

**ENGLEWOOD BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Englewood, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
of the  
Englewood Board of Education  
Englewood, New Jersey  
For The Fiscal Year Ended June 30, 2016**

**Prepared by  
Business Office**

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**INTRODUCTORY SECTION**



"Excellence Through Diversity"

# ENGLEWOOD PUBLIC SCHOOLS

ADMINISTRATIVE BUILDING, 274 KNICKERBOCKER ROAD, ENGLEWOOD, NJ 07631

December 1, 2016

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, 2016, 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter 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. Uniform Guidance, and the New Jersey OMB Circular 15-08-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 2015-2016 fiscal year with an enrollment of 3,002 students, which is 11 students more than the 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.
2011-2012	3,002	(0.5)
2012-2013	2,991	(0.4)
2013-2014	3,050	2.0
2014-2015	3,084	1.0
2015-2016	3,110	1.0



**2. ECONOMIC CONDITION AND OUTLOOK:** The District will remain sound economically with continued budget management. The budget management process will include a review and evaluation of district programs, staffing levels and new program development. Investments in energy efficiencies, grant opportunities and other shared service partnerships will provide cost savings measures. A complete long range facility plan with a demographic study will need to be conducted in the next school year to ensure facilities are maintained and population growth is planned for.

**3. MAJOR DISTRICT INITIATIVES**

The 2015-2016 school year was a year of new administration. The new administration has started to review all processes and procedures in all areas of the district. Many corrective action plans and best practices are being put into place to improve the district and achieve compliance with state and federal laws. The district awarded contracts to for the second phase of the High School heating project and paving of the High School parking lot.

**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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

**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 and account groups are explained in "Notes to the 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 Financial Statements", Note 2. 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. 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.

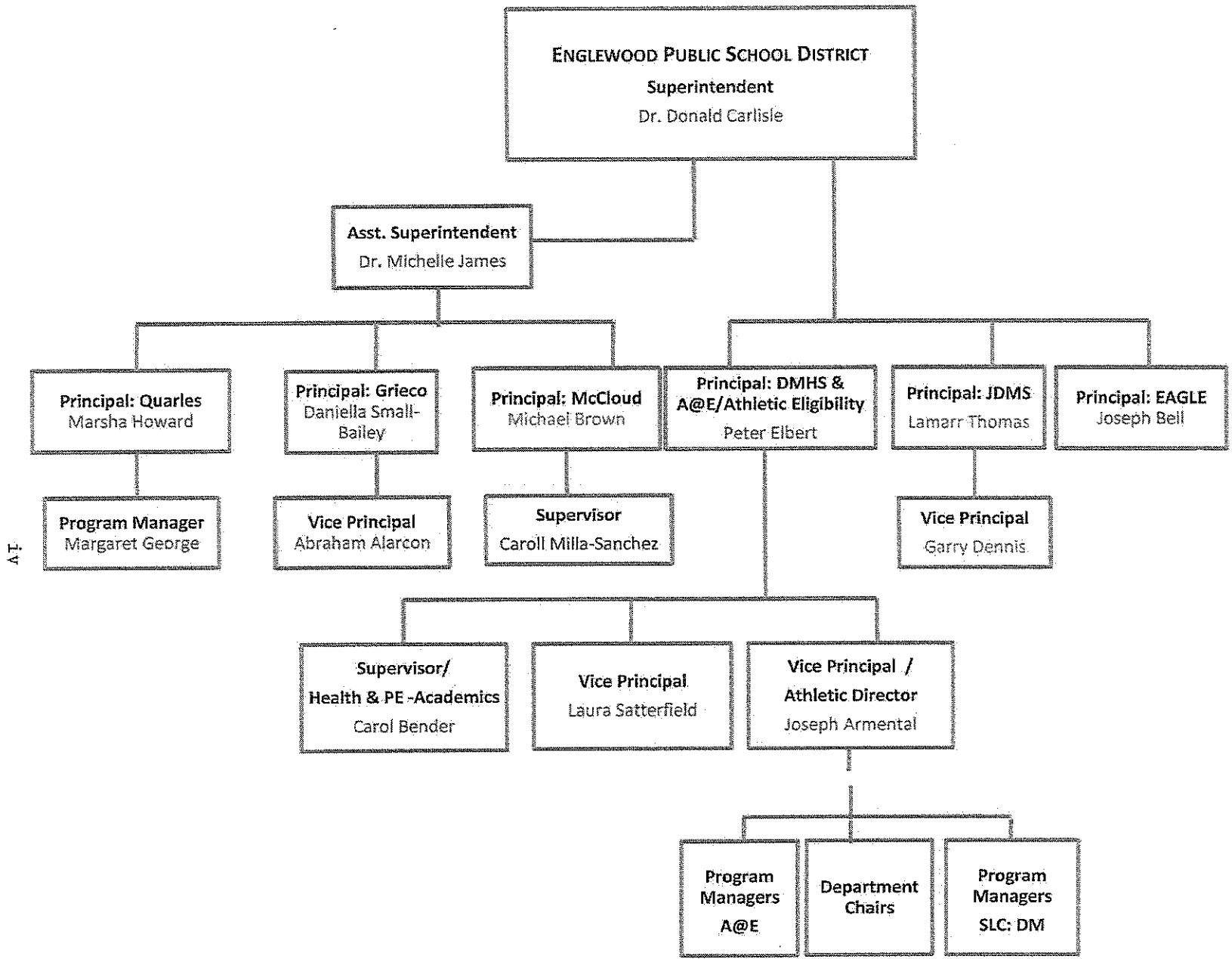
Respectfully submitted,



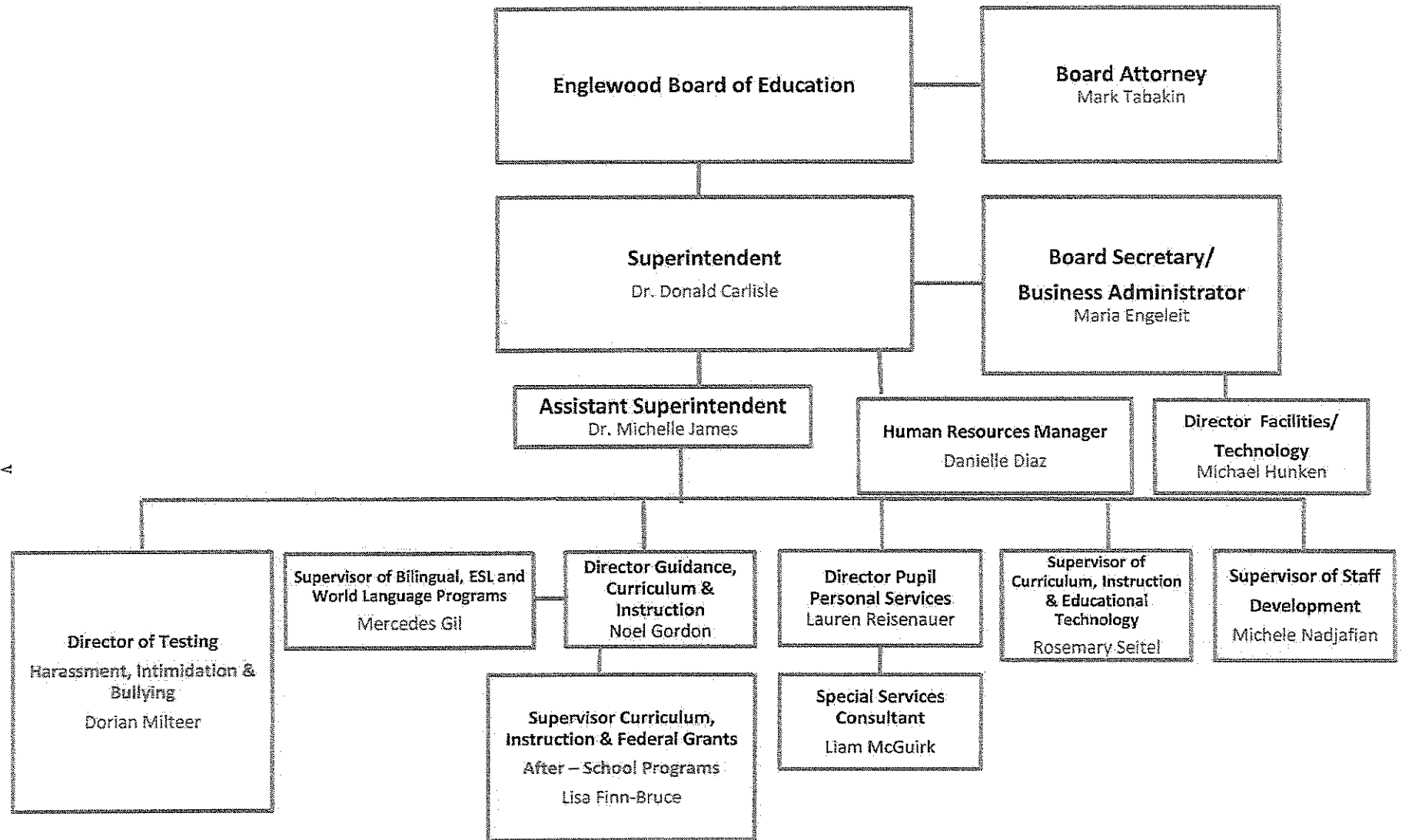
Mr. Robert L. Kravitz  
Superintendent of Schools



Cheryl Balletto, CPA,PSA  
Business Administrator/Board Secretary



AT



**ENGLEWOOD SCHOOL DISTRICT  
CITY OF ENGLEWOOD, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM</u></b>
Mr. Devry Pazant, President	2016
Mr. Glenn Garrison, Vice President	2017
Mr. Stephen Brown	2017
Mr. Junius Carter	2016
Ms. Molly Craig-Berry	2018
Ms. Carol Feinstein	2016
Ms. Betty Griffin	2017
Mr. George Garrison, III	2018
Mr. Henry Pruitt	2018

**OTHER OFFICIALS**

Robert Kravitz, Superintendent of Schools

Dr. Michelle James, Assistant Superintendent of Schools

Ms. Cheryl Balletto, Board Secretary/School Business Administrator

Mr. Robert Sims, Account Manager

Mr. Robert Brown, Treasurer

**ENGLEWOOD SCHOOL DISTRICT  
CITY OF ENGLEWOOD, NEW JERSEY  
CONSULTANTS AND ADVISORS**

**JUNE 30, 2016**

**Independent Auditor**

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

**Attorney**

Mark Tabakin, Esq.  
Weiner Lesniak  
629 Parsippany Road  
P.O. Box 0438  
Parsippany, NJ 07054-0438

**Official Depository**

Capital One  
Palisades Court  
44 Nathaniel Place  
Englewood, NJ 07631

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
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  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

## INDEPENDENT AUDITOR'S REPORT

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

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

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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



## *Opinions*

In our opinion, the financial statements referred to above 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

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. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Englewood Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are 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.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Englewood Board of Education's internal control over financial reporting and compliance.

*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

December 1, 2016

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# ENGLEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis Year Ended June 30, 2016

### **INTRODUCTION**

Management's Discussion and Analysis of the District's financial results that follow will provide statement readers with some insight into the District's financial 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 (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

### **USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

This annual report consists of a series of financial statements as well as notes to those 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 Position 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 financial statements. The notes to the financial statements can be found following the financial statements.

In addition to the 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. Information regarding the District's employee retirement systems and pension plans has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

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

# ENGLEWOOD BOARD OF EDUCATION

## Management's Discussion and Analysis Year Ended June 30, 2016

### **REPORTING THE SCHOOL DISTRICT AS A WHOLE**

#### **Statement of Net Position 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 2016?" The Statement of Net Position and Statement of Activities help answer this question. These Statements include all assets, liabilities and deferred outflows/inflows of resources 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 position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial condition of the School District has 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 conditions, required educational programs and other factors.

In the Statement of Net Position 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 program 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 fiscal year 2016 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 resources 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

# ENGLEWOOD BOARD OF EDUCATION

## Management's Discussion and Analysis Year Ended June 30, 2016

### 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 2016 are as follows:

- The assets and deferred outflows of resources of the Englewood Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$47,750,435 (net position). The District's unrestricted net position was in a deficit position of \$7,200,406.
- The District's total net position increased \$2,696,062.
- General revenues accounted for \$59,609,519 in revenue or 70 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 \$25,802,935 or 30 percent to total revenues of \$85,412,454.
- The School District had \$80,933,179 in expenses for governmental activities; only \$23,464,007 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$59,609,519 were adequate to provide for these programs.
- The District reported a special item of \$714,982 for governmental activities for the change in the net pension liability at year end.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$11,108,353.
- The General Fund had \$68,774,875 in revenues and \$68,939,942 in expenditures. The General Fund's balance decreased \$699,998 from the previous year to \$9,791,547 at June 30, 2016.
- The General Fund budgetary fund balance at the close of the current fiscal year was \$10,991,641 which represented a decrease of \$871,932 from the previous year. Unassigned budgetary fund balance decreased \$31,396 from the previous year to \$1,349,867 at June 30, 2016.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2016

**THE SCHOOL DISTRICT AS A WHOLE**

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

The following provides a summary of the School District's Net Position for 2016 and 2015:

**Net Position  
As of June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>						
Current Assets	\$ 13,556,069	\$ 18,250,490	\$ 381,957	\$ 599,557	\$ 13,938,026	\$ 18,850,047
Capital Assets	<u>62,310,868</u>	<u>60,512,295</u>	<u>265,682</u>	<u>287,014</u>	<u>62,576,550</u>	<u>60,799,309</u>
Total Assets	<u>75,866,937</u>	<u>78,762,785</u>	<u>647,639</u>	<u>886,571</u>	<u>76,514,576</u>	<u>79,649,356</u>
<b>Deferred Outflows of Resources</b>	<u>2,337,519</u>	<u>1,113,989</u>	<u>-</u>	<u>-</u>	<u>2,337,519</u>	<u>1,113,989</u>
Total Assets and Deferred Outflows of Resources	<u>78,204,456</u>	<u>79,876,774</u>	<u>647,639</u>	<u>886,571</u>	<u>78,852,095</u>	<u>80,763,345</u>
<b>Liabilities</b>						
Long-Term Liabilities	22,400,321	22,642,611			22,400,321	22,642,611
Other Liabilities	<u>2,628,391</u>	<u>5,392,009</u>	<u>89,143</u>	<u>165,920</u>	<u>2,717,534</u>	<u>5,557,929</u>
Total Liabilities	<u>25,028,712</u>	<u>28,034,620</u>	<u>89,143</u>	<u>165,920</u>	<u>25,117,855</u>	<u>28,200,540</u>
<b>Deferred Inflows of Resources</b>	<u>5,982,640</u>	<u>7,504,379</u>	<u>1,165</u>	<u>4,053</u>	<u>5,983,805</u>	<u>7,508,432</u>
Total Liabilities and Deferred Inflows of Resources	<u>31,011,352</u>	<u>35,538,999</u>	<u>90,308</u>	<u>169,973</u>	<u>31,101,660</u>	<u>35,708,972</u>
<b>Net Position</b>						
Net investment in capital assets	49,130,322	45,759,867	265,682	287,014	49,396,004	46,046,881
Restricted	5,554,837	7,657,255			5,554,837	7,657,255
Unrestricted	<u>(7,492,055)</u>	<u>(9,079,347)</u>	<u>291,649</u>	<u>429,584</u>	<u>(7,200,406)</u>	<u>(8,649,763)</u>
<b>Total Net Position</b>	<u>\$ 47,193,104</u>	<u>\$ 44,337,775</u>	<u>\$ 557,331</u>	<u>\$ 716,598</u>	<u>\$ 47,750,435</u>	<u>\$ 45,054,373</u>

By far the largest portion of the District's net position 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.



ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2016

**THE SCHOOL DISTRICT AS A WHOLE (Continued)**

The following shows the changes in Net Position for fiscal years 2016 and 2015:

**Change in Net Position  
For The Fiscal Years Ended June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 711,067	\$ 774,633	\$ 789,249	\$ 789,543	\$ 1,500,316	\$ 1,564,176
Operating Grants and Contributions	21,723,896	19,258,709	1,549,679	1,416,583	23,273,575	20,675,292
Capital Grants and Contributions	1,029,044	162,511			1,029,044	162,511
<b>General Revenues</b>						
Property Taxes	51,868,795	50,941,837			51,868,795	50,941,837
State Aid - Unrestricted	7,290,877	5,735,385			7,290,877	5,735,385
Other	449,847	179,477	-	-	449,847	179,477
<b>Total Revenues</b>	<b>83,073,526</b>	<b>77,052,552</b>	<b>2,338,928</b>	<b>2,206,126</b>	<b>85,412,454</b>	<b>79,258,678</b>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	31,719,415	31,555,621			31,719,415	31,555,621
Special Education	15,035,765	12,130,980			15,035,765	12,130,980
Other Instruction	4,121,522	3,229,078			4,121,522	3,229,078
School Sponsored Activities and Athletics	830,923	785,555			830,923	785,555
<b>Support Services</b>						
Student and Instruction Related Services	9,679,904	10,624,960			9,679,904	10,624,960
General Administrative Services	1,487,569	1,478,589			1,487,569	1,478,589
School Administrative Services	4,335,052	4,005,534			4,335,052	4,005,534
Central Services	1,443,526	1,223,740			1,443,526	1,223,740
Plant Operations and Maintenance	7,901,477	7,964,055			7,901,477	7,964,055
Student Transportation	3,875,295	3,121,273			3,875,295	3,121,273
Interest on Debt	502,731	603,301			502,731	603,301
Food Services			1,975,659	1,804,114	1,975,659	1,804,114
Day Care Programs	-	-	522,536	379,828	522,536	379,828
<b>Total Expenses</b>	<b>80,933,179</b>	<b>76,722,686</b>	<b>2,498,195</b>	<b>2,183,942</b>	<b>83,431,374</b>	<b>78,906,628</b>
<b>Increase (Decrease) in Net Position Before Special Items</b>	<b>2,140,347</b>	<b>329,866</b>	<b>(159,267)</b>	<b>22,184</b>	<b>1,981,080</b>	<b>352,050</b>
<b>Special Items</b>	<b>714,982</b>	<b>1,038,966</b>	<b>-</b>	<b>-</b>	<b>714,982</b>	<b>1,038,966</b>
<b>Increase/(Decrease) in Net Position</b>	<b>2,855,329</b>	<b>1,368,832</b>	<b>(159,267)</b>	<b>22,184</b>	<b>2,696,062</b>	<b>1,391,016</b>
<b>Net Position, Beginning of Year</b>	<b>44,337,775</b>	<b>42,968,943</b>	<b>716,598</b>	<b>694,414</b>	<b>45,054,373</b>	<b>43,663,357</b>
<b>Net Position, End of Year</b>	<b>\$ 47,193,104</b>	<b>\$ 44,337,775</b>	<b>\$ 557,331</b>	<b>\$ 716,598</b>	<b>\$ 47,750,435</b>	<b>\$ 45,054,373</b>

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2016

**Governmental Activities.** The unique nature of property taxes in New Jersey creates the need to routinely review the School District operations. Property taxes of \$51,868,795 and \$50,941,837 made up 62% and 66% of the revenues for governmental activities for the Englewood Board of Education for fiscal years ended June 30, 2016 and 2015, respectively. The District's total revenues were \$83,073,526 and \$77,052,552 for the fiscal years ended June 30, 2016 and 2015. Federal, state and local aid and grants accounted for another \$30,043,817 and \$25,156,605 or 36% and 33% of total governmental activities revenues for the fiscal years ended June 30, 2016 and 2015, respectively.

The total cost of all programs and services were \$80,933,179 and \$76,722,686 for the fiscal years ended June 30, 2016 and 2015. Instruction comprised \$51,707,625, (64%) and \$47,701,234, (62%) of District expenses for the fiscal years ended June 30, 2016 and 2015, respectively. Support services comprised \$28,722,823 (35%) and \$28,418,151 (37%) of the District expenses for the fiscal years ended June 30, 2016 and 2015, respectively.

