response:

Management has reviewed this finding and has indicated appropriate corrective action will be implemented.

ENGLEWOOD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards,* U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2010-1

Condition

Our audit of purchases and procedures related to compliance with the Public Contracts Law revealed the following:

- Contracts awarded through State and County contracts and Educational Data Services (Ed Data) were not approved by Board resolution.
- Extraordinary Unspecifiable Services (EUS) contracts were not approved by Board resolution and the EUS contract awards were not advertised.
- County Superintendent was not notified of emergency contract award in excess of the bid threshold.
- Vendor political disclosure forms were not on file in all instances.
- Acquisition of musical instruments were made in excess of the bid threshold and were not procured through public bids advertised in accordance with 18A:18A.
- Competitive quotations were not obtained from vendors for purchases made in excess of the quote threshold for bus repairs and sporting equipment.

Current Status

See Finding 2011-4