Total governmental activities revenues and special items exceeded expenses, increasing net position \$2,855,329 for the fiscal year ended June 30, 2016. For fiscal year 2015, the governmental activities revenues and special items exceeded expenses increasing net position \$1,368,832.

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 Fiscal Years Ended June 30, 2016 and 2015**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction				
Regular	\$ 31,719,415	\$ 31,555,621	\$ 22,231,949	\$ 23,426,139
Special Education	15,035,765	12,130,980	9,381,080	7,405,971
Other Instruction	4,121,522	3,229,078	2,064,507	1,577,182
School Sponsored Activities and Athletics	830,923	785,555	830,923	785,555
Support Services				
Student and Instruction Related Services	9,679,904	10,624,960	7,682,798	8,252,720
General Administrative Services	1,487,569	1,478,589	1,487,569	1,478,589
School Administrative Services	4,335,052	4,005,534	3,287,221	3,161,650
Central Services	1,443,526	1,223,740	1,443,526	1,223,740
Plant Operations and Maintenance	7,901,477	7,964,055	5,589,841	6,401,466
Student Transportation	3,875,295	3,121,273	2,967,027	2,210,520
Interest on Debt	502,731	603,301	502,731	603,301
<b>Total</b>	<b>\$ 80,933,179</b>	<b>\$ 76,722,686</b>	<b>\$ 57,469,172</b>	<b>\$ 56,526,833</b>

# ENGLEWOOD BOARD OF EDUCATION

## Management's Discussion and Analysis Year Ended June 30, 2016

### **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 and central services 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 day care programs) were comprised of charges for services and federal and state reimbursements.

- Business-Type activity expenses exceeded revenues by \$159,267 for the fiscal year ended June 30, 2016. Business-Type activity revenues exceeded expenses by \$22,184 for the previous fiscal year ended June 30, 2015.
- Charges for services represent \$789,249 (34%) and \$789,543 (36%) of revenue for the fiscal years ended June 30, 2016 and 2015, respectively. 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 \$333,934 and operating revenues for Day Care program operations were \$455,315 for the fiscal year ending June 30, 2016.
- Federal and state reimbursements for food service meals, including payments for free and reduced lunches and donated commodities were \$1,549,679 (66%) and \$1,416,583 (64%) for the fiscal years ended June 30, 2016 and 2015, respectively.
- Total expenses were \$2,498,195 and \$2,183,942 for the fiscal years ended June 30, 2016 and 2015. Expenses for Food Services were \$1,975,659 and expenses for Day Care programs were \$522,536 for the fiscal year ended June 30, 2016.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2016

**THE SCHOOL DISTRICT'S FUNDS**

Information about the School District's major funds is included in the fiscal year 2016 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 \$75,969,497 and \$71,325,797 and expenditures of \$78,271,861 and \$72,954,432 for the fiscal years ended June 30, 2016 and 2015, respectively. As the District completed the year, its governmental funds reported a *combined* fund balance of \$11,108,353, a decrease of \$1,960,349 from last year's fund balance of \$13,068,702.

The decrease was primarily the result of additional transfers required from the General Fund in the amount of \$879,795 and expenditures in the Capital Projects Fund related to the steam heating projects in Dwight Morrow High School.

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, 2016 and 2015, and the amount and percentage of increases or decreases in relation to prior-year revenues.

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2016</u>	<u>2015</u>	<u>(Decrease)</u>	<u>Change</u>
Local Sources				
Property Taxes	\$ 49,783,095	\$ 48,854,489	\$ 928,606	2%
Other	1,128,117	951,245	176,872	19%
State Sources	17,750,800	15,064,451	2,686,349	18%
Federal Sources	<u>112,863</u>	<u>197,733</u>	<u>(84,870)</u>	-43%
Total General Fund Revenues	<u>\$ 68,774,875</u>	<u>\$ 65,067,918</u>	<u>\$ 3,706,957</u>	6%

Overall General Fund revenues increased \$3,706,957 or 6% from the previous year. The increase in Local Sources is attributable to a 2% increase in the property tax levy to fund increased operating expenses of the current year. Miscellaneous revenue realized by the District from local sources also increased by \$176,872 or 19%. An increase in state revenues of \$2,686,349 or 18% was due primarily to the increase in additional Choice School Aid in the amount of \$1,242,675 and the additional TPAF pension and post retirement medical benefit contributions made by the State on-behalf of the District.

Revenues from Federal sources decreased by \$84,870 which was primarily due to the decrease in Medicaid assistance aid.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2016

**THE SCHOOL DISTRICT'S FUNDS (Continued)**

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2016 and 2015:

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2016</u>	<u>2015</u>	<u>(Decrease)</u>	<u>Change</u>
Instruction	\$ 42,288,197	\$ 39,643,152	\$ 2,645,045	7%
Support Services	25,044,136	24,753,744	290,392	1%
Debt Service	524,038	548,731	(24,693)	-5%
Capital Outlay	<u>1,083,571</u>	<u>1,184,316</u>	<u>(100,745)</u>	-9%
Total Expenditures	<u>\$ 68,939,942</u>	<u>\$ 66,129,943</u>	<u>\$ 2,809,999</u>	4%

Overall General Fund expenditures increased 4% when compared to the previous year. The increase in Instruction is attributed to costs for regular instruction and special education instruction over the previous fiscal year.

The total General Fund balance at June 30, 2016 was \$9,791,547. After deducting, 1) restricted - \$8,315,037, 2) committed - \$395,900, and 3) assigned - \$930,837, fund balances, the unassigned fund balance increased from \$9,235 at June 30, 2015 to \$149,773 at June 30, 2016.

**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 2015/2016 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.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2016

**GENERAL FUND BUDGETARY HIGHLIGHTS**

While the District's final 2015/2016 budget for the General Fund anticipated that revenues and expenditures would roughly equal with the use of \$2,565,066 in fund balance, the actual results for the year ended June 30, 2016 was a decrease of \$871,932 in budgetary fund balance compared to a decrease of \$3,547,063 in budgetary fund balance in 2015. The total unassigned budgetary fund balance (budgetary basis) at June 30, 2016 was \$1,349,867 compared to \$1,381,263 at June 30, 2015.

**CAPITAL ASSETS**

At the end of the fiscal years 2016 and 2015, the School District had \$62,576,550 and \$60,799,309 invested in land, land improvements, construction in progress, buildings, furniture, equipment and vehicles. Depreciation charges for the fiscal years 2016 and 2015 were \$2,307,582 and \$2,147,841 for governmental activities, respectively, and \$33,006 and \$32,435 for business-type activities, respectively. The following is a comparison of the June 30, 2016 and 2015 capital asset balances.

Capital Assets  
at June 30, 2016 and 2015

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 513,200	\$ 513,200			\$ 513,200	\$ 513,200
Construction in Progress	841,508	1,341,678			841,508	1,341,678
Land Improvements	3,126,633	3,087,708			3,126,633	3,087,708
Buildings and Building Improvements	80,118,584	75,970,063			80,118,584	75,970,063
Machinery and Equipment	6,145,000	6,125,437	\$ 671,986	\$ 660,312	6,816,986	6,785,749
	90,744,925	87,038,086	671,986	660,312	91,416,911	87,698,398
Less Accumulated Depreciation	(28,434,057)	(26,525,791)	(406,304)	(373,298)	(28,840,361)	(26,899,089)
<b>Total</b>	<b>\$ 62,310,868</b>	<b>\$ 60,512,295</b>	<b>\$ 265,682</b>	<b>\$ 287,014</b>	<b>\$ 62,576,550</b>	<b>\$ 60,799,309</b>

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

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2016

**LONG-TERM LIABILITIES**

At June 30, 2016, the School District had \$22,400,321 as outstanding long-term liabilities consisting of \$13,349,317 of bonds (net), \$736,975 of capital leases, \$1,062,944 for compensated absences and \$7,251,085 for net pension liability. The following is a comparison of the June 30, 2016 and 2015 balances:

**Outstanding Long-Term Liabilities  
At June 30, 2016 and 2015**

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Serial Bonds (Including Unamortized Premium)	\$ 13,349,317	\$ 15,214,538
Capital Leases	736,975	974,513
Compensated Absences	1,062,944	1,131,931
Net Pension Liability	<u>7,251,085</u>	<u>5,321,629</u>
Total	<u>\$ 22,400,321</u>	<u>\$ 22,642,611</u>

Additional information on the District's long-term liabilities can be found in the Notes to the 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 2016-2017 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 2016-2017. Budgeted expenditures in the General Fund increased 1.93% to \$67,674,730 in fiscal year 2016-2017.

**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, 274 Knickerbocker Road, Englewood, NJ 07631.

**DISTRICT-WIDE FINANCIAL STATEMENTS**



**ENGLEWOOD BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,382,528	\$ 74,664	\$ 5,457,192
Accounts Receivable	8,173,541	282,631	8,456,172
Inventories		24,662	24,662
Capital Assets, Not Being Depreciated	1,354,708		1,354,708
Capital Assets, Being Depreciated, Net	<u>60,956,160</u>	<u>265,682</u>	<u>61,221,842</u>
Total Assets	<u>75,866,937</u>	<u>647,639</u>	<u>76,514,576</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	769,771		769,771
Deferred Amounts on Net Pension Liability	<u>1,567,748</u>	-	<u>1,567,748</u>
Total Deferred Outflows of Resources	<u>2,337,519</u>	-	<u>2,337,519</u>
Total Assets and Deferred Outflows of Resources	<u>78,204,456</u>	<u>647,639</u>	<u>78,852,095</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,552,364	83,570	1,635,934
Accrued Interest Payable	180,675		180,675
Payable to Other Governments	146,248		146,248
Unearned Revenue	749,104	5,573	754,677
Noncurrent Liabilities			
Due within one year	1,799,311		1,799,311
Due beyond one year	<u>20,601,010</u>	-	<u>20,601,010</u>
Total Liabilities	<u>25,028,712</u>	<u>89,143</u>	<u>25,117,855</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	5,982,640		5,982,640
Deferred Commodities Revenues	<u>-</u>	<u>1,165</u>	<u>1,165</u>
Total Deferred Inflows of Resources	<u>5,982,640</u>	<u>1,165</u>	<u>5,983,805</u>
Total Liabilities and Deferred Inflows of Resources	<u>31,011,352</u>	<u>90,308</u>	<u>31,101,660</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	49,130,322	265,682	49,396,004
Restricted for			
Capital Projects	3,847,137		3,847,137
Plant Maintenance	1,007,700		1,007,700
Other Purposes	700,000		700,000
Unrestricted	<u>(7,492,055)</u>	<u>291,649</u>	<u>(7,200,406)</u>
Total Position	<u>\$ 47,193,104</u>	<u>\$ 557,331</u>	<u>\$ 47,750,435</u>

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

ENGLEWOOD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular Instruction	\$ 31,719,415		\$ 9,487,466		\$ (22,231,949)		\$ (22,231,949)
Special Education Instruction	15,035,765	\$ 243,932	5,410,753		(9,381,080)		(9,381,080)
Other Instruction	4,121,522		2,057,015		(2,064,507)		(2,064,507)
School Sponsored Activities and Athletics	830,923				(830,923)		(830,923)
Support Services							
Student & Instruction Related Services	9,679,904		1,997,106		(7,682,798)		(7,682,798)
General Administration	1,487,569				(1,487,569)		(1,487,569)
School Administration	4,335,052		1,047,831		(3,287,221)		(3,287,221)
Central Services	1,443,526				(1,443,526)		(1,443,526)
Plant Operations & Maintenance	7,901,477	302,845	979,747	\$ 1,029,044	(5,589,841)		(5,589,841)
Student Transportation	3,875,295	164,290	743,978		(2,967,027)		(2,967,027)
Interest on Long-Term Debt	502,731	-	-		(502,731)		(502,731)
<b>Total Governmental Activities</b>	<b>80,933,179</b>	<b>711,067</b>	<b>21,723,896</b>	<b>1,029,044</b>	<b>(57,469,172)</b>	<b>-</b>	<b>(57,469,172)</b>
<b>Business-Type Activities</b>							
Food Service	1,975,659	333,934	1,549,679			\$ (92,046)	(92,046)
Day Care Programs	522,536	455,315	-			(67,221)	(67,221)
<b>Total Business-Type Activities</b>	<b>2,498,195</b>	<b>789,249</b>	<b>1,549,679</b>	<b>-</b>	<b>-</b>	<b>(159,267)</b>	<b>(159,267)</b>
<b>Total Primary Government</b>	<b>\$ 83,431,374</b>	<b>\$ 1,500,316</b>	<b>\$ 23,273,575</b>	<b>\$ 1,029,044</b>	<b>(57,469,172)</b>	<b>(159,267)</b>	<b>(57,628,439)</b>
<b>General Revenues</b>							
Taxes:							
Property Taxes, levied for general purposes, net					49,783,095		49,783,095
Property Taxes, levied for debt service, net					2,085,700		2,085,700
Unrestricted State Aid					7,290,877		7,290,877
Investment Earnings					55,114		55,114
Miscellaneous Income					364,785		364,785
Gain on Disposal of Capital Assets (Net)					29,948		29,948
Special Items							
Change in Net Pension Liability					714,982		714,982
<b>Total General Revenues and Special Items</b>					<b>60,324,501</b>	<b>-</b>	<b>60,324,501</b>
<b>Change in Net Assets</b>					<b>2,855,329</b>	<b>(159,267)</b>	<b>2,696,062</b>
<b>Net Position, Beginning of Year</b>					<b>44,337,775</b>	<b>716,598</b>	<b>45,054,373</b>
<b>Net Position, End of Year</b>					<b>\$ 47,193,104</b>	<b>\$ 557,331</b>	<b>\$ 47,750,435</b>

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

**FUND FINANCIAL STATEMENTS**

**ENGLEWOOD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 5,149,976		\$ 232,552		\$ 5,382,528
Accounts Receivable:					
Intergovernmental	4,582,531	\$ 1,703,157	1,662,947		7,948,635
Other	194,343	864			195,207
Due from Other Funds	1,181,877	-	-	-	1,181,877
	<u>1,181,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,181,877</u>
Total Assets	<u>\$ 11,108,727</u>	<u>\$ 1,704,021</u>	<u>\$ 1,895,499</u>	<u>\$ -</u>	<u>\$ 14,708,247</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 867,237	\$ 214,829			\$ 1,082,066
Other Liabilities		147,807			147,807
Due to Other Funds	322,491	1,151,978			1,474,469
Intergovernmental Accounts Payable:					
State		44,508			44,508
Federal		101,740			101,740
Unearned Revenue	127,252	150,460	\$ 471,392	-	749,104
	<u>1,316,980</u>	<u>1,811,322</u>	<u>471,392</u>	<u>-</u>	<u>3,599,694</u>
<b>Fund Balances (Deficits)</b>					
<b>Restricted</b>					
Capital Reserve	866,233				866,233
Capital Reserve - Designated for Subsequent Year Expenditures	1,692,772				1,692,772
Maintenance Reserve	757,700				757,700
Maintenance Reserve - Designated for Subsequent Year Expenditures	250,000				250,000
Emergency Reserve	602,000				602,000
Tuition Adjustments	350,000				350,000
Tuition Adjustments - Designated for Subsequent Year Expenditures	350,000				350,000
Excess Surplus	1,477,347				1,477,347
Excess Surplus - Designated for Subsequent Year's Expenditures	1,968,985				1,968,985
Capital Projects			1,424,107		1,424,107
<b>Committed</b>					
Year End Encumbrances	395,900				395,900
<b>Assigned</b>					
Year End Encumbrances	292,791				292,791
SEMI/ARRA - Designated for Subsequent Year Exp.	39,298				39,298
Designated for Subsequent Year Expenditures	598,748				598,748
Unassigned (Deficit)	149,973	(107,301)	-	-	42,672
	<u>9,791,747</u>	<u>(107,301)</u>	<u>1,424,107</u>	<u>-</u>	<u>11,108,553</u>
Total Fund Balances (Deficits)	<u>9,791,747</u>	<u>(107,301)</u>	<u>1,424,107</u>	<u>-</u>	<u>11,108,553</u>
Total Liabilities and Fund Balances	<u>\$ 11,108,727</u>	<u>\$ 1,704,021</u>	<u>\$ 1,895,499</u>	<u>\$ -</u>	<u>\$ 14,708,247</u>

**ENGLEWOOD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

<b>Total Fund Balances (Exhibit B-1)</b>		<b>\$ 11,108,353</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$90,744,925 and the accumulated depreciation is \$28,434,057.</p>		62,310,868
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		769,771
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
Deferred Outflows of Resources	\$ 1,567,748	
Deferred Inflows of Resources	<u>(5,982,640)</u>	(4,414,892)
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(180,675)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds</p>		
Serial Bonds (Including Unamortized Premium)	\$ 13,349,317	
Capital Leases	736,975	
Compensated Absences	1,062,944	
Net Pension Liability	<u>7,251,085</u>	<u>(22,400,321)</u>
Net Position of Governmental Activities		<u>\$ 47,193,104</u>

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

**ENGLEWOOD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 49,783,095			\$ 2,085,700	\$ 51,868,795
Tuition	243,932				243,932
Transportation Fees	164,290				164,290
Interest	52,265		\$ 2,849		55,114
Rentals	302,845				302,845
Miscellaneous	364,785	\$ 74,522	-	-	439,307
<b>Total - Local Sources</b>	<b>50,911,212</b>	<b>74,522</b>	<b>2,849</b>	<b>2,085,700</b>	<b>53,074,283</b>
Intergovernmental					
State Sources	17,750,800	1,797,035	1,029,044		20,576,879
Federal Sources	112,863	2,205,472	-	-	2,318,335
<b>Total Revenues</b>	<b>68,774,875</b>	<b>4,077,029</b>	<b>1,031,893</b>	<b>2,085,700</b>	<b>75,969,497</b>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	25,646,943	1,438,775			27,085,718
Special Education Instruction	13,236,026	549,741			13,785,767
Other Instruction	2,554,847	1,028,924			3,583,771
School Sponsored Activities and Athletics	850,381				850,381
Support Services					
Student & Instruction Related Services	8,267,241	1,045,707			9,312,948
General Administration	1,517,897				1,517,897
School Administration	3,735,813				3,735,813
Central Services	1,496,819				1,496,819
Plant Operations & Maintenance	6,166,399				6,166,399
Student Transportation	3,859,967				3,859,967
Debt Service					
Principal	475,315			1,611,000	2,086,315
Interest	48,723			560,898	609,621
Capital Outlay	1,083,571	35,710	3,061,164	-	4,180,445
<b>Total Expenditures</b>	<b>68,939,942</b>	<b>4,098,857</b>	<b>3,061,164</b>	<b>2,171,898</b>	<b>78,271,861</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,067)	(21,828)	(2,029,271)	(86,198)	(2,302,364)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Lease Proceeds	342,015				342,015
Transfers In	2,849		879,795		882,644
Transfers Out	(879,795)	-	(2,849)	-	(882,644)
<b>Total Other Financing Sources and Uses</b>	<b>(534,931)</b>	<b>-</b>	<b>876,946</b>	<b>-</b>	<b>342,015</b>
<b>Net Change in Fund Balances</b>	<b>(699,998)</b>	<b>(21,828)</b>	<b>(1,152,325)</b>	<b>(86,198)</b>	<b>(1,960,349)</b>
Fund Balance, Beginning of Year	10,491,545	(85,473)	2,576,432	86,198	13,068,702
Fund Balance (Deficit), End of Year	\$ 9,791,547	\$ (107,301)	\$ 1,424,107	\$ -	\$ 11,108,353

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

**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, 2016**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (1,960,349)

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 expense in the current period.

Capital Outlay	\$ 4,180,445	
Depreciation Expense	<u>(2,307,582)</u>	1,872,863

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, donations) is to increase net pension. These transactions are not reported in the governmental fund financial statements

Gain on Disposal of Capital Assets	29,948
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also governmental funds report the effect of premiums and other such items related to the refunding bonds when they are issued, whereas these amounts are expensed and or deferred and amortized in the statement of activities.

Debt Issued:		
Capital Leases	\$ (342,015)	
Principal Repayments:		
Serial Bonds	1,611,000	
Capital Leases Payable	475,315	
Amortization of Deferred Amounts on Refunding	(176,877)	
Amortization of Bond Premium	<u>254,221</u>	1,821,644

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	29,546
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In the statement of activities, certain operating expenses e.g. compensated absences and pension expenses are measured by the amounts accrued 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.

Decrease in Compensated Absences	68,987	
Decrease in Pension Expense	277,708	
Decrease in - Net Pension Liability	<u>714,982</u>	<u>1,061,677</u>

Change in net position of governmental activities	<u>\$ 2,855,329</u>
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**ENGLEWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

**Business-Type Activities - Enterprise Fund**

	<u>Food Service</u>	<u>After School Day Care Program</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,012	\$ 71,652	\$ 74,664
Accounts Receivable - Intergovernmental	281,470		281,470
Other Accounts Receivable		1,161	1,161
Inventories	<u>24,662</u>	<u>-</u>	<u>24,662</u>
Total Current Assets	<u>309,144</u>	<u>72,813</u>	<u>381,957</u>
Capital Assets:			
Equipment	671,986		671,986
Accumulated Depreciation	<u>(406,304)</u>	<u>-</u>	<u>(406,304)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>265,682</u>	<u>-</u>	<u>265,682</u>
Total Assets	<u>574,826</u>	<u>72,813</u>	<u>647,639</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	83,570		83,570
Unearned Revenues	<u>5,573</u>	<u>-</u>	<u>5,573</u>
Total Liabilities	<u>89,143</u>	<u>-</u>	<u>89,143</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenues	<u>1,165</u>	<u>-</u>	<u>1,165</u>
Total Liabilities and Deferred Inflows of Resources	<u>90,308</u>	<u>-</u>	<u>90,308</u>
<b>NET POSITION</b>			
Investment in Capital Assets	265,682	-	265,682
Unrestricted	<u>218,836</u>	<u>72,813</u>	<u>291,649</u>
Total Net Position	<u>\$ 484,518</u>	<u>\$ 72,813</u>	<u>\$ 557,331</u>



**ENGLEWOOD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>After School Day Care Program</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Local Sources			
Daily Food Sales - reimbursable programs	\$ 149,284		\$ 149,284
Daily Food Sales - non-reimbursable programs	184,650		184,650
Program Fees		\$ 450,277	450,277
Miscellaneous	-	5,038	5,038
	<u>333,934</u>	<u>455,315</u>	<u>789,249</u>
<b>OPERATING EXPENSES</b>			
Salaries and Employee Benefits	618,860	344,323	963,183
Cost of Sales - reimbursable programs	906,755		906,755
Cost of Sales - non-reimbursable programs	71,306		71,306
Purchased Management Services	112,104		112,104
Other Purchased Services	146,033	164,303	310,336
Supplies and Materials	77,188	9,684	86,872
Miscellaneous	10,407	4,226	14,633
Depreciation	33,006	-	33,006
	<u>1,975,659</u>	<u>522,536</u>	<u>2,498,195</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(1,641,725)</u>	<u>(67,221)</u>	<u>(1,708,946)</u>
<b>NONOPERATING REVENUES</b>			
State Sources:			
School Lunch Program	62,010		62,010
Federal Sources			
School Breakfast Program	297,936		297,936
School Lunch Program	940,438		940,438
Food Distribution Program	158,101		158,101
Snack Program	91,194	-	91,194
	<u>1,549,679</u>	<u>-</u>	<u>1,549,679</u>
Total Nonoperating Revenues			
Change in Net Position	(92,046)	(67,221)	(159,267)
Net Position Beginning of Year	<u>576,564</u>	<u>140,034</u>	<u>716,598</u>
Net Position End of Year	<u>\$ 484,518</u>	<u>\$ 72,813</u>	<u>\$ 557,331</u>

**ENGLEWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>After School Day Care Program</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 333,946	\$ 416,939	\$ 750,885
Cash Payments for Employee Salaries and Benefits	(618,860)	(356,959)	(975,819)
Cash Payments to Suppliers for Goods and Services	<u>(1,186,026)</u>	<u>(195,618)</u>	<u>(1,381,644)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(1,470,940)</u>	<u>(135,638)</u>	<u>(1,606,578)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Sources	<u>1,391,042</u>	<u>-</u>	<u>1,391,042</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,391,042</u>	<u>-</u>	<u>1,391,042</u>
<b>Cash Flows from Capital Financing Activities</b>			
Purchases of Capital Assets	<u>(11,674)</u>	<u>-</u>	<u>(11,674)</u>
Net Cash (Used for) Capital Financing Activities	<u>(11,674)</u>	<u>-</u>	<u>(11,674)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(91,572)	(135,638)	(227,210)
Cash and Cash Equivalents, Beginning of Year	<u>94,584</u>	<u>207,290</u>	<u>301,874</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,012</u>	<u>\$ 71,652</u>	<u>\$ 74,664</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating Income (Loss)	\$ (1,641,725)	\$ (67,221)	\$ (1,708,946)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	33,006		33,006
Non-Cash Federal Assistance - Food Distribution Program	158,101		158,101
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Inventory	(7,913)		(7,913)
Increase/(Decrease) in Accounts Payable	(9,533)	(17,405)	(26,938)
Increase/(Decrease) in Unearned Revenue	12	(37,215)	(37,203)
Increase/(Decrease) in Accrued Salaries and Wages		(12,636)	(12,636)
(Increase)/Decrease in Accounts Receivable		(1,161)	(1,161)
Increase/(Decrease) in Deferred Commodities Revenue	<u>(2,888)</u>	<u>-</u>	<u>(2,888)</u>
Total Adjustments	<u>170,785</u>	<u>(68,417)</u>	<u>102,368</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,470,940)</u>	<u>\$ (135,638)</u>	<u>\$ (1,606,578)</u>
<b>Noncash Investing, Capital and Financing Activities</b>			
Value Received Food Distribution Program	\$ 155,213		

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

**ENGLEWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Scholarship Trust Fund</b>	<b>Agency <u>Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 298,421	\$ 5,115	\$ 599,807
Due from Other Funds	<u>290,800</u>	<u>42,491</u>	<u>-</u>
Total Assets	<u>589,221</u>	<u>47,606</u>	<u>\$ 599,807</u>
<b>LIABILITIES</b>			
Accrued Salaries and Payroll Deductions Payable			\$ 409,531
Payable to State Governments	14,207		-
Due to Student Groups			149,577
Due to Other Funds	<u>-</u>	<u>-</u>	<u>40,699</u>
Total Liabilities	<u>14,207</u>	<u>-</u>	<u>\$ 599,807</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 575,014</u>	<u>\$ 47,606</u>	

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

**ENGLEWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Scholarship <u>Trust Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Employee	\$ 45,743	
Private	-	\$ 6,225
	<hr/>	<hr/>
Total Contributions	45,743	6,225
	<hr/>	<hr/>
Investment Earnings		
Interest	1,039	12
	<hr/>	<hr/>
Total Additions	46,782	6,237
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Claims and Contributions	68,268	
Scholarships Awarded	-	6,100
	<hr/>	<hr/>
Total Deductions	68,268	6,100
	<hr/>	<hr/>
Change in Net Positon	(21,486)	137
Net Position, Beginning of Year	596,500	47,469
	<hr/>	<hr/>
Net Position, End of Year	\$ 575,014	\$ 47,606
	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, before and after school 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. New Accounting Standards**

During fiscal year 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. 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 position, 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.

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.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

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, state and local 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 capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.



**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major proprietary funds which are 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 *after school day care program fund* accounts for the activities of the District's extended after school and summer programs which provides day care and recreation services for elementary school students of the District.

Additionally, the government 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.

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".

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. 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.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, 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. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***1. Cash, Cash Equivalents 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***

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

***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 and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. 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 deferred inflows of resources.

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (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.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	20
Machinery and Equipment	5-20
Office Equipment and Furniture	5
Computer Equipment	5

**5. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***5. Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item, which arises only under the accrual basis of accounting that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

***6. 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. 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.

***7. Pensions***

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *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 position. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported gross of the unamortized bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District 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.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

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

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

*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.

*Maintenance Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes

*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.

*Tuition Adjustments* – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2015/2016 contract year 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.

*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 2014/2015 contract year that is appropriated in the 2016/2017 original budget certified for taxes.

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

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Year-End Encumbrances* – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's 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.

ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

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.

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.

ARRA/SEMI – Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2016 that will be appropriated in the adopted 2016/2017 budget certified for taxes.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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.

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are 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 inflows of resources. 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 1<sup>st</sup> 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.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

*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 2014-2015 and 2015-2016 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.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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 enterprise fund are charges to customers for sales and services. Operating expenses for the 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.

**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. Capital lease transactions are accounted for on the GAAP basis.

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 for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On December 12, 2013, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.



**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$4,054,605. The increase was funded by additional appropriation of general fund capital reserve, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional capital reserve appropriations of \$454,795 and \$425,000 from the general fund were made on January 14, 2016 and February 11, 2016, respectively.

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. Capital Reserve**

A capital reserve account was established by the District. 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.

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, June 30, 2015	\$ 3,429,800
Increased by:	
Interest Earnings	<u>9,000</u>
	3,438,800
Withdrawals:	
Approved by Board Resolution	<u>879,795</u>
Balance, June 30, 2016	<u>\$ 2,559,005</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. Of the capital reserve balance at June 30, 2016, the District designated and appropriated \$1,692,772 in the 2016/2017 original budget certified for taxes.

**C. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, June 30, 2015	\$ 1,003,800
Increased by:	
Interest Earnings	<u>3,900</u>
Balance, June 30, 2016	<u>\$ 1,007,700</u>

The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,488,800. Of the maintenance reserve balance at June 30, 2016, the District designated and appropriated \$250,000 in the 2016/2017 original budget certified for taxes.

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Emergency Reserve**

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, June 30, 2014	\$ 600,000
Increased by:	
Interest Earnings	<u>2,000</u>
Balance, June 30, 2015	<u>\$ 602,000</u>

**E. Transfers to Capital Outlay**

During the 2015/2016 school year, the district transferred \$415,090 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent to support an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

**H. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict 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, 2016 is \$3,446,332. Of this amount, \$1,968,985 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$1,477,347 will be appropriated in the 2017/2018 original budget certified for taxes.

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash 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 the lesser 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, 2016, the book value of the Board's deposits were \$6,360,535 and bank and brokerage firm balances of the Board's deposits amounted to \$11,071,331. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 11,066,669
Uninsured and Collateralized	<u>4,662</u>
	<u>\$ 11,071,331</u>

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, 2016 the Board's bank balance of \$4,662 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department not in the Board's name	<u>\$ 4,662</u>

**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, 2016, the Board had no outstanding investments.

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

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2016 for the district's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>After School Day Care Program</u>	<u>Total</u>
Receivables:						
Intergovernmental:						
Local	\$ 4,394,222					\$ 4,394,222
State	153,777	\$ 294	\$ 1,662,947	\$ 4,027		1,821,045
Federal	34,332	1,702,863		277,443		2,014,638
Other Accounts	<u>194,343</u>	<u>864</u>	<u>-</u>	<u>209,572</u>	<u>\$ 1,161</u>	<u>405,940</u>
Gross Receivables	4,776,674	1,704,021	1,662,947	491,042	1,161	8,635,845
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>(209,572)</u>	<u>-</u>	<u>(209,572)</u>
Net Total Receivables	<u>\$ 4,776,674</u>	<u>\$ 1,704,021</u>	<u>\$ 1,662,947</u>	<u>\$ 281,470</u>	<u>\$ 1,161</u>	<u>\$ 8,426,273</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
General Fund	
Unencumbered Restricted Formula Aid	\$ 127,252
Special Revenue Fund	
Unencumbered grant draw downs	150,460
Capital Projects Fund	
Unrealized School Facility Grants	<u>471,392</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 749,104</u>

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

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

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 513,200			\$ 513,200
Construction in Progress	<u>1,341,678</u>	\$ 818,951	\$ (1,319,121)	<u>841,508</u>
Total Capital Assets, Not Being Depreciated	<u>1,854,878</u>	<u>818,951</u>	<u>(1,319,121)</u>	<u>1,354,708</u>
Capital assets, Being Depreciated:				
Land Improvements	3,087,708	38,925		3,126,633
Buildings and Building Improvements	75,970,063	4,148,521		80,118,584
Machinery and Equipment	<u>6,125,437</u>	<u>493,169</u>	<u>(473,606)</u>	<u>6,145,000</u>
Total Capital Assets Being Depreciated	<u>85,183,208</u>	<u>4,680,615</u>	<u>(473,606)</u>	<u>89,390,217</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,610,138)	(107,676)		(1,717,814)
Building and Building Improvements	(20,832,483)	(1,647,668)		(22,480,151)
Machinery and Equipment	<u>(4,083,170)</u>	<u>(552,238)</u>	<u>399,316</u>	<u>(4,236,092)</u>
Total Accumulated Depreciation	<u>(26,525,791)</u>	<u>(2,307,582)</u>	<u>399,316</u>	<u>(28,434,057)</u>
Total Capital Assets, Being Depreciated, Net	<u>58,657,417</u>	<u>2,373,033</u>	<u>(74,290)</u>	<u>60,956,160</u>
Government Activities Capital Assets, Net	<u>\$ 60,512,295</u>	<u>\$ 3,191,984</u>	<u>\$ (1,393,411)</u>	<u>\$ 62,310,868</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	<u>\$ 660,312</u>	<u>\$ 11,674</u>	<u>-</u>	<u>\$ 671,986</u>
Total Capital Assets Being Depreciated	<u>660,312</u>	<u>11,674</u>	<u>-</u>	<u>671,986</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(373,298)</u>	<u>(33,006)</u>	<u>-</u>	<u>(406,304)</u>
Total Accumulated Depreciation	<u>(373,298)</u>	<u>(33,006)</u>	<u>-</u>	<u>(406,304)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 287,014</u>	<u>\$ (21,332)</u>	<u>\$ -</u>	<u>\$ 265,682</u>

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

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

**Governmental activities:**

Instruction

Regular	\$ 447,082
Special Education	<u>3,285</u>

Total Instruction	<u>450,367</u>
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Support Services

School Administrative Services	52,724
Plant Operations and Maintenance	1,778,234
Student Transportation	<u>26,257</u>

Total Support Services	<u>1,857,215</u>
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Total Governmental Activities	<u>\$ 2,307,582</u>
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**Business-Type Activities:**

Food Service Fund	<u>\$ 33,006</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 33,006</u>
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**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2016:

<u>Project</u>	<u>Remaining Commitment</u>
Paving of D.M.H.S. Parking Lot	\$ 395,900
Steam Heating System - North Building	<u>1,541,929</u>
	<u>\$ 1,937,829</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,151,978
General Fund	Payroll Agency Fund	29,899
Unemployment Trust Fund	Payroll Agency Fund	10,800
Unemployment Trust Fund	General Fund	280,000
Scholarship Trust Fund	General Fund	<u>42,491</u>
		<u>\$ 1,515,168</u>

The above balances are the result of revenues earned in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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



**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	<u>Transfer In:</u>		
	<u>General</u>	<u>Capital Projects</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 879,795	\$ 879,795
Capital Projects Fund	\$ 2,849	-	<u>2,849</u>
 Total	<u>\$ 2,849</u>	<u>\$ 879,795</u>	<u>\$ 882,644</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Operating Leases**

The District leased a building under a noncancelable operating lease. Lease payments for the fiscal year ended June 30, 2016 were \$333,427. There are no future minimum lease payments for this operating lease.

**Capital Leases**

The District is leasing copiers, office equipment and computers totaling \$2,034,584 under capital leases. The leases are for terms of 4 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental</u>
	<u>Activities</u>
Machinery and Equipment	<u>\$ 2,034,584</u>
 Total	<u>\$ 2,034,584</u>

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Year Ending <u>June 30</u>	Governmental <u>Activities</u>
2017	\$ 519,100
2018	93,829
2019	76,477
2020	76,477
2021	<u>18,446</u>
Total minimum lease payments	784,329
Less: amount representing interest	<u>47,354</u>
Present value of minimum lease payments	<u>\$ 736,975</u>

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. 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, 2016 are comprised of the following issue:

\$14,970,000, 2013 Bonds, due in annual installments of \$1,310,000 to \$1,765,000 through April, 2024, interest at 2.00% to 5.00%	<u>\$12,215,000</u>
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**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

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

**Governmental Activities:**

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,310,000	\$ 506,156	\$ 1,816,156
2018	1,360,000	453,756	1,813,756
2019	1,420,000	399,356	1,819,356
2020	1,485,000	328,356	1,813,356
2021	1,545,000	268,656	1,813,656
2022-2025	<u>5,095,000</u>	<u>354,487</u>	<u>5,449,487</u>
	<u>\$ 12,215,000</u>	<u>\$ 2,310,767</u>	<u>\$ 14,525,767</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 187,636,471
Less: Net Debt Issued	<u>12,215,000</u>
Remaining Borrowing Power	<u>\$ 175,421,471</u>

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2016</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Serial Bonds	\$ 13,826,000		\$ 1,611,000	\$ 12,215,000	\$ 1,310,000
Deferred Amounts					
Add: Original Issue Premium	<u>1,388,538</u>	-	<u>254,221</u>	<u>1,134,317</u>	-
Total Bonds Payable	15,214,538	-	1,865,221	13,349,317	1,310,000
Capital Leases	974,513	\$ 342,015	579,553	736,975	489,311
Compensated Absences	1,131,931		68,987	1,062,944	-
Net Pension Liability	<u>5,321,629</u>	<u>2,207,164</u>	<u>277,708</u>	<u>7,251,085</u>	-
Governmental activity Long-term liabilities	<u>\$ 22,642,611</u>	<u>\$ 2,549,179</u>	<u>\$ 2,791,469</u>	<u>\$ 22,400,321</u>	<u>\$ 1,799,311</u>

For the governmental activities, the liabilities for capital leases, compensated absences, and the net pension liability are generally liquidated by 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.

The District is a member of the New Jersey School Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various insurance claims.

The relationship between the Board and the insurance Group 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

NJSIG provides 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:

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2016	None	\$ 45,743	\$ 68,268	\$ 575,014
2015	None	40,602	126,442	596,500
2014	\$ 280,000	112,868	179,987	681,144

**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.

**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, 2016, 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, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**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 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**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. TPAF is a cost sharing plan with special funding situations.

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, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**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 but are currently suspended as a result of reform legislation.

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](http://www.state.nj.us/treasury/pensions).

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**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. 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 or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 billion, respectively.

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 funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014 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 (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**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 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the 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 fiscal years ended June 30, 2016, 2015 and 2014 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,	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 277,708	\$ 2,025,017	\$ 39,696
2015	234,056	1,274,699	5,995
2014	549,604	1,029,891	8,474

For fiscal years 2015/2016 and 2014/2015, the state contributed \$2,025,017 and \$1,274,699, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,029,891 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,904,611 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.



**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$7,251,085 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .03230 percent, which was an increase of .00388 percent from its proportionate share measured as of June 30, 2014 of .02842 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) no pension expense for PERS, however, the District reported a special item of revenue in the amount of \$714,982 as a result of the decrease in the net pension liability net of the related changes in deferred outflows and inflows. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 172,985	
Changes of Assumptions	778,709	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 116,583
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>616,054</u>	<u>5,866,057</u>
Total	<u>\$ 1,567,748</u>	<u>\$ 5,982,640</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	
2017	\$ (1,036,176)
2018	(1,036,176)
2019	(1,036,176)
2020	(956,891)
2021	<u>(349,473)</u>
	<u>\$ (4,414,892)</u>

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

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

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

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

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>1% Decrease <u>(3.90%)</u></b>	<b>Current Discount Rate <u>(4.90%)</u></b>	<b>1% Increase <u>(5.90%)</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 9,012,211</u>	<u>\$ 7,251,085</u>	<u>\$ 5,774,569</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$9,099,098 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$149,021,394. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .23578 percent, which was a decrease of .00767 percent from its proportionate share measured as of June 30, 2014 of .24345 percent.

**Actuarial Assumptions**

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

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial	June 30, 2012
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

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

**ENGLEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit	
Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 177,106,357</u>	<u>\$ 149,021,394</u>	<u>\$ 124,824,518</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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 classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

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, 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-Local 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 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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 paid 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 paid 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 state 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](http://www.state.nj.us/treasury/pensions).



**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**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. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**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 July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 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 includes 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 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 or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

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

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 fiscal years ended June 30, 2016, 2015 and 2014 were \$2,411,236, \$2,023,583 and \$1,688,633, 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.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**

**ENGLEWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Tax Levy	\$ 49,783,095		\$ 49,783,095	\$ 49,783,095	
Tuition	500,794		500,794	243,932	\$ (256,862)
Transportation Fees	185,000		185,000	164,290	(20,710)
Interest	14,900		14,900	52,265	37,365
Rentals	250,000		250,000	302,845	52,845
Miscellaneous	420,000	-	420,000	364,785	(55,215)
<b>Total Local Sources</b>	<u>51,153,789</u>	<u>-</u>	<u>51,153,789</u>	<u>50,911,212</u>	<u>(242,577)</u>
<b>State Sources</b>					
School Choice Aid	4,241,664		4,241,664	4,241,664	-
Special Education Aid	1,782,777		1,782,777	1,782,777	-
Security Aid	971,642		971,642	971,642	-
Transportation Aid	685,463		685,463	685,463	-
Adjustment Aid	1,257,860		1,257,860	1,257,860	-
Additional Adjustment Aid	497,070		497,070	497,070	-
PARCC Readiness Aid	30,440		30,440	30,440	-
Per Pupil Growth Aid	30,440		30,440	30,440	-
Extraordinary Aid	460,000		460,000	445,173	(14,827)
Other Stat Aid		\$ 1,242,675	1,242,675	1,242,675	-
Nonpublic School Transportation Aid				52,798	52,798
On-behalf TPAF Pension Contributions (Non-Budget)					
Pension Benefit Contribution				1,928,930	1,928,930
NCGI Premium				96,087	96,087
On-behalf TPAF Post Retirement					
Medical Benefits Contributions (Non-Budget)				2,411,236	2,411,236
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,904,611	1,904,611
<b>Total State Sources</b>	<u>9,957,356</u>	<u>1,242,675</u>	<u>11,200,031</u>	<u>17,578,866</u>	<u>6,378,835</u>
<b>Federal Sources:</b>					
Medicaid Assistance Program	72,464	-	72,464	112,863	40,399
<b>Total Federal Sources</b>	<u>72,464</u>	<u>-</u>	<u>72,464</u>	<u>112,863</u>	<u>40,399</u>
<b>Total Revenues</b>	<u>61,183,609</u>	<u>1,242,675</u>	<u>62,426,284</u>	<u>68,602,941</u>	<u>6,176,657</u>
<b>Instruction - Regular Programs</b>					
<b>Salaries of Teachers</b>					
Kindergarten	1,765,968	(387,652)	1,378,316	1,376,561	1,755
Grades 1-5	5,833,355	(1,656,668)	4,176,687	4,123,297	53,390
Grades 6-8	2,669,851	436,110	3,105,961	3,038,582	67,379
Grades 9-12	6,642,991	200,357	6,843,348	6,544,228	299,120
<b>Regular Program - Home Instruction</b>					
Salaries of Teachers	80,000	793	80,793	31,101	49,692
Purchased Professional-Educational Services	7,000	-	7,000	7,000	-
General Supplies	1,000	-	1,000	-	1,000
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	11,500	2,250	13,750	10,206	3,544
Other Purchased Services	949,112	(306,701)	642,411	491,692	150,719
General Supplies	468,471	5,379	473,850	429,850	44,000
Textbooks	229,410	(91,126)	138,284	111,829	26,455
Other Objects	12,000	-	12,000	11,500	500
<b>Total Regular Programs</b>	<u>18,670,658</u>	<u>(1,797,258)</u>	<u>16,873,400</u>	<u>16,175,846</u>	<u>697,554</u>
<b>Special Education</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	402,581	906,000	1,308,581	1,308,581	-
Purchased - Professional Educational Services	21,000	(12,770)	8,230	8,230	-
Other Purchased Services	250,000	-	250,000	250,000	-
General Supplies	3,000	(126)	2,874	2,874	-
Objects	500	108	608	608	-
<b>Total Learning and/or Language Disabilities</b>	<u>677,081</u>	<u>893,212</u>	<u>1,570,293</u>	<u>1,570,293</u>	<u>-</u>

**ENGLEWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 66,030	\$ (66,030)			-
Other Purchased Services	250,000	(250,000)			-
General Supplies	2,000	(1,518)	\$ 482	-	\$ 482
<b>Total Behavioral Disabilities</b>	<b>318,030</b>	<b>(317,548)</b>	<b>482</b>	<b>-</b>	<b>482</b>
Multiple Disabilities					
Salaries of Teachers	392,323	555,480	947,803	\$ 947,803	-
Purchased Professional-Educational Services	5,000	165,000	170,000	169,824	176
Other Purchased Services	500,000	745,960	1,245,960	1,245,960	-
General Supplies	3,200	1,054	4,254	4,254	-
<b>Total Multiple Disabilities</b>	<b>900,523</b>	<b>1,467,494</b>	<b>2,368,017</b>	<b>2,367,841</b>	<b>176</b>
Resource Room/Resource Center					
Salaries of Teachers	1,543,464	352,118	1,895,582	1,895,582	-
Other Purchased Services	300,000	-	300,000	300,000	-
General Supplies	2,750	127	2,877	2,877	-
<b>Total Resource Room/Resource Center</b>	<b>1,846,214</b>	<b>352,245</b>	<b>2,198,459</b>	<b>2,198,459</b>	<b>-</b>
Autism					
Salaries of Teachers	69,310	(69,310)	-	-	-
Other Purchased Services	630,000	(619,907)	10,093	-	10,093
General Supplies	1,700	(1,453)	247	-	247
<b>Total Autism</b>	<b>701,010</b>	<b>(690,670)</b>	<b>10,340</b>	<b>-</b>	<b>10,340</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	487,940	102,193	590,133	590,133	-
Other Purchased Services	327,000	9,000	336,000	335,970	30
General Supplies	3,000	(3,000)	-	-	-
Other Objects	400	(400)	-	-	-
<b>Total Preschool Disabilities - Full-Time</b>	<b>818,340</b>	<b>107,793</b>	<b>926,133</b>	<b>926,103</b>	<b>30</b>
<b>Total Special Education</b>	<b>5,261,198</b>	<b>1,812,526</b>	<b>7,073,724</b>	<b>7,062,696</b>	<b>11,028</b>
Bilingual Education					
Salaries of Teachers	1,128,510	375,693	1,504,203	1,504,203	-
Other Purchased Services	222,000	(33,030)	188,970	188,970	-
General Supplies	55,200	(30,062)	25,138	25,138	-
<b>Total Bilingual Education</b>	<b>1,405,710</b>	<b>312,601</b>	<b>1,718,311</b>	<b>1,718,311</b>	<b>-</b>

**ENGLEWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
School Sponsored Co/Extra-Curricular Activities					
Salaries	\$ 98,700	\$ 26,155	\$ 124,855	\$ 123,355	\$ 1,500
Purchased Services	-	17,335	17,335	17,335	-
Supplies and Materials	36,000	(14,459)	21,541	20,699	842
Total School Sponsored Co/Extra-Curricular Activities	<u>134,700</u>	<u>29,031</u>	<u>163,731</u>	<u>161,389</u>	<u>2,342</u>
School Sponsored Athletics - Instruction					
Salaries	464,105	(40,655)	423,450	243,035	180,415
Purchased Services	220,300	-	220,300	204,614	15,686
Supplies and Materials	136,500	-	136,500	113,176	23,324
Total School Sponsored Athletics - Instruction	<u>820,905</u>	<u>(40,655)</u>	<u>780,250</u>	<u>560,825</u>	<u>219,425</u>
Total Instruction	<u>26,293,171</u>	<u>316,245</u>	<u>26,609,416</u>	<u>25,679,067</u>	<u>930,349</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	99,800	(79,676)	20,124	20,124	-
Tuition to Other LEAs Within the State-Special	558,666	(114,809)	443,857	443,856	1
Tuition to County Voc. School Dist. - Regular	240,000	(5,145)	234,855	234,297	558
Tuition to County Voc. School Dist. - Special	536,840	(317,000)	219,840	219,840	-
Tuition to CSSD & Reg. Day Schools	1,363,184	490,260	1,853,444	1,853,444	-
Tuition to Priv. Sch. for the Disabled					
Within the State	1,494,647	(38,530)	1,456,117	1,456,043	74
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S					
State	45,000	(45,000)	-	-	-
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	19,000	(1,005)	17,995	17,995	-
Total Undistributed Expenditures - Instruction	<u>4,357,137</u>	<u>(110,905)</u>	<u>4,246,232</u>	<u>4,245,599</u>	<u>633</u>
Attendance and Social Work					
Salaries	169,193	(130,762)	38,431	36,054	2,377
Salaries of Family Support Team	-	533,314	533,314	530,857	2,457
Salaries of Family Liaisons	142,742	25,561	168,303	167,018	1,285
Supplies and Materials	-	1,823	1,823	1,478	345
Total Attendance and Social Work	<u>311,935</u>	<u>429,936</u>	<u>741,871</u>	<u>735,407</u>	<u>6,464</u>
Health Services					
Salaries	462,445	(43,275)	419,170	413,327	5,843
Purchased Professional and Technical Services	114,300	67,372	181,672	181,646	26
Other Purchased Services	3,750	(1,405)	2,345	1,585	760
Supplies and Materials	13,800	(819)	12,981	9,067	3,914
Other Objects	1,800	-	1,800	220	1,580
Total Health Services	<u>596,095</u>	<u>21,873</u>	<u>617,968</u>	<u>605,845</u>	<u>12,123</u>
Speech, OT, PT and Related Services					
Salaries	662,136	80,289	742,425	742,425	-
Purchased Professional-Educational Services	333,500	392,304	725,804	725,719	85
Supplies and Materials	8,000	1,044	9,044	9,044	-
Other Objects	-	69	69	69	-
Total Speech, OT, PF and Related Services	<u>1,003,636</u>	<u>473,706</u>	<u>1,477,342</u>	<u>1,477,257</u>	<u>85</u>
Other Supp. Serv. Students - Extra Serv.					
Purchased Professional-Educational Services	20,000	(16,390)	3,610	-	3,610
Total Other Supp. Serv. Students - Extra Serv.	<u>20,000</u>	<u>(16,390)</u>	<u>3,610</u>	<u>-</u>	<u>3,610</u>
Guidance					
Salaries of Other Professional Staff	760,841	(413,633)	347,208	340,357	6,851
Purchased Professional-Educational Services	7,000	(1,900)	5,100	-	5,100
Other Purchased Services	102,100	-	102,100	94,452	7,648
Supplies and Materials	37,705	1,965	39,670	22,759	16,911
Other Objects	24,000	-	24,000	24,000	-
Total Guidance	<u>931,646</u>	<u>(413,568)</u>	<u>518,078</u>	<u>481,568</u>	<u>36,510</u>

**ENGLEWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Child Study Team					
Salaries of Other Professional Staff	\$ 1,354,509	\$ (184,863)	\$ 1,169,646	\$ 1,142,743	\$ 26,903
Salaries of Secretarial and Clerical Assistants	64,691	6,000	70,691	69,467	1,224
Purchased Professional - Educational Services	198,500	(52,902)	145,598	144,468	1,130
Other Purchased Services	41,050	1,240	42,290	41,744	546
Supplies and Materials	7,500	2,000	9,500	7,864	1,636
Other Objects	500	-	500	278	222
<b>Total Child Study Team</b>	<b>1,666,750</b>	<b>(228,525)</b>	<b>1,438,225</b>	<b>1,406,564</b>	<b>31,661</b>
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	685,778	(301,311)	384,467	384,466	1
Salaries of Facilitators, Math & Literacy Coaches	-	131,993	131,993	131,993	-
Other Purchased Services	119,300	71,875	191,175	113,722	77,453
Supplies and Materials	50,000	-	50,000	48,186	1,814
<b>Total Improvement of Inst. Serv.</b>	<b>855,078</b>	<b>(97,443)</b>	<b>757,635</b>	<b>678,367</b>	<b>79,268</b>
Edu. Media Serv./Sch. Library					
Salaries	519,584	(150,132)	369,452	369,450	2
Other Purchased Services	960,310	171,826	1,132,136	1,004,049	128,087
Supplies and Materials	388,370	(74,239)	314,131	92,014	222,117
<b>Total Edu. Media Serv./Sch. Library</b>	<b>1,868,264</b>	<b>(52,545)</b>	<b>1,815,719</b>	<b>1,465,513</b>	<b>350,206</b>
Instructional Staff Training Services					
Purchased Professional/Educational Services	11,500	114,238	125,738	75,172	50,566
Other Purchased Services	41,275	476	41,751	8,161	33,590
<b>Total Instructional Staff Training Services</b>	<b>52,775</b>	<b>114,714</b>	<b>167,489</b>	<b>83,333</b>	<b>84,156</b>
Support Services General Administration					
Salaries	441,545	-	441,545	429,105	12,440
Salaries of Attorneys	142,800	-	142,800	142,800	-
Legal Services	85,000	(18,000)	67,000	57,473	9,527
Audit Fees	59,600	42,589	102,189	51,584	50,605
Other Purchased Professional Services	53,000	30,496	83,496	59,014	24,482
Communications/Telephone	225,000	(8,505)	216,495	161,637	54,858
BOE Other Purchased Services	10,000	(2,310)	7,690	5,559	2,131
Miscellaneous Purchased Services	43,800	2,865	46,665	46,100	565
General Supplies	8,750	121	8,871	8,748	123
Judgements Against the School District	38,000	75,000	113,000	113,000	-
Miscellaneous Expenditures	53,000	(1,323)	51,677	33,134	18,543
BOE Membership Dues and Fees	35,000	(10,088)	24,912	24,912	-
<b>Total Support Services General Administration</b>	<b>1,195,495</b>	<b>110,845</b>	<b>1,306,340</b>	<b>1,133,066</b>	<b>173,274</b>
Support Services School Administration					
Salaries of Principal/Asst. Principals/Program Directors	1,918,905	165,805	2,084,710	2,084,708	2
Salaries of Secretarial and Clerical Assistants	35,000	(5,605)	29,395	29,395	-
Other Purchased Services	264,900	324,674	589,574	589,574	-
Supplies and Materials	50,951	3,642	54,593	54,593	-
Other Objects	4,300	(4,261)	39	39	-
<b>Total Support Services School Administration</b>	<b>2,274,056</b>	<b>484,255</b>	<b>2,758,311</b>	<b>2,758,309</b>	<b>2</b>

**ENGLEWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Central Services					
Salaries	\$ 828,097	\$ 12,153	\$ 840,250	\$ 840,250	
Purchased Professional Services	35,000	(2,820)	32,180	32,180	
Purchased Technical Services	73,000	7,780	80,780	80,780	
Misc. Purchased Services	6,600	3,312	9,912	6,600	\$ 3,312
Supplies and Materials	25,500	(6,864)	18,636	18,636	
Other Objects	45,000	(29,464)	15,536	10,767	4,769
Total Central Services	1,013,197	(15,903)	997,294	989,213	8,081
Admin. Info Technology					
Salaries	-	163,191	163,191	163,191	-
Total Admin. Info. Technology	-	163,191	163,191	163,191	-
Required Maintenance for School Facilities					
Salaries	67,190	1,344	68,534	68,534	-
Cleaning, Repair and Maintenance	544,800	26,385	571,185	465,143	106,042
Total Required Maintenance for School Facilities	611,990	27,729	639,719	533,677	106,042
Custodial Services					
Salaries	126,647	-	126,647	126,647	-
Cleaning, Repair and Maint. Serv.	2,019,100	3,899	2,022,999	1,923,325	99,674
Rental of Land & Bldg Oth. Than Lease purch. Agmt	338,427	-	338,427	333,447	4,980
Other Purchased Property Services	262,300	14,000	276,300	242,096	34,204
Insurance	399,500	15,700	415,200	411,938	3,262
Miscellaneous Purchased Services	535,500	(61,615)	473,885	442,933	30,952
General Supplies	275,500	(34,733)	240,767	149,210	91,557
Energy (Electricity)	1,200,000	-	1,200,000	1,134,415	65,585
Other Objects	42,000	(14,500)	27,500	13,187	14,313
Total Custodial Services	5,198,974	(77,249)	5,121,725	4,777,198	344,527
Care and Upkeep of Grounds					
Cleaning, Repair and Maint. Serv.	51,000	(4,554)	46,446	46,403	43
General Supplies	1,700	840	2,540	2,286	254
Total Care and Upkeeping Grounds	52,700	(3,714)	48,986	48,689	297
Security					
Salaries	665,729	(1,344)	664,385	617,393	46,992
Purchased Professional and Technical Services	10,000	-	10,000	120	9,880
Cleaning, Repair and Maint. Serv.	2,500	6,500	9,000	6,900	2,100
General Supplies	17,775	-	17,775	15,302	2,473
Total Security	696,004	5,156	701,160	639,715	61,445
Student Transportation Services					
Sal. For Pupil Trans. (Bet Home & School)-Reg.	51,298	1,745	53,043	53,043	-
Sal. For Pupil Trans. (Other than Bet Home & School)	185,000	(32,270)	152,730	152,730	-
Cleaning, Repair & Maint. Services	45,000	599	45,599	45,599	-
Contracted Services					
(Between Home and School) - Vendors	1,393,500	180,064	1,573,564	1,573,564	-
Contracted Services					
(Other than Between Home and School) - Vendors	21,500	15,587	37,087	37,087	-
Contracted Services (Spl. Ed. Students)-Vendors	250,000	35,558	285,558	285,558	-
Contracted Services (Spl. Ed. Students)-Joint Agreements	650,000	344,184	994,184	994,184	-
Contracted Serv.-Aid in Lieu of Payments - Non-Public Schools	320,000	(78,724)	241,276	241,276	-
Miscellaneous Purchased Services - Transportation	405,000	(5,000)	400,000	400,000	-
Transportation Supplies	5,000	(4,152)	848	848	-
Other Objects	1,500	2,596	4,096	4,096	-
Total Student Transportation Services	3,327,798	460,187	3,787,985	3,787,985	-
Unallocated Benefits - Employee Benefits					
Social Security Contributions	460,000	(1,200)	458,800	394,943	63,857
Other Retirement Contributions -PERS	300,000	(5,670)	294,330	277,754	16,576
Other Retirement Contributions	15,000	-	15,000	-	15,000
Unemployment Compensation	45,000	(45,000)	-	-	-
Workmen's Compensation	300,000	61,000	361,000	360,956	44
Health Benefits	7,619,659	(767,489)	6,852,170	6,392,178	459,992
Other Employee Benefits	200,000	36,544	236,544	236,544	-
Total Unallocated Benefits - Employee Benefits	8,939,659	(721,815)	8,217,844	7,662,375	555,469



**ENGLEWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Interest - Deposit to Maintenance Reserve	\$ 3,900	-	\$ 3,900		\$ 3,900
Interest - Deposit to Emergency Reserve	2,000	-	2,000	-	2,000
	<u>5,900</u>	<u>-</u>	<u>5,900</u>	<u>-</u>	<u>5,900</u>
On-behalf TPAF Pension Contributions (Non-Budget)					
Pension Benefit Contribution				\$ 1,928,930	(1,928,930)
NCGI Premium				96,087	(96,087)
On-behalf TPAF Post Retirement					
Medical Benefits Contributions (Non-Budget)				2,411,236	(2,411,236)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,904,611	(1,904,611)
Total On-Behalf Payments	-	-	-	6,340,864	(6,340,864)
Total Undistributed Expenditures	34,979,089	\$ 553,535	35,532,624	40,013,735	(4,481,111)
Total Expenditures - Current Expenditures	<u>61,272,260</u>	<u>869,780</u>	<u>62,142,040</u>	<u>65,692,802</u>	<u>(3,550,762)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					-
Kindergarten	10,195	6,908	17,103	16,959	144
Undistributed Expenditures:					
Instruction	14,000	51,880	65,880	65,879	1
Required Maintenance for School Facilities	-	57,194	57,194	57,194	-
	<u>24,195</u>	<u>115,982</u>	<u>140,177</u>	<u>140,032</u>	<u>145</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	2,000	3,010	5,010	4,930	80
Other Purchased Prof. and Tech. Services		18,115	18,115	17,485	630
Construction Services	219,450	819,341	1,038,791	579,109	459,682
Other Objects	184,772	-	184,772	184,772	-
Total Facilities Acquisition and Construction Services	<u>406,222</u>	<u>840,466</u>	<u>1,246,688</u>	<u>786,296</u>	<u>460,392</u>
Interest - Deposit to Capital Reserve	9,000	-	9,000	-	9,000
Assets Acquired Under Capital Leases (Non-Budget)					
Equipment					
Regular Instruction	-	-	-	342,015	(342,015)
Total Assets Acquired Under Capital Leases (Non-Budget)	-	-	-	342,015	(342,015)
Total Capital Outlay	<u>439,417</u>	<u>956,448</u>	<u>1,395,865</u>	<u>1,268,343</u>	<u>127,522</u>
Transfer of Funds to Charter Schools	2,036,998	(58,192)	1,978,806	1,978,797	9
Total Expenditures	<u>63,748,675</u>	<u>1,768,036</u>	<u>65,516,711</u>	<u>68,939,942</u>	<u>(3,423,231)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(2,565,066)	(525,361)	(3,090,427)	(337,001)	2,753,426
Other Financing Sources/(Uses)					
Capital Lease Proceeds				342,015	342,015
Transfer Out - Capital Reserve to Capital Projects	-	(879,795)	(879,795)	(879,795)	-
Transfer In-Capital Projects Fund	-	-	-	2,849	2,849
Total Other Financing Sources (Uses)	-	(879,795)	(879,795)	(534,931)	344,864
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	(2,565,066)	(1,405,156)	(3,970,222)	(871,932)	3,098,290
Fund Balance, Beginning of Year	11,863,573	-	11,863,573	11,863,573	-
Fund Balance, End of Year	<u>\$ 9,298,507</u>	<u>\$ (1,405,156)</u>	<u>\$ 7,893,351</u>	<u>\$ 10,991,641</u>	<u>\$ 3,098,290</u>

ENGLEWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>Recapitulation of Fund Balance</b>					
Restricted Fund Balance					
Capital Reserve				\$ 866,233	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,692,772	
Maintenance Reserve				757,700	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				250,000	
Emergency Reserve				602,000	
Tuition Adjustments - 2015/2016				350,000	
Tuition Adjustments - 2014/2015 - Designated for Subsequent Year's Expenditures				350,000	
Excess Surplus				1,477,347	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,968,985	
Committed Fund Balance					
Year End Encumbrances				395,900	
Assigned Fund Balance					
Designated For Subsequent Year's Expenditures				598,748	
SEMI/ARRA - Designated For Subsequent Year's Expenditures				39,298	
Year End Encumbrances				292,791	
Unassigned Fund Balance				<u>1,349,867</u>	
Reconciliation to Governmental Funds Statements (GAAP):				10,991,641	
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(1,200,094)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 9,791,547</u>	

**ENGLEWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Local Sources		\$ 113,505	\$ 113,505	\$ 74,522	\$ (38,983)
State Sources	\$ 1,762,069	110,250	1,872,319	1,818,496	(53,823)
Federal Sources	1,644,000	1,183,019	2,827,019	2,200,280	(626,739)
Total Revenues	<u>3,406,069</u>	<u>1,406,774</u>	<u>4,812,843</u>	<u>4,093,298</u>	<u>(719,545)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	1,068,318	408,599	1,476,917	1,352,006	124,911
Other Purchased Services	812,304	355,026	1,167,330	1,133,119	34,211
General Supplies	323,816	-	323,816	247,903	75,913
Textbooks	104,151	-	104,151	95,546	8,605
Other Objects	-	1,802	1,802	1,801	1
Total Instruction	<u>2,308,589</u>	<u>765,427</u>	<u>3,074,016</u>	<u>2,830,375</u>	<u>243,641</u>
Support Services					
Salaries of Supervisors of Instruction	25,286	-	25,286	25,286	-
Other Purchased Professional Services	900,402	411,914	1,312,316	898,188	414,128
Cont. Trans. Serv. (Bet. Home & Sch)	45,000	21,831	66,831	64,831	2,000
Travel	1,500	6,603	8,103	3,304	4,799
Other Purchased Services	-	7,933	7,933	1,715	6,218
Supplies and Materials	2,839	1,326	4,165	1,101	3,064
Other Objects	11,135	55,441	66,576	49,024	17,552
Total Support Services	<u>986,162</u>	<u>505,048</u>	<u>1,491,210</u>	<u>1,043,449</u>	<u>447,761</u>
Unallocated Employed Benefits	<u>111,318</u>	<u>84,521</u>	<u>195,839</u>	<u>183,764</u>	<u>12,075</u>
Capital Outlay					
Non-Instructional Equipment		18,782	18,782	13,950	4,832
Instructional Equipment	-	32,996	32,996	21,760	11,236
Total Capital Outlay	<u>-</u>	<u>51,778</u>	<u>51,778</u>	<u>35,710</u>	<u>16,068</u>
Total Expenditures	<u>3,406,069</u>	<u>1,406,774</u>	<u>4,812,843</u>	<u>4,093,298</u>	<u>719,545</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**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, 2016**

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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 68,602,941	\$ 4,093,298
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, 2015		5,559
Encumbrances, June 30, 2016		-
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2014/2015 State Aid)	1,372,028	85,473
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2015/2016 State Aid)	<u>(1,200,094)</u>	<u>(107,301)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 68,774,875</u>	<u>\$ 4,077,029</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 68,939,942	\$ 4,093,298
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances , June 30, 2015		5,559
Encumbrances , June 30, 2016	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 68,939,942</u>	<u>\$ 4,098,857</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**ENGLEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Three Fiscal Years \***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03230 %	0.02842 %	0.07294 %
District's Proportionate Share of the Net Pension Liability (Asset)	7,251,085	5,321,629	13,940,689
District's Covered-Employee Payroll	2,354,341	2,192,991	2,206,933
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	308%	243%	632%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ENGLEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Three Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 277,708	\$ 234,056	\$ 549,604
Contributions in Relation to the Contractually Required Contributions	<u>277,708</u>	<u>234,056</u>	<u>549,604</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	2,354,341	2,192,991	2,206,933
Contributions as a Percentage of Covered-Employee Payroll	11.80%	10.67%	24.90%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.



**ENGLEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**TEACHERS PENSION AND ANNUITY FUND  
Last Three Fiscal Years \***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 149,021,394</u>	<u>\$ 130,115,851</u>	<u>\$ 120,746,323</u>
Total	<u>\$ 149,021,394</u>	<u>\$ 130,115,851</u>	<u>\$ 120,746,323</u>
District's Covered-Employee Payroll	26,297,165	24,589,186	23,209,424
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ENGLEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4.

**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, 2016

	IDEA Part B		Title I <u>2015/16</u>	Title IIA <u>2015/16</u>	Title III <u>2015/16</u>	Title III Immigrant <u>2015/16</u>	Perkins Grant <u>2015/16</u>	To Exhibit <u>E-1A</u>
	Basic <u>2015/16</u>	Preschool <u>2015/16</u>						
<b>REVENUES</b>								
Intergovernmental								
State								
Federal	\$ 1,014,962	\$ 61,604	\$ 816,181	\$ 193,753	\$ 65,928	\$ 24,724	\$ 23,128	\$ 2,200,280
Other	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 1,014,962</b>	<b>\$ 61,604</b>	<b>\$ 816,181</b>	<b>\$ 193,753</b>	<b>\$ 65,928</b>	<b>\$ 24,724</b>	<b>\$ 23,128</b>	<b>\$ 2,200,280</b>
<b>EXPENDITURES</b>								
Instruction								
Salaries of teachers			\$ 489,444	\$ 19,383	\$ 49,987	\$ 1,800		\$ 560,614
Other purchased services	\$ 549,741					9,595	\$ 1,368	560,704
General Supplies			139,328		12,117	191		151,636
Textbooks								-
Other Objects	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>549,741</b>	<b>-</b>	<b>628,772</b>	<b>19,383</b>	<b>62,104</b>	<b>11,586</b>	<b>1,368</b>	<b>1,272,954</b>
Support Services								
Salaries of Supervisors of Instruction								-
Personal Services-Employee Benefits			178,129	1,483	3,824	138		183,574
Other Purchased Professional Services	465,221	\$ 61,604		170,186		13,000		710,011
Cont. Trans. Serv. (Bet. Home & Sch)								-
Travel				1,430				1,430
Other Purchased Services								-
Supplies & Materials				1,021				1,021
Other Objects	-	-	9,280	250	-	-	-	9,530
<b>Total Support Services</b>	<b>465,221</b>	<b>61,604</b>	<b>187,409</b>	<b>174,370</b>	<b>3,824</b>	<b>13,138</b>	<b>-</b>	<b>905,566</b>
Capital Outlay								
Non-Instructional Equipment								-
Instructional Equipment	-	-	-	-	-	-	21,760	21,760
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,760</b>	<b>21,760</b>
<b>Total Expenditures</b>	<b>\$ 1,014,962</b>	<b>\$ 61,604</b>	<b>\$ 816,181</b>	<b>\$ 193,753</b>	<b>\$ 65,928</b>	<b>\$ 24,724</b>	<b>\$ 23,128</b>	<b>\$ 2,200,280</b>

ENGLEWOOD BOARD OF EDUCATION  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Exhibit E-1 <u>Subtotal</u>	Preschool Education <u>Aid</u>	Nonpublic Security	Nonpublic Technology	Nonpublic Textbooks	Nonpublic Nursing	To Exhibit E-1B
<b>REVENUES</b>							
Intergovernmental							
State		\$ 1,180,536	\$ 39,494	\$ 46,612	\$ 95,546	\$ 183,361	\$ 1,545,549
Federal	\$ 2,200,280						2,200,280
Other	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 2,200,280</b>	<b>\$ 1,180,536</b>	<b>\$ 39,494</b>	<b>\$ 46,612</b>	<b>\$ 95,546</b>	<b>\$ 183,361</b>	<b>\$ 3,745,829</b>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 560,614	\$ 754,916					\$ 1,315,530
Other purchased services	560,704	299,468					860,172
General Supplies	151,636	37,035		\$ 46,612			235,283
Textbooks	-	-	-	-	\$ 95,546		95,546
Other Objects	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>1,272,954</b>	<b>1,091,419</b>	<b>-</b>	<b>46,612</b>	<b>95,546</b>	<b>-</b>	<b>2,506,531</b>
Support Services							
Salaries of Supervisors of Instruction	-	25,286					25,286
Personal Services-Employee Benefits	183,574						183,574
Other Purchased Professional Services	710,011					\$ 183,361	893,372
Cont. Trans. Serv. (Bet. Home & Sch)	-	63,831					63,831
Travel	1,430						1,430
Other Purchased Services	-						-
Supplies & Materials	1,021						1,021
Other Objects	9,530	-	\$ 39,494	-	-	-	49,024
<b>Total Support Services</b>	<b>905,566</b>	<b>89,117</b>	<b>39,494</b>	<b>-</b>	<b>-</b>	<b>183,361</b>	<b>1,217,538</b>
Capital Outlay							
Non-Instructional Equipment							-
Instructional Equipment	21,760	-	-	-	-	-	21,760
<b>Total Capital Outlay</b>	<b>21,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,760</b>
<b>Total Expenditures</b>	<b>\$ 2,200,280</b>	<b>\$ 1,180,536</b>	<b>\$ 39,494</b>	<b>\$ 46,612</b>	<b>\$ 95,546</b>	<b>\$ 183,361</b>	<b>\$ 3,745,829</b>

ENGLEWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Exhibit E-1A Subtotal	Chapter 192			Chapter 193			Other Programs	Grand Total
		Home Instruction	Compensatory Education	ESL	Exam and Classification	Corrective Speech	Supplementary Instruction		
<b>REVENUES</b>									
Intergovernmental									
State	\$ 1,545,549	\$ 294	\$ 3,553	\$ 4,659	\$ 107,725	\$ 75,330	\$ 81,386		\$ 1,818,496
Federal	2,200,280								2,200,280
Other	-	-	-	-	-	-	-	\$ 74,522	74,522
<b>Total Revenues</b>	<b>\$ 3,745,829</b>	<b>\$ 294</b>	<b>\$ 3,553</b>	<b>\$ 4,659</b>	<b>\$ 107,725</b>	<b>\$ 75,330</b>	<b>\$ 81,386</b>	<b>\$ 74,522</b>	<b>\$ 4,093,298</b>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers	\$ 1,315,530							\$ 36,476	\$ 1,352,006
Other Purchased Services	860,172	\$ 294	\$ 3,553	\$ 4,659	\$ 107,725	\$ 75,330	\$ 81,386		1,133,119
General Supplies	235,283							12,620	247,903
Textbooks	95,546								95,546
Other Objects	-	-	-	-	-	-	-	1,801	1,801
<b>Total Instruction</b>	<b>2,506,531</b>	<b>294</b>	<b>3,553</b>	<b>4,659</b>	<b>107,725</b>	<b>75,330</b>	<b>81,386</b>	<b>50,897</b>	<b>2,830,375</b>
Support Services									
Salaries of Supervisors of Instruction	25,286								25,286
Personal Services-Employee Benefits	183,574							190	183,764
Other Purchased Professional Services	893,372							4,816	898,188
Cont. Trans. Serv. (Bet. Home & Sch)	63,831							1,000	64,831
Travel	1,430							1,874	3,304
Other Purchased Services	-							1,715	1,715
Supplies & Material	1,021							80	1,101
Other Objects	49,024	-	-	-	-	-	-	-	49,024
<b>Total Support Services</b>	<b>1,217,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,675</b>	<b>1,227,213</b>
Capital Outlay									
Non-Instructional Equipment								13,950	13,950
Instructional Equipment	21,760	-	-	-	-	-	-	-	21,760
<b>Total Capital Outlay</b>	<b>21,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,950</b>	<b>35,710</b>
<b>Total Expenditures</b>	<b>\$ 3,745,829</b>	<b>\$ 294</b>	<b>\$ 3,553</b>	<b>\$ 4,659</b>	<b>\$ 107,725</b>	<b>\$ 75,330</b>	<b>\$ 81,386</b>	<b>\$ 74,522</b>	<b>\$ 4,093,298</b>

**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, 2016**

<b>Districtwide</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES</b>			
Instruction			
Salaries of Teachers	\$ 754,916	\$ 754,916	
Other Purchased Services	308,468	299,468	\$ 9,000
General Supplies	37,644	37,035	609
Other Objects	-	-	-
Total Instruction	1,101,028	1,091,419	9,609
Support Services			
Salaries of Supervisors of Instruction	25,286	25,286	
Salaries of Program Directors	-	-	
Contr. Trans. Serv. (Bet. Home & Sch)	63,831	63,831	-
Travel	-	-	-
Total Support Services	89,117	89,117	-
Total Expenditures	\$ 1,190,145	\$ 1,180,536	\$ 9,609
Total 2015-2016 ECPA Allocation			\$ 1,169,100
Add: Actual Preschool Aid Carryover (June 30, 2015)			21,045
Budgeted Transfer from General Fund			-
Total Preschool Aid Funds Available for 2015-2016 Budget			1,190,145
Less: 2015-2016 Budgeted Preschool Aid (Including Prior Year Budgeted Carryover)			1,190,145
Available & Unbudgeted Preschool Aid Funds as of June 30, 2016			-
Add: June 30, 2016 Unexpended Preschool Aid			9,609
2015-2016 Actual Carryover - Preschool Aid			\$ 9,609
2015-2016 Preschool Aid Carryover Budgeted in 2016-2017			\$ -



**CAPITAL PROJECTS FUND**

**ENGLEWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Project</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2016</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Renovations to Existing Buildings	\$ 4,900,000	\$ 4,857,954		\$ 42,046
Dwight D. Morrow High School Renovations	3,829,583	3,823,955		5,628
Durie Park Elementary School Construction	22,422,844	22,305,876		116,968
Cleveland Elementary School Renovations	15,659,718	15,646,339		13,379
Winton White Stadium Renovations	2,782,203	2,635,471	\$ 8,615	138,117
Durie Park Elementary School - Light Dimmers Capital Lease	199,488	198,462		1,026
DMHS South Building Steam Heating Sys. Rep. - Phase 1	2,592,173	383,721	2,233,597	(25,145)
DMHS North Building Steam Heating Sys. Rep. - Phase 2	2,444,989	22,557	818,952	1,603,480
	<u>54,830,998</u>	<u>49,874,335</u>	<u>3,061,164</u>	<u>1,895,499</u>
<u>Reconciliation to GAAP</u>				
Project Balance - Budgetary Basis, June 30, 2016				\$ 1,895,499
Less:				
Unearned Revenue				(471,392)
Fund Balance - GAAP Basis, June 30, 2016				<u>\$ 1,424,107</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects:				
Year End Encumbrances				\$ 1,541,929
Available for Capital Projects				<u>353,570</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 1,895,499</u>

**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, 2016**

**Revenues and Other Financing Sources**

## Revenues:

Interest Earned	\$ 2,849
Other Financing Sources	
Transfers from the General Fund	<u>879,795</u>
Total Revenues	<u>882,644</u>

**Expenditures and Other Financing Uses**

## Expenditures:

Purchased Professional and Technical Services	51,434
Construction Services	3,009,730
Equipment	-
Other Financing Uses	
Transfers to the General Fund	<u>2,849</u>
Total Expenditures and Other Financing Uses	<u>3,064,013</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures  
and Other Financing Uses

(2,181,369)

Fund Balance- Beginning of Year

4,076,868

Fund Balance- End of Year

\$ 1,895,499Reconciliation to GAAP

Fund Balance - June 30,2016 - Budgetary Basis	\$ 1,895,499
Less: Deferred Revenues (Unearned SDA Grants)	<u>(471,392)</u>
Fund Balance, June 30, 2016 - GAAP Basis	<u>\$ 1,424,107</u>

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bergen County Grant	\$ 1,000,000		\$ 1,000,000	\$ 1,000,000
Englewood City Grant	3,900,000	-	3,900,000	3,900,000
	<u>4,900,000</u>	<u>-</u>	<u>4,900,000</u>	<u>4,900,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	127,268		127,268	127,268
Construction Services	3,099,629	-	3,099,629	3,141,675
General Supplies	1,160,756		1,160,756	1,160,756
Equipment	470,301	-	470,301	470,301
	<u>4,857,954</u>	<u>-</u>	<u>4,857,954</u>	<u>4,900,000</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 42,046</u>	<u>\$ -</u>	<u>\$ 42,046</u>	<u>\$ -</u>

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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
	<u>3,829,583</u>	<u>-</u>	<u>3,829,583</u>	<u>3,829,583</u>
<b>Total Revenues and Other Financing Sources</b>				
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	474,337	-	474,337	500,000
Construction Services	3,349,618	-	3,349,618	3,329,583
	<u>3,823,955</u>	<u>-</u>	<u>3,823,955</u>	<u>3,829,583</u>
<b>Total Expenditures and Other Financing Uses</b>				
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 5,628</u>	<u>\$ -</u>	<u>\$ 5,628</u>	<u>\$ -</u>

**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	100.00%
Original Target Completion Date	December 31, 2005
Revised Target Completion Date	June 30, 2015

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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
	<u>22,422,844</u>	<u>-</u>	<u>22,422,844</u>	<u>22,422,844</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	1,837,404		1,837,404	1,900,000
Construction Services	19,881,066		19,881,066	19,932,844
Equipment	587,406	-	587,406	590,000
	<u>22,305,876</u>	<u>-</u>	<u>22,305,876</u>	<u>22,422,844</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 116,968</u>	<u>\$ -</u>	<u>\$ 116,968</u>	<u>\$ -</u>

**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	100.00%
Original Target Completion Date	September 30, 2008
Revised Target Completion Date	June 30, 2015

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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
	<u>15,659,718</u>	<u>-</u>	<u>15,659,718</u>	<u>15,659,718</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	1,313,161		1,313,161	1,325,000
Construction Services	13,848,206		13,848,206	13,849,718
Equipment	484,972		484,972	485,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>15,646,339</u>	<u>-</u>	<u>15,646,339</u>	<u>15,659,718</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 13,379</u>	<u>\$ -</u>	<u>\$ 13,379</u>	<u>\$ -</u>

**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	100.00%
Original Target Completion Date	September 30, 2010
Revised Target Completion Date	June 30, 2015

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 308,359		\$ 308,359	\$ 308,359
Bond Proceeds	788,316		788,316	788,316
Transfer from Capital Outlay	1,685,528	-	1,685,528	1,685,528
	<u>2,782,203</u>	<u>-</u>	<u>2,782,203</u>	<u>2,782,203</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	181,095		181,095	200,000
Construction Services	2,393,686	\$ 8,615	2,402,301	2,521,513
Equipment	60,690	-	60,690	60,690
	<u>2,635,471</u>	<u>8,615</u>	<u>2,644,086</u>	<u>2,782,203</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 146,732</u>	<u>\$ (8,615)</u>	<u>\$ 138,117</u>	<u>\$ -</u>
<b>Additional project information:</b>				
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	100.00%			
Original Target Completion Date	September 30, 2006			
Revised Target Completion Date	September 30, 2015			



**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Proceeds	\$ 198,462		\$ 198,462	\$ 198,462
Interest	1,026	-	1,026	1,026
	<u>199,488</u>	<u>-</u>	<u>199,488</u>	<u>199,488</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	198,462	-	198,462	199,488
	<u>198,462</u>	<u>-</u>	<u>198,462</u>	<u>199,488</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,026</u>	<u>\$ -</u>	<u>\$ 1,026</u>	<u>\$ -</u>
<b>Additional project information:</b>				
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	1%			
Percentage Completion	100.00%			
Original Target Completion Date	September 30, 2008			
Revised Target Completion Date	November 30, 2008			

**ENGLEWOOD BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS**  
**BUDGETARY BASIS**  
**DMHS STEAM HEATING SYSTEM REPLACEMENT SOUTH BUILDING - PHASE I**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 854,951		\$ 854,951	\$ 854,951
Local Contribution	<u>1,282,427</u>	<u>\$ 454,795</u>	<u>1,737,222</u>	<u>1,737,222</u>
Total Revenues and Other Financing Sources	<u>2,137,378</u>	<u>454,795</u>	<u>2,592,173</u>	<u>2,592,173</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	22,557	9,554	32,111	144,000
Construction Services	<u>361,164</u>	<u>2,224,043</u>	<u>2,585,207</u>	<u>2,448,173</u>
Total Expenditures and Other Financing Uses	<u>383,721</u>	<u>2,233,597</u>	<u>2,617,318</u>	<u>2,592,173</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,753,657</u>	<u>\$ (1,778,802)</u>	<u>\$ (25,145)</u>	<u>\$ -</u>
<b>Additional project information:</b>				
DOE Project Number	1370-040-14-1002			
SDA Project Number	1370-040-14-GIDP			
Grant Number	G5-4847			
Grant Date	March 17, 2015			
Original Authorization Costs	2,137,378			
Increased Authorized Costs	454,795			
Revised Authorized Cost	2,592,173			
Percentage Increase(Decrease) Over Original				
Authorized Cost	17.54%			
Percentage Completion	100.97%			
Original Target Completion Date	June 30, 2015			
Revised Target Completion Date	June 30, 2016			

**ENGLEWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
DMHS STEAM HEATING SYSTEM REPLACEMENT NORTH BUILDING - PHASE 2  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 807,996		\$ 807,996	\$ 807,996
Local Contribution	<u>1,211,993</u>	<u>\$ 425,000</u>	<u>1,636,993</u>	<u>1,636,993</u>
Total Revenues and Other Financing Sources	<u>2,019,989</u>	<u>425,000</u>	<u>2,444,989</u>	<u>2,444,989</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	22,557	41,880	64,437	134,250
Construction Services	<u>-</u>	<u>777,072</u>	<u>777,072</u>	<u>2,310,739</u>
Total Expenditures and Other Financing Uses	<u>22,557</u>	<u>818,952</u>	<u>841,509</u>	<u>2,444,989</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,997,432</u>	<u>\$ (393,952)</u>	<u>\$ 1,603,480</u>	<u>\$ -</u>
<b>Additional project information:</b>				
DOE Project Number	1370-040-14-1001			
SDA Project Number	1370-040-14-GIDO			
Grant Number	G5-4846			
Grant Date	March 17, 2014			
Original Authorization Costs	2,019,989			
Increased Authorized Costs	425,000			
Revised Authorized Cost	2,444,989			
Percentage Increase(Decrease) Over Original				
Authorized Cost	17.38%			
Percentage Completion	34.42%			
Original Target Completion Date	June 30, 2015			
Revised Target Completion Date	June 30, 2017			

**PROPRIETARY FUNDS**

**ENGLEWOOD BOARD OF EDUCATION  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

**FINANCIAL STATEMENTS ARE PRESENTED  
ON EXHIBIT B-4**

**ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**FINANCIAL STATEMENTS ARE PRESENTED  
ON EXHIBIT B-5**

**ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**FINANCIAL STATEMENTS ARE PRESENTED  
ON EXHIBIT B-6**

**FIDUCIARY FUNDS**  
**AGENCY FUNDS**

**ENGLEWOOD BOARD OF EDUCATION  
AGENCY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 149,577	\$ 450,230	\$ 599,807
Total Assets	<u>\$ 149,577</u>	<u>\$ 450,230</u>	<u>\$ 599,807</u>
<b>LIABILITIES</b>			
Accrued Salaries & Payroll Deductions Payable		\$ 409,531	\$ 409,531
Due to Student Groups	\$ 149,577		149,577
Due to Other Funds	<u>-</u>	<u>40,699</u>	<u>40,699</u>
Total Liabilities	<u>\$ 149,577</u>	<u>\$ 450,230</u>	<u>\$ 599,807</u>

**ENGLEWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance, July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2016</u>
<b>Assets</b>				
Cash	\$ 110,569	\$ 289,663	\$ 250,655	\$ 149,577
 Total Assets	<u>\$ 110,569</u>	<u>\$ 289,663</u>	<u>\$ 250,655</u>	<u>\$ 149,577</u>
 <b>Liabilities</b>				
Due to Student Groups:				
High School and Academies at Englewood	\$ 97,791	\$ 181,621	\$ 177,429	\$ 101,983
Dismus Middle School	8,285	63,299	56,230	15,354
McCloud Elementary School	858	683	683	858
Eagle Academy	1,518			1,518
Athletic Account	2,117	44,060	16,313	29,864
 Total Liabilities	<u>\$ 110,569</u>	<u>\$ 289,663</u>	<u>\$ 250,655</u>	<u>\$ 149,577</u>



**ENGLEWOOD BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Balance, July 1, <u>2015</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2016</u></b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 448,925	\$ 36,172,343	\$ 36,171,038	\$ 450,230
Total	<u>\$ 448,925</u>	<u>\$ 36,172,343</u>	<u>\$ 36,171,038</u>	<u>\$ 450,230</u>
<b>LIABILITIES</b>				
Accrued Salaries & Payroll Deductions Payable	428,291	36,240,868	36,259,628	409,531
Due to Other Funds	<u>20,634</u>	<u>27,505</u>	<u>7,440</u>	<u>40,699</u>
Total	<u>\$ 448,925</u>	<u>\$ 36,268,373</u>	<u>\$ 36,267,068</u>	<u>\$ 450,230</u>

**LONG-TERM DEBT**

**ENGLEWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Matured</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Refunding of Early Retirement Pension Debt	5/1/2013	\$ 1,076,000				\$ 351,000	\$ 351,000	
Refunding of School Bonds	8/14/2013	14,970,000	4/1/2017	\$ 1,310,000	4.00%			
			4/1/2018	1,360,000	4.00%			
			4/1/2019	1,420,000	5.00%			
			4/1/2020	485,000	2.00%			
			4/1/2020	1,000,000	5.00%			
			4/1/2021	1,545,000	5.00%			
			4/1/2022	1,625,000	5.00%			
			4/1/2023	585,000	2.13%			
			4/1/2023	1,120,000	4.00%			
			4/1/2024	1,010,000	2.25%			
			4/1/2024	755,000	4.00%			
						<u>13,475,000</u>	<u>1,260,000</u>	<u>\$ 12,215,000</u>
						<u>\$ 13,826,000</u>	<u>\$ 1,611,000</u>	<u>\$ 12,215,000</u>
						Paid by Budget	<u>\$ 1,611,000</u>	

**ENGLEWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2015</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2016</u>
Savin Copiers -28	\$ 473,606	4.66%	\$ 120,258		\$ 120,258	
Mail Machine	28,050	0.00%	13,200		6,600	\$ 6,600
Savin Copiers -9	96,499	5.30%	44,986		20,119	24,867
Savin Copiers -6	59,914	5.34%	42,638		11,687	30,951
Dell Computers -1630	1,508,106	4.15%	753,431		369,062	384,369
Savin Copiers - 22	342,015	0.37%	-	\$ 342,015	51,827	290,188
			<u>\$ 974,513</u>	<u>\$ 342,015</u>	<u>\$ 579,553</u>	<u>\$ 736,975</u>
				Paid by Budget Appropriation	\$ 475,315	
				Paid by Lessor	104,238	
					<u>\$ 579,553</u>	

**ENGLEWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 2,085,700	-	\$ 2,085,700	\$ 2,085,700	-
Total Revenues	<u>2,085,700</u>	<u>-</u>	<u>2,085,700</u>	<u>2,085,700</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal on Bonds	1,611,000		1,611,000	1,611,000	
Interest on Bonds	<u>560,898</u>	<u>-</u>	<u>560,898</u>	<u>560,898</u>	<u>\$ -</u>
Total Expenditures	<u>2,171,898</u>	<u>-</u>	<u>2,171,898</u>	<u>2,171,898</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(86,198)</u>	<u>-</u>	<u>(86,198)</u>	<u>(86,198)</u>	<u>-</u>
Net Change in Fund Balance	(86,198)	-	(86,198)	(86,198)	-
Fund Balance, Beginning of Year	<u>86,198</u>	<u>-</u>	<u>86,198</u>	<u>86,198</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

This part of the Englewood 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.

**ENGLEWOOD BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets	\$ 34,559,823	\$ 43,634,374	\$ 53,246,058	\$ 43,208,702	\$ 43,933,457	\$ 44,046,945	\$ 43,964,694	\$ 44,417,088	\$ 45,759,867	\$ 49,130,322
Restricted	3,052,604	4,999,021	3,138,107	3,484,828	2,856,647	3,556,073	4,454,698	5,344,700	7,657,255	5,554,837
Unrestricted	3,275,124	3,332,107	1,958,782	3,235,785	4,541,220	3,219,893	6,582,791	(6,792,845)	(9,079,347)	(7,492,055)
<b>Total governmental activities net position</b>	<b>\$ 40,887,551</b>	<b>\$ 51,965,502</b>	<b>\$ 58,342,947</b>	<b>\$ 49,929,315</b>	<b>\$ 51,331,324</b>	<b>\$ 50,822,911</b>	<b>\$ 55,002,183</b>	<b>\$ 42,968,943</b>	<b>\$ 44,337,775</b>	<b>\$ 47,193,104</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 88,186	\$ 83,993	\$ 176,156	\$ 187,557	\$ 406,418	\$ 371,442	\$ 343,208	\$ 316,668	\$ 287,014	\$ 265,682
Restricted										
Unrestricted	201,635	433,510	416,164	463,010	281,368	305,072	360,059	377,746	429,584	291,649
<b>Total business-type activities net position</b>	<b>\$ 289,821</b>	<b>\$ 517,503</b>	<b>\$ 592,320</b>	<b>\$ 650,567</b>	<b>\$ 687,786</b>	<b>\$ 676,514</b>	<b>\$ 703,267</b>	<b>\$ 694,414</b>	<b>\$ 716,598</b>	<b>\$ 557,331</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 34,648,009	\$ 43,718,367	\$ 53,422,214	\$ 43,396,259	\$ 44,339,875	\$ 44,418,387	\$ 44,307,902	\$ 44,733,756	\$ 46,046,881	\$ 49,396,004
Restricted	3,052,604	4,999,021	3,138,107	3,484,828	2,856,647	3,556,073	4,454,698	5,344,700	7,657,255	5,554,837
Unrestricted	3,476,759	3,765,617	2,374,946	3,698,795	4,822,588	3,524,965	6,942,850	(6,415,099)	(8,649,763)	(7,200,406)
<b>Total district net position</b>	<b>\$ 41,177,372</b>	<b>\$ 52,483,005</b>	<b>\$ 58,935,267</b>	<b>\$ 50,579,882</b>	<b>\$ 52,019,110</b>	<b>\$ 51,499,425</b>	<b>\$ 55,705,450</b>	<b>\$ 43,663,357</b>	<b>\$ 45,054,373</b>	<b>\$ 47,750,435</b>

Note 1- Net Position at June 30,2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2- Net Position at June 30,2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

**ENGLEWOOD BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 23,220,725	\$ 25,929,122	\$ 24,675,017	\$ 24,971,944	\$ 24,602,798	\$ 26,664,291	\$ 26,491,866	\$ 27,010,613	\$ 31,555,621	\$ 31,719,415
Special education	11,350,755	9,275,592	9,289,136	9,000,641	9,352,301	9,442,151	9,332,744	10,734,174	12,130,980	15,035,765
Other instruction	1,341,850	2,639,929	2,854,846	2,855,352	2,794,491	2,825,646	2,613,007	2,285,360	3,229,078	4,121,522
School Sponsored Activities and Athletics	859,462	620,547	829,197	865,349	850,977	1,018,015	824,663	700,748	785,555	830,923
<b>Support Services:</b>										
Student & instruction related services	10,805,609	10,519,470	10,943,790	10,247,343	9,902,460	9,435,150	9,036,130	9,458,239	10,624,960	9,679,904
General and business administrative services	2,169,915	1,958,682	1,902,960	1,365,106	1,672,468	1,996,679	1,733,224	1,746,285	1,478,589	1,487,569
School administrative services	2,563,235	2,754,190	2,866,179	2,513,812	2,678,738	3,277,947	3,114,263	2,723,280	4,005,534	4,535,052
Central Services	1,275,142	1,298,763	1,202,351	1,298,110	1,173,719	1,226,371	1,333,236	1,265,611	1,223,740	1,443,526
Administrative Information Technology	178,769	177,733	256,616	46,148	34,827					
Plant operations and maintenance	4,433,815	5,829,455	6,401,538	7,058,751	7,603,088	7,951,854	7,121,340	7,900,369	7,964,055	7,901,477
Pupil transportation	3,575,690	3,683,748	3,410,634	3,307,184	3,208,835	2,998,695	2,901,836	2,909,844	3,121,273	3,875,295
Interest on long-term debt	1,144,244	1,150,819	1,112,202	1,079,522	1,043,463	976,817	390,267	561,397	603,301	502,731
<b>Total governmental activities expenses</b>	<b>62,919,211</b>	<b>65,838,050</b>	<b>65,744,466</b>	<b>64,609,262</b>	<b>64,918,165</b>	<b>67,813,616</b>	<b>64,892,576</b>	<b>67,295,920</b>	<b>76,722,686</b>	<b>80,933,179</b>
<b>Business-type activities:</b>										
Food service	1,276,845	1,384,572	1,451,515	1,590,750	1,625,727	1,741,241	1,723,320	1,768,692	1,804,114	1,975,659
After school program				125,052	85,530	128,315	117,883	327,001	379,828	522,536
<b>Total business-type activities expense</b>	<b>1,276,845</b>	<b>1,384,572</b>	<b>1,451,515</b>	<b>1,715,802</b>	<b>1,711,257</b>	<b>1,869,556</b>	<b>1,841,203</b>	<b>2,095,693</b>	<b>2,183,942</b>	<b>2,498,195</b>
<b>Total district expenses</b>	<b>\$ 64,196,056</b>	<b>\$ 67,222,622</b>	<b>\$ 67,195,981</b>	<b>\$ 66,325,064</b>	<b>\$ 66,629,422</b>	<b>\$ 69,683,172</b>	<b>\$ 66,733,779</b>	<b>\$ 69,391,613</b>	<b>\$ 78,906,628</b>	<b>\$ 83,431,374</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Instruction	\$ 82,692	\$ 16,321	\$ 163,522	\$ 100,241	\$ 75,348	\$ 7,563	\$ 182,373	\$ 123,452	\$ 160,956	\$ 243,932
Plant Operations					228,067	203,215	193,691	320,918	429,985	302,845
Student Transportation					143,708	187,292	132,634	201,761	183,692	164,290
Operating grants and contributions	7,465,511	16,824,866	11,449,529	11,931,729	12,115,343	12,133,277	12,442,119	11,730,915	19,258,709	21,723,896
Capital grants and contributions	1,338,844	5,491,099	2,843,714	28,691	32,845	2,649	48,823	-	162,511	1,029,044
<b>Total governmental activities program revenues</b>	<b>8,887,047</b>	<b>22,332,286</b>	<b>14,456,765</b>	<b>12,060,661</b>	<b>12,595,311</b>	<b>12,533,996</b>	<b>12,999,640</b>	<b>12,377,046</b>	<b>20,195,853</b>	<b>23,464,007</b>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Food service	\$ 502,374	\$ 544,674	\$ 495,706	\$ 508,067	\$ 455,250	\$ 479,580	\$ 463,425	\$ 336,019	\$ 336,615	\$ 333,934
After School Program				130,962	102,568	122,647	108,398	386,140	452,928	455,315
Operating grants and contributions	808,844	885,780	979,007	1,135,020	1,190,658	1,256,057	1,296,133	1,364,681	1,416,583	1,549,679
<b>Total business type activities program revenues</b>	<b>1,311,218</b>	<b>1,430,454</b>	<b>1,474,713</b>	<b>1,774,049</b>	<b>1,748,476</b>	<b>1,858,284</b>	<b>1,867,956</b>	<b>2,086,840</b>	<b>2,206,126</b>	<b>2,338,928</b>
<b>Total district program revenues</b>	<b>\$ 10,198,265</b>	<b>\$ 23,762,740</b>	<b>\$ 15,931,478</b>	<b>\$ 13,834,710</b>	<b>\$ 14,343,787</b>	<b>\$ 14,392,280</b>	<b>\$ 14,867,596</b>	<b>\$ 14,463,886</b>	<b>\$ 22,401,979</b>	<b>\$ 25,802,935</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(54,032,164)	(43,505,764)	(51,287,701)	(52,548,601)	(52,322,854)	(55,279,620)	(51,892,936)	(54,918,874)	(56,526,833)	(57,469,172)
Business-type activities	34,373	45,882	23,198	58,247	37,219	(11,272)	26,753	(8,853)	22,184	(159,267)
<b>Total district-wide net expense</b>	<b>\$ (53,997,791)</b>	<b>\$ (43,459,882)</b>	<b>\$ (51,264,503)</b>	<b>\$ (52,490,354)</b>	<b>\$ (52,285,635)</b>	<b>\$ (55,290,892)</b>	<b>\$ (51,866,183)</b>	<b>\$ (54,927,727)</b>	<b>\$ (56,504,649)</b>	<b>\$ (57,628,439)</b>



**ENGLEWOOD BOARD OF EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 40,600,443	\$ 42,370,771	\$ 44,065,602	\$ 45,828,226	\$ 46,492,456	\$ 46,492,456	\$ 46,957,381	\$ 47,896,529	\$ 48,854,459	\$ 49,783,095
Property taxes levied for debt service, net	2,358,026	2,354,501	2,358,870	2,354,446	2,182,108	2,355,195	2,387,904	2,185,306	2,087,378	2,085,700
Unrestricted grants and aid	15,839,776	7,527,045	10,772,943	6,743,399	4,672,573	5,512,607	5,964,934	6,266,111	5,735,385	7,290,877
Investment earnings	1,121,384	694,462	108,781	91,173	93,456	38,416	79,826	99,199	58,909	55,114
Miscellaneous income	2,488,248	1,082,065	530,860	332,656	321,419	372,533	682,163	379,178	120,568	364,785
Gain/(Loss) on Disposal of Capital Assets			(112,831)							29,948
Transfers	(152,712)	(182,000)	(59,079)							
Special Item - Change in Net Pension Liability									1,038,966	714,982
<b>Total governmental activities</b>	<b>62,255,165</b>	<b>53,846,844</b>	<b>57,665,146</b>	<b>55,349,900</b>	<b>53,762,012</b>	<b>54,771,207</b>	<b>56,072,208</b>	<b>56,826,323</b>	<b>57,895,665</b>	<b>60,324,501</b>
Business-type activities:										
Prior Year Receivables Cancelled										
Loss on Disposal of Capital Assets			(7,460)							
Transfers	152,712	182,000	59,079							
<b>Total business-type activities</b>	<b>152,712</b>	<b>182,000</b>	<b>51,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total district-wide</b>	<b>\$ 62,407,877</b>	<b>\$ 54,028,844</b>	<b>\$ 57,716,765</b>	<b>\$ 55,349,900</b>	<b>\$ 53,762,012</b>	<b>\$ 54,771,207</b>	<b>\$ 56,072,208</b>	<b>\$ 56,826,323</b>	<b>\$ 57,895,665</b>	<b>\$ 60,324,501</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 8,223,001	\$ 10,341,080	\$ 6,377,445	\$ 2,801,299	\$ 1,439,158	\$ (508,413)	\$ 4,179,272	\$ 1,907,449	\$ 1,368,832	\$ 2,855,329
Business-type activities	187,085	227,882	74,817	58,247	37,219	(11,272)	26,753	(8,853)	22,184	(159,267)
<b>Total district</b>	<b>\$ 8,410,086</b>	<b>\$ 10,568,962</b>	<b>\$ 6,452,262</b>	<b>\$ 2,859,546</b>	<b>\$ 1,476,377</b>	<b>\$ (519,685)</b>	<b>\$ 4,206,025</b>	<b>\$ 1,898,596</b>	<b>\$ 1,391,016</b>	<b>\$ 2,696,062</b>

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

	2007	2008	2009	2010	Fiscal Year Ended June 30,		2013	2014	2015	2016
					2011	2012				
<b>General Fund</b>										
Reserved	\$ 5,416,909	\$ 6,236,365	\$ 8,088,378	\$ 8,827,408						
Unreserved	2,134,656	1,361,818	341,615	640,817						
Restricted					\$ 5,864,664	\$ 8,376,381	\$ 11,691,563	\$ 12,554,465	\$ 9,917,651	\$ 8,315,037
Committed							260,674	790,000	396,936	395,900
Assigned					4,426,311	855,324	953,772	816,527	167,723	930,837
Unassigned					(14,322)	(44,439)	(177,768)	(115,837)	9,235	149,773
<b>Total General Fund</b>	<u>\$ 7,551,565</u>	<u>\$ 7,598,183</u>	<u>\$ 8,429,993</u>	<u>\$ 9,468,225</u>	<u>\$ 10,276,653</u>	<u>\$ 9,187,266</u>	<u>\$ 12,728,241</u>	<u>\$ 14,045,155</u>	<u>\$ 10,491,545</u>	<u>\$ 9,791,547</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 14,655,674	\$ 10,881,343	\$ 942,583	\$ 543,068						
Unreserved	6,221,187	(858,229)	1,926,457	1,501,231						
Restricted					\$ 940,982	\$ 656,161	\$ 818,561	\$ 652,182	\$ 2,662,630	\$ 1,424,107
Assigned										
Unassigned					(101,355)	(84,553)			(85,473)	(107,301)
<b>Total all other governmental funds</b>	<u>\$ 20,876,861</u>	<u>\$ 10,023,114</u>	<u>\$ 2,869,040</u>	<u>\$ 2,044,299</u>	<u>\$ 839,627</u>	<u>\$ 571,608</u>	<u>\$ 818,561</u>	<u>\$ 652,182</u>	<u>\$ 2,577,157</u>	<u>\$ 1,316,806</u>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Property Tax levy	\$ 42,958,469	\$ 44,725,272	\$ 46,424,472	\$ 48,182,672	\$ 48,674,564	\$ 48,847,651	\$ 49,345,285	\$ 50,081,835	\$ 50,941,837	\$ 51,868,795
Tuition charges	82,692	16,321	163,522	100,241	75,348	7,563	182,373	123,452	160,956	243,932
Transportation Fees					143,708	187,292	132,634	201,761	183,692	164,290
Interest earnings	1,121,384	694,462	108,781	91,173	93,456	38,416	79,826	99,199	58,909	55,114
Rentals				92,460	228,067	203,215	193,691	320,918	429,985	302,845
Miscellaneous	2,502,321	1,097,996	559,446	344,980	347,357	406,330	737,853	402,770	158,630	439,307
State sources	21,088,493	26,048,577	21,830,380	15,368,595	13,667,258	14,831,219	16,566,614	16,398,328	17,034,512	20,576,879
Federal sources	3,541,565	3,778,502	3,207,220	3,230,440	3,127,565	2,783,517	1,833,572	1,575,106	2,357,276	2,318,335
<b>Total revenue</b>	<b>71,294,924</b>	<b>76,361,130</b>	<b>72,293,821</b>	<b>67,410,561</b>	<b>66,357,323</b>	<b>67,305,203</b>	<b>69,071,848</b>	<b>69,203,369</b>	<b>71,325,797</b>	<b>75,969,497</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	21,808,748	25,761,158	24,615,625	24,998,727	24,480,064	26,430,745	26,403,174	26,505,107	27,492,007	27,085,718
Special education instruction	13,843,917	9,244,869	9,285,109	9,022,277	9,319,776	9,389,873	9,339,686	10,724,164	11,382,338	13,785,767
Other instruction	1,559,818	2,623,023	2,852,727	2,865,085	2,787,564	2,817,251	2,617,808	2,282,624	2,869,680	3,583,771
School Sponsored Activities and Athletics	718,753	616,703	828,711	876,834	848,397	1,015,167	825,929	700,073	803,954	850,381
<b>Support Services:</b>										
Tuition										
Student & inst. related services	8,814,024	10,474,349	10,938,270	10,315,759	9,851,567	9,398,914	9,035,419	9,448,777	10,114,041	9,312,948
General and business admin. Services	3,117,631	1,866,482	1,764,448	1,378,158	1,667,908	1,968,586	1,441,404	1,745,089	1,507,069	1,517,897
School administrative services	1,880,256	2,737,090	2,863,814	2,502,549	2,642,472	3,238,946	3,083,084	2,677,005	3,519,150	3,735,813
Central Services	955,845	1,290,651	1,201,434	1,320,116	1,170,096	1,222,063	1,335,782	1,264,123	1,264,821	1,496,819
Administrative Information Technology	145,517	177,733	256,616	46,148	34,827					
Plant operations and maintenance	4,037,869	5,624,481	5,676,519	5,618,870	6,104,859	6,405,593	5,582,930	6,338,353	6,430,743	6,166,399
Pupil transportation	3,499,690	3,682,341	3,410,368	3,309,544	3,171,763	2,965,697	2,872,129	2,883,257	3,103,721	3,859,967
Other support services										
Capital outlay	6,661,358	21,174,014	12,636,661	2,186,447	2,059,035	1,689,227	428,026	2,256,823	1,744,612	4,180,445
<b>Debt service:</b>										
Principal	1,190,010	1,597,896	1,569,585	1,654,946	1,554,603	1,579,408	1,941,825	2,125,700	2,062,132	2,086,315
Interest and other charges	1,163,970	1,140,641	1,132,490	1,101,620	1,060,636	1,084,745	794,468	669,759	660,164	609,621
<b>Total expenditures</b>	<b>69,397,406</b>	<b>88,011,431</b>	<b>79,032,377</b>	<b>67,197,080</b>	<b>66,753,567</b>	<b>69,206,215</b>	<b>65,701,664</b>	<b>69,620,854</b>	<b>72,954,432</b>	<b>78,271,861</b>
Excess (Deficiency) of revenues over (under) expenditures	1,897,518	(11,650,301)	(6,738,556)	213,481	(396,244)	(1,901,012)	3,370,184	(417,485)	(1,628,635)	(2,302,364)
<b>Other Financing sources (uses)</b>										
Proceeds from Bonds						1,076,000	14,970,000	-	-	-
Premium on Bonds							2,125,822	-	-	-
Payment to Refunding Bond Escrow Agent						(1,006,000)	(16,802,627)	-	-	-
Sale of property										
Contributions										
Capital Leases		1,025,172	475,171			473,606	124,549	1,568,020	-	342,015
Transfers in	3,143,508	2,765,111	1,862,025	11,466	6,347	303,386		4,033	2,497,255	882,644
Transfers out	(3,296,220)	(2,947,111)	(1,921,104)	(11,466)	(6,347)	(303,386)		(4,033)	(2,497,255)	(882,644)
<b>Total other financing sources (uses)</b>	<b>(152,712)</b>	<b>843,172</b>	<b>416,092</b>	<b>-</b>	<b>-</b>	<b>543,606</b>	<b>417,744</b>	<b>1,568,020</b>	<b>-</b>	<b>342,015</b>
<b>Net change in fund balances</b>	<b>\$ 1,744,806</b>	<b>\$ (10,807,129)</b>	<b>\$ (6,322,464)</b>	<b>\$ 213,481</b>	<b>\$ (396,244)</b>	<b>\$ (1,357,406)</b>	<b>\$ 3,787,928</b>	<b>\$ 1,150,535</b>	<b>\$ (1,628,635)</b>	<b>\$ (1,960,349)</b>
Debt service as a percentage of noncapital expenditures	3.75%	4.10%	4.07%	4.24%	4.04%	3.95%	4.19%	4.15%	3.82%	3.64%

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

<b>Fiscal Year Ended June 30,</b>	<b><u>Tuition</u></b>	<b><u>Interest on Investments</u></b>	<b><u>Cancelled O/S Checks</u></b>	<b><u>Cancellation of Prior Year Payables</u></b>	<b><u>E-Rate Rebates</u></b>	<b><u>Rentals</u></b>	<b><u>Refunds</u></b>	<b><u>Transportation Fees</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
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
2012	7,563	35,030		295,175		203,215		187,292	77,358	805,633
2013	182,373	75,350		367,073	\$ 14,070	193,691	210,530	132,634	88,394	1,264,115
2014	123,452	95,166	\$ 89,102	197,289	-	320,918	27,414	201,761	65,373	1,120,475
2015	160,956	56,074	-	-	-	429,985	19,169	183,692	101,399	951,275
2016	243,932	52,265	28,132.00	193,429	12,900	302,845	43,065	164,290	87,259	1,128,117

**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 *
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
2012	24,427,300	3,110,880,500	785,499,300	245,027,000	179,209,900	4,345,044,000	8,719,781	4,353,763,781	633,731,600	5,030,140,011	1.128
2013	38,585,500	3,117,371,100	764,537,400	239,773,400	178,900,000	4,339,167,400	7,106,119	4,346,273,519	633,818,400	4,916,498,238	1.144
2014	41,609,500	3,103,856,500	756,710,500	242,531,500	177,144,200	4,321,852,200	6,615,913	4,328,468,113	634,876,700	4,742,307,048	1.168
2015	42,039,900	3,120,437,300	752,236,900	241,394,800	175,187,900	4,331,296,800	6,772,340	4,338,069,140	632,317,600	4,729,270,577	1.184
2016	39,584,900	3,131,452,500	749,430,700	240,535,000	217,627,500	4,378,630,600	100	4,378,630,700	599,048,200	4,790,712,545	1.193

Source: County Abstract of Ratables

**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		Total Direct and Overlapping Tax Rate
		City of Englewood	County of Bergen	
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
2012	1.128	1.081	0.156	2.365
2013	1.144	1.078	0.255	2.477
2014	1.168	1.092	0.254	2.514
2015	1.184	1.090	0.261	2.535
2016	1.193	1.096	0.269	2.558

Source: County Abstract of Ratables

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

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
CPUS Englewood Limited Partnership	\$ 90,000,000	2.07%		0.00%
Englewood Terrace LLC	42,300,000	0.98%	\$ 19,212,000	0.93%
SHG Englewood South I LLC	27,339,700	0.63%		0.00%
SHG Englewood South II LLC	23,318,700	0.54%		0.00%
Brunt Street, LLC	19,540,400	0.45%	20,616,400	1.00%
Rockwood Property Holding, LLC	16,000,000	0.37%	19,693,300	0.95%
Englewood Village LLC	15,000,000	0.35%	18,983,400	0.92%
SH729-744 LLC	14,250,000	0.33%		0.00%
Seol Shik Poom, Inc.	13,658,000	0.31%		0.00%
West Side Grand Ave LLC	13,570,700	0.31%		
Lackland Partners	-	0.00%	15,413,900	0.75%
John Sexton & Co	-	0.00%	15,240,000	0.74%
Englewood Redevelopment Assoc.	-	0.00%	15,152,000	0.73%
Realty Assoc Fund	-	0.00%	12,514,700	0.61%
Nordhoff Realty Assoc	-	0.00%	11,651,800	0.56%
ESS Prisa, LLC	-	0.00%	11,285,100	0.55%
	<u>\$ 274,977,500</u>	<u>6.34%</u>	<u>\$ 159,762,600</u>	<u>7.74%</u>

Source: Municipal Tax Assessor

**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	
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%	
2012	48,847,651	48,804,380	99.91%	\$ 43,271
2013	49,345,285	47,233,179	95.72%	2,112,106
2014	50,081,835	47,908,349	95.66%	2,173,486
2015	50,941,837	50,941,837	100.00%	-
2016	51,868,795	47,474,573	91.53%	4,394,222



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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
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	27,169	818
2011	20,358,000	305,404	20,663,404	27,363	755
2012	19,059,000	568,602	19,627,602	27,795	706
2013	16,934,000	486,325	17,420,325	27,946	623
2014	15,399,000	1,463,645	16,862,645	28,383	594
2015	13,826,000	974,513	14,800,513	28,539	519
2016	12,215,000	736,975	12,951,975	28,539 (E)	454

Source: District records

(E) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2007	\$ 25,438,132		\$ 25,438,132	0.51%	\$ 918
2008	24,219,342		24,219,342	0.46%	837
2009	22,962,941		22,962,941	0.43%	779
2010	21,678,000		21,678,000	0.49%	798
2011	20,358,000		20,358,000	0.46%	744
2012	19,059,000		19,059,000	0.44%	686
2013	16,934,000	\$ 172,374	16,761,626	0.39%	600
2014	15,399,000	172,385	15,226,615	0.35%	536
2015	13,826,000	86,198	13,739,802	0.32%	481
2016	12,215,000		12,215,000	0.28%	428

Source: District records

**ENGLEWOOD BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
(Unaudited)**

	<u><b>Total Debt</b></u>
<b>Municipal Debt:</b>	
City of Englewood	\$ 84,887,791
Englewood Board of Education (June 30, 2016)	<u>12,215,000</u>
	<u>97,102,791</u>
<b>Overlapping Debt Apportioned to the Municipality:</b>	
Bergen County:	
County of Bergen (A)	27,709,781
Bergen County Utilities Authority - Wastewater (B)	<u>9,624,757</u>
	<u>37,334,538</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$ 134,437,329</u></u>

Source:

Borough of Englewood's 2015 Annual Debt Statement  
 County of Bergen's 2015 Annual Debt Statement  
 Bergen County Utilities Authority's 2015 Annual Audit

(A) The debt for this entity was apportioned to Englewood by dividing the municipality's 2015 equalized value by the total 2015 equalized value for Bergen County.

(B) The debt was computed based upon usage

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

**Legal Debt Margin Calculation for Fiscal Year 2016**

	Equalized valuation basis	
	2015	\$ 4,693,646,294
	2014	4,668,235,256
	2013	<u>4,710,853,762</u>
		<u>\$ 14,072,735,312</u>
Average equalized valuation of taxable property		\$ 4,690,911,771
Debt limit (4% of average equalization value)		187,636,471
Total Net Debt Applicable to Limit		-
Legal debt margin		<u>\$ 187,636,471</u>

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	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 183,082,523	\$ 284,931,559	\$ 201,779,318	\$ 214,248,132	\$ 218,185,617	\$ 212,706,117	\$ 203,831,896	\$ 194,951,596	\$ 189,995,581	\$ 187,636,471
Total net debt applicable to limit	<u>22,813,132</u>	<u>21,833,342</u>	<u>20,826,941</u>	<u>19,804,000</u>	<u>18,759,000</u>	<u>17,679,000</u>	<u>15,890,000</u>	<u>14,700,000</u>	<u>13,475,000</u>	<u>12,215,000</u>
Legal debt margin	<u>\$ 160,269,391</u>	<u>\$ 263,098,217</u>	<u>\$ 180,952,377</u>	<u>\$ 194,444,132</u>	<u>\$ 199,426,617</u>	<u>\$ 195,027,117</u>	<u>\$ 187,941,896</u>	<u>\$ 180,251,596</u>	<u>\$ 176,520,581</u>	<u>\$ 175,421,471</u>
Total net debt applicable to the limit as a percentage of debt limit	12.46%	7.66%	10.32%	9.24%	8.60%	8.31%	7.80%	7.54%	7.09%	6.51%

Source: Annual Debt Statements

EXHIBIT J-14

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2007	27,697	\$ 68,147	4.0%
2008	28,932	68,548	5.1%
2009	29,478	64,571	8.2%
2010	27,169	65,275	8.2%
2011	27,363	68,244	9.0%
2012	27,795	71,380	9.4%
2013	27,946	70,498	7.6%
2014	28,383	73,536	5.8%
2015	28,539	73,536 (E)	5.1%
2016	28,539 (E)	73,536 (E)	5.1% (E)

Source: New Jersey State Department of Education

(E) Estimate

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

Employer	2016		2007	
	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)**

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	225.0	229.0	305.0	301.0	216.0	216.0	225.0	251.0	256.0	262.0
Special Education	91.0	51.0	50.0	13.0	92.0	109.0	118.0	147.0	42.0	41.0
Support Services:										
Student & instruction related services	69.0	67.0	69.0	72.0	76.0	66.0	73.0	27.0	51.0	62.0
School administrative services	8.0	28.0	25.0	26.0	23.0	23.0	28.0	25.0	25.0	14.0
General and business administrative services	32.0	17.0	20.0	18.0	18.0	17.0	16.0	18.0	22.0	18.0
Plant operations and maintenance	23.0	12.0	20.0	17.0	17.0	18.0	19.0	2.0	2.0	2.0
Pupil transportation	0.5	1.0	1.0	12.0	17.0	16.0	17.0	5.0	5.0	5.0
Food Service	0.5	0.5								
Total	<u>449.0</u>	<u>405.5</u>	<u>490.0</u>	<u>459.0</u>	<u>459.0</u>	<u>465.0</u>	<u>496.0</u>	<u>475.0</u>	<u>403.0</u>	<u>404.0</u>

Source: District Personnel Records

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

Teacher/Pupil Ratio

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	2,962	\$ 60,382,068	\$ 20,386	1.11%	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%
2012	3,002	64,852,835	21,603	5.09%	N/A	N/A	N/A	N/A	2,922.4	2,748.4	1.86%	94.05%
2013	2,991	62,537,345	20,909	-3.22%	306	1:9	1:12	1:9	2,999.7	2,827.4	2.65%	94.26%
2014	3,050	64,568,572	21,170	-2.01%	311	1:10	1:8	1:10	3,050.4	2,860.8	1.69%	93.78%
2015	3,084	68,487,524	22,207	2.80%	320	1:10	1:8	1:12	3,019.5	2,908.6	-1.01%	96.33%
2016	3,093	71,395,480	23,083	10.40%	303	1:10	1:8	1:11	3,103.7	2,909.9	2.79%	93.76%

Sources: District records

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



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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Quarles Elementary (1958)										
Square Feet	46,310	46,310	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Capacity (students)	400	400	500	500	500	500	500	500	500	500
Enrollment	506	524	490	376	353	385	438	450	466	487
Cleveland/McCloud Elementary (1935)										
Square Feet	36,000	36,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Capacity (students)	500	500	550	550	550	550	550	550	550	550
Enrollment	406	257	257	565	503	564	569	563	549	553
Lincoln/Grieco Elementary (1915)										
Square Feet	58,520	58,520	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000
Capacity (students)	550	550	600	600	600	600	600	600	600	600
Enrollment	416	383	394	553	564	541	574	579	589	606
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	60	60
Enrollment	127	63	-	-	41	-	-	-	-	-
<b><u>Middle School</u></b>										
Janis Dismus School (1968)										
Square Feet	41,150	41,150	94,680	94,680	94,680	94,680	94,680	94,680	94,680	94,680
Capacity (students)	700	700	700	700	700	700	700	700	700	700
Enrollment	468	516	518	380	377	404	388	386	412	422
<b><u>Senior High School</u></b>										
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	1,039	1,023	1,011	1,013	1,001	1,038	1,085	1,002	1,068	1,064
<b><u>Vince Lombardi Learning Center</u></b>										
High School (1931)										
Square Feet						31,000	31,000	31,000	31,000	31,000
Capacity (students)										
Enrollment										
Number of Schools at June 30, 2016										
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

<u>School Facilities</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Quarles Elementary	\$ 81,160	\$ 128,072	\$ 81,751	\$ 94,151	\$ 103,039	\$ 75,683	\$ 50,776	\$ 58,390	\$ 54,854	\$ 54,356
McCloud Elementary	64,929	102,459	65,401	75,322	82,432	60,548	40,621	46,712	96,502	95,627
Grieco Elementary	89,276	140,879	89,926	103,567	113,343	83,252	55,853	64,228	92,440	91,601
Liberty School	73,044	115,265	73,576	84,736	92,735	68,115	45,698	52,550	-	-
Middle School	162,321	256,146	163,502	188,304	206,079	151,368	101,552	116,779	96,177	95,305
High School	340,873	537,905	343,354	395,437	432,765	279,404	187,451	212,616	192,232	196,788
Vince Lombardi Center	-	-	-	-	-	38,467	25,807	32,620	31,490	-
<b>Total School Facilities</b>	<b>\$ 811,603</b>	<b>\$ 1,280,726</b>	<b>\$ 817,509</b>	<b>\$ 941,518</b>	<b>\$ 1,030,393</b>	<b>\$ 756,837</b>	<b>\$ 507,758</b>	<b>\$ 583,895</b>	<b>\$ 563,695</b>	<b>\$ 533,677</b>

Source: District Records

**ENGLEWOOD BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Blanket Real and Personal Property (All Locations)		
Limits of Liability per occurrence	\$ 400,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers	10,000,000	5,000
Flood Zones - Per Occurrence	75,000,000	500,000
Earthquake - Per Occurrence	50,000,000	
Terrorism - Aggregate	1,000,000	
Comprehensive General Liability	16,000,000	1,000
Automobile Liability	16,000,000	1,000
Workers Compensation	Statutory	
Blanket Hardware/Software	4,500,000	1,000
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 (2)		
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**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

## 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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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, 2016 and the related notes to the financial statements, which collectively comprise the Englewood Board of Education's basic financial statements and have issued our report thereon dated December 1, 2016.

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

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

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

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

### **Compliance and Other Matters**

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Englewood Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 1, 2016.

### **Purpose of this Report**

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

*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  
December 1, 2016



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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ROBERT AMPONSAH, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE AND  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY  
OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major Federal and State Program**

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) Compliance Supplement and the New Jersey OMB Circular 15-08 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, 2016. The 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Englewood Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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 the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Englewood Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002. Our opinion on each major federal and state program is not modified with respect to these matters.

The Englewood Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Englewood Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.



The Englewood Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Englewood Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

**Report on Schedules of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

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, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 1, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Lerch, Vinci & Higgins, LLP*

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



Jeffery C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
December 1, 2016

**ENGLEWOOD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015			Accounts Receivable Carryover Amount	Deferred Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments Accounts Receivable	Adjustments Deferred Revenues	Cancelled Prior Year Enc/AP	Refund of Prior Years' Balances	Balance, June 30, 2016			MEMO GAAP Receivable		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor									(Account Receivable)	Deferred Revenue	Due to Grantor			
<b>U.S. Department of Agriculture</b>																						
<b>Passed-through State Department of Education</b>																						
National School Lunch Program	10.555		N/A																	*		
Cash Assistance		16161NJ304N1099		7/1/15-6/30/16	\$ 916,073					\$ 732,445	\$ 916,073									* \$ (183,628)		
Cash Assistance				7/1/14-6/30/15	864,674	(195,826)				195,826										* (183,628)		
Cash Assistance - PB Lunch		16161NJ304N1099		7/1/15-6/30/16	24,366					19,641	24,366									* (4,725)		
Cash Assistance - PB Lunch				7/1/14-6/30/15	23,690	(5,071)				5,071										* (4,725)		
Non-Cash Assistance (Food Distribution)		16161NJ304N1099		7/1/15-6/30/16	155,213					155,213	154,048									* \$ 1,165		
Non-Cash Assistance (Food Distribution)				7/1/14-6/30/15	122,576		\$ 4,053				4,033									* \$ 1,165		
School Breakfast program	10.553	16161NJ304N1099		7/1/15-6/30/16	297,936					231,091	297,936									* (66,845)		
School Breakfast program	10.553			7/1/14-6/30/15	232,939	(53,600)				53,600										* (66,845)		
After School Snack Program	10.558	16161NJ304N1099		7/1/15-6/30/16	91,194					68,949	91,194									* (22,245)		
After School Snack Program	10.558			7/1/14-6/30/15	74,739	(17,437)				17,437										* (22,245)		
Total U.S. Department of Agriculture/Child Nutrition Cluster						(271,934)	4,053	-	-	-	1,479,273	1,487,670	-	-	-	-	-	(277,443)	1,165	-	* (277,443)	
<b>U.S. Department of Health and Human Services</b>																						
<b>General Fund</b>																						
Medicaid Assistance Program	93.778	1605NJ5MAP	N/A	7/1/15-6/30/16	112,863					112,863	112,863											
Total U.S. Department of Health and Human Services						-	-	-	-	-	112,863	112,863	-	-	-	-	-	-	-	-		
<b>U.S. Department of Education</b>																						
<b>Passed-through State Department of Education</b>																						
<b>Special Revenue Fund</b>																						
I.D.E.I.A Part B, Basic Regular	84.027	H027A150100	FT-3870-16	7/1/15-6/30/16	1,095,949				\$ (229,887)	\$ 229,887	232,305	1,014,962									(782,657)	
I.D.E.I.A Part B, Basic Regular	84.027		FT-3870-15	7/1/14-6/30/15	1,016,779	(778,750)	267,642		229,887	(229,887)	548,863											
I.D.E.I.A Part B, Basic Regular	84.027		FT-3870-13	9/1/12-8/31/13	1,003,603		\$ 55,617														55,617	
I.D.E.I.A Preschool	84.173	H173A150114	PS-3870-16	7/1/15-6/30/16	38,669				(23,030)	23,030		61,604									(61,604)	
I.D.E.I.A Preschool	84.173		PS-3870-15	7/1/14-6/30/15	36,954	(24,934)	23,030		23,030	(23,030)	1,904											
Special Education Cluster(IDEA)						(803,684)	290,672	55,617	-	-	783,072	1,076,566	-	-	-	-	-	(1,155,230)	310,969	93,372	(844,261)	
<b>NCLB</b>																						
Title III	84.365	S365A150030	NCLB-3510-16	7/1/15-6/30/16	84,892				(28,367)	28,367	44,412	65,928									(68,847)	
Title III	84.365		NCLB-3510-15	9/1/14-6/30/15	78,562	(71,795)	28,367		28,367	(28,367)	43,428				1,025						47,331	
Title III Immigrant	84.365	S365A150030	NCLB-3510-16	7/1/15-6/30/16	35,214						900	24,724									(34,314)	
Title III Cluster						(71,795)	28,367	-	-	-	88,740	90,652	-	-	-	-	-	-	-	-	1,025	
Title I	84.010A	S010A50030	NCLB-3510-16	7/1/15-6/30/16	863,523				(81,893)	81,893	217,063	816,181									(728,353)	
Title I	84.010A		NCLB-3510-15	9/1/14-6/30/15	666,924	(307,744)	81,893		81,893	(81,893)	225,851				\$ 1,842						129,235	
Title II A	84.367A	S367A150029	NCLB-3510-16	7/1/15-6/30/16	171,874				(139,109)	139,109	36,623	193,753									(274,360)	
Title II A	84.367A		NCLB-3510-15	9/1/14-6/30/15	173,229	(223,775)	139,109		139,109	(139,109)	84,666				4,800						117,230	
IDEA Basic -ARRA																					(5,282)	
IDEA Preschool -ARRA																						(482)
Project Image																					(28,122)	
Perkins Grant												23,128										(34,612)
Perkins Grant													\$ 3,788	\$ (5,069)								11,484
Perkins Grant													19,336	(18,141)	701							-
Perkins Grant													24,432									701
Perkins Grant													5,721									-
Perkins Grant													1,651									-
Total U.S. Department of Education						(1,307,424)	563,251	55,617	-	-	1,453,348	2,200,280	49,207	(23,210)	8,368	-	-	(2,329,602)	626,739	101,740	-	(1,702,863)
Total Federal Awards						\$ (1,779,358)	\$ 567,304	\$ 55,617	\$ -	\$ -	\$ 3,045,484	\$ 3,800,813	\$ 49,207	\$ (23,210)	\$ 8,368	\$ -	\$ -	\$ (2,607,045)	\$ 627,904	\$ 101,740	\$ -	\$ (1,980,306)

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

ENGLEWOOD BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2016			Memo	
				(Accounts Receivable	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>															
<b>General Fund:</b>															
School Choice Aid	16-495-034-5120-068	7/1/15-6/30/16	\$ 4,241,664					\$ 3,904,505	\$ 4,241,664		\$ (337,159)				\$ 4,241,664
School Choice Aid	15-495-034-5120-068	7/1/14-6/30/15	4,506,768	(343,435)				343,435							-
Categorical Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,782,777					1,641,069	1,782,777		(141,708)				1,782,777
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	1,782,777	(156,579)				156,579							-
Categorical Security Aid	16-495-034-5120-084	7/1/15-6/30/16	971,642					894,409	971,642		(77,233)				971,642
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	971,642	(85,338)				85,338							-
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	1,257,860					1,157,876	1,257,860		(99,984)				1,257,860
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1,257,860	(110,476)				110,476							-
Additional Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	497,070					457,559	497,070		(39,511)				497,070
Additional Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	497,070	(43,657)				43,657							-
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	30,440					28,020	30,440		(2,420)				30,440
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	30,440	(2,674)				2,674							-
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	30,440					28,020	30,440		(2,420)				30,440
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	30,440	(2,674)				2,674							-
Other Choice School Aid	16-495-034-5120-068	7/1/15-6/30/16	1,242,675					1,242,675	1,242,675		-				1,242,675
Total State Aid Public Cluster				(744,833)				10,098,966	10,054,568		(700,435)				10,054,568
Categorical Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	685,463					630,977	685,463		(54,486)				685,463
Categorical Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	685,463	(60,203)				60,203							-
Nonpublic School Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	52,798					52,798	52,798		(52,798)			\$ (52,798)	52,798
Nonpublic School Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	42,691	(42,691)				42,691							-
Total Transportation Aid Cluster				(102,894)				733,871	738,261		(107,284)			(52,798)	738,261
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	445,173					566,992	445,173		(445,173)				445,173
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	566,992	(566,992)											-
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			-
TPAF Social Security Contribution	16-495-034-5094-003	7/1/15-6/30/16	1,904,611					1,904,572	1,904,611		(39)			(39)	1,904,611
TPAF Social Security Contribution	15-495-034-5094-003	7/1/14-6/30/15	1,997,057	(97,071)				97,071							-
On-Behalf TPAF Contributions															-
Pension Benefit Contribution	16-495-034-5094-002	7/1/15-6/30/16	1,928,930					1,928,930	1,928,930						1,928,930
Pension NCGI Premium	16-495-034-5094-004	7/1/15-6/30/16	96,087					96,087	96,087						96,087
Post Retirement Medical Contribution	16-495-034-5094-001	7/1/15-6/30/16	2,411,236					2,411,236	2,411,236						2,411,236
Total General Fund				(1,511,790)	127,252			17,837,725	17,578,866		(1,252,931)	127,252		(52,837)	17,578,866
<b>Special Revenue Fund</b>															
<b>New Jersey Non-Public Aid</b>															
<b>Auxiliary Services</b>															
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	12,690					12,690	3,553				\$ 9,137		3,553
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	17,020			\$ 15,139				\$ 15,139					-
English as a Second Language	16-101-034-5120-067	7/1/15-6/30/16	5,522					5,522	4,659				863		4,659
English as a Second Language	15-101-034-5120-067	7/1/14-6/30/15	1,827			1,827				1,827					-
Home Instruction	16-100-034-5120-067	7/1/15-6/30/16	294					294			(294)			(294)	294
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	183	(183)				183							-
Total Non Public Aux. Service Aid (Chap. 192) Cluster				(183)		16,966		18,395	8,506	16,966	(294)		10,000	(294)	8,506
<b>Handicapped Services</b>															
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	113,351					113,351	107,725				5,626		107,725
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	131,665			11,891				11,891					-
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	77,671					77,671	75,330				2,341		75,330
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	83,049			8,570				8,570					-
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	86,880					86,880	81,386				5,494		81,386
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	94,164			8,161				8,161					-
Total Non Public Hand. Service Aid (Chap. 193) Cluster						28,622		277,902	264,441	28,622			13,461		264,441
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	104,151					104,151	95,546				8,605		95,546
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	111,655			12,691				12,691					-
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	183,510					183,510	183,361				149		183,361
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	195,770			306				306					-
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	47,424					47,424	46,612				812		46,612
Technology Aid	15-100-034-5120-373	7/1/14-6/30/15	59,968			25,756				25,756					-
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	50,975					50,975	39,494				11,481		39,494
Preschool Education Aid	16-495-034-5120-086	7/1/15-6/30/16	1,169,100				\$ 21,045	1,052,190	1,180,536		(116,910)	9,609			1,180,536
Preschool Education Aid	15-495-034-5120-086	7/1/14-6/30/15	1,065,180	(106,518)	21,045		(21,045)	106,518							-
Targeted At Risk Aid - 217	08-	7/1/07-6/30/08	817,000		7,790										-
Character ED	06-495-034-5120-053	7/1/05-6/30/08	26,494		26,494										-
LEADS Grant		7/1/06-6/30/07	41,200		22,589										-
Total Special Revenue Fund				(106,701)	77,918	84,341		1,841,065	1,818,496	84,341	(117,204)	66,482	44,508	(294)	1,818,496

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**ENGLEWOOD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015			Carrvover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2016			Memo		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>Capital Projects Fund</b>																
NJSDA - DMHS Steam Heating - Phase 1	1370-040-14-1002	3/17/14-6/30/16	854,951	\$ (854,951)	\$ 701,463			\$ 701,463		\$ (854,951)			*	\$ (854,951)	\$ 701,463	
NJSDA - DMHS Steam Heating - Phase 2	1370-040-14-1001	3/17/14-6/30/16	807,996	(807,996)	798,973	-	-	327,581	-	(807,996)	\$ 471,392	-	*	(807,996)	327,581	
<b>Total Capital Projects Fund/SDA Cluster</b>				<u>(1,662,947)</u>	<u>1,500,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,029,044</u>	<u>-</u>	<u>(1,662,947)</u>	<u>471,392</u>	<u>-</u>	<u>*</u>	<u>(1,662,947)</u>	<u>1,029,044</u>
<b>Enterprise Fund</b>																
National School Lunch (State Share)	16-100-010-3350-023	7/1/15-6/30/16	62,010					\$ 57,983	62,010	(4,027)			*	(4,027)	62,010	
National School Lunch (State Share)	15-100-010-3350-023	7/1/14-6/30/15	63,026	(4,948)				4,948					*	-	-	
Nat Sch. Lunch (St. Sh.) - Break. Exp.	06301370	7/1/14-6/30/15	8,870	(4,052)				4,052					*	-	-	
<b>Total Enterprise Fund</b>				<u>(9,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,983</u>	<u>62,010</u>	<u>(4,027)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>*</u>	<u>(4,027)</u>	<u>62,010</u>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<u>(3,290,438)</u>	<u>1,705,606</u>	<u>84,341</u>	<u>-</u>	<u>19,745,773</u>	<u>20,488,416</u>	<u>84,341</u>	<u>(3,037,109)</u>	<u>665,126</u>	<u>44,508</u>	<u>*</u>	<u>(1,720,105)</u>	<u>20,488,416</u>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>																
<b>General Fund</b>																
<b>On-Behalf TPAF Contributions</b>																
Pension Benefit Contribution	16-495-034-5094-002	7/1/15-6/30/16	1,928,930					(1,928,930)	(1,928,930)				*		(1,928,930)	
Pension NCGI Premium	16-495-034-5094-004	7/1/15-6/30/16	96,087					(96,087)	(96,087)				*		(96,087)	
Post Retirement Medical Contribution	16-495-034-5094-001	7/1/15-6/30/16	2,411,236					(2,411,236)	(2,411,236)				*		(2,411,236)	
<b>Total State Financial Assistance Utilized for Calculation to Determine Major Program</b>				<u>\$ (3,290,438)</u>	<u>\$ 1,705,606</u>	<u>\$ 84,341</u>	<u>\$ -</u>	<u>\$ 15,509,520</u>	<u>\$ 16,052,163</u>	<u>\$ 84,341</u>	<u>\$ (3,037,109)</u>	<u>\$ 665,126</u>	<u>\$ 44,508</u>	<u>*</u>	<u>\$ (1,720,105)</u>	<u>\$ 16,052,163</u>

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 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 prepared and 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The 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 \$171,934 for the general fund and a decrease of \$16,269 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 112,863	\$ 17,750,800	\$ 17,863,663
Special Revenue Fund	2,205,472	1,797,035	4,002,507
Capital Projects Fund		1,029,044	1,029,044
Food Service Fund	<u>1,487,669</u>	<u>62,010</u>	<u>1,549,679</u>
Total Financial Assistance	<u>\$ 3,806,004</u>	<u>\$ 20,638,889</u>	<u>\$ 24,444,893</u>

**ENGLEWOOD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,904,611 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$2,025,017 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,411,236 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions as well as on-behalf School Development Authority Educational Facility Construction and Financing Act Program payments 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 financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

ENGLEWOOD BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part I – Summary of Auditor's Results

**Financial Statement Section**

Type of auditors' report issued on financial statements

Unmodified

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?

\_\_\_\_\_ yes     X 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?

\_\_\_\_\_ yes     X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance?

\_\_\_\_\_ yes     X no

Identification of major federal programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>National School Lunch</u>
<u>10.553</u>	<u>16161NJ304N1099</u>	<u>School Breakfast Program</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X yes     \_\_\_\_\_ no





**ENGLEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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.

There are none.

ENGLEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

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 Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**ENGLEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

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 Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2016-001**

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

- Office of the State Comptroller was not notified of one contract award in excess of \$2 million.
- Purchasing requirements that apply to national cooperative contract awards were not in compliance with the Public School Contracts Law.
- Professional service contract awards were not subsequently advertised.
- Certain contracts awarded to vendors in excess of the bid threshold were not approved in the minutes.
- Aggregate purchases in excess of the bid threshold for musical instruments and asbestos removal were not publicly advertised for bids.

**State program information:**

Security Aid	495-034-5120-084
Special Education Aid	495-034-5120-089
School Choice Aid	495-034-5120-068
Adjustment Aid	495-034-5120-085
Additional Adjustment Aid	495-034-5120-085
PARCC Readiness Aid	495-034-5120-098
Per Pupil Growth Aid	495-034-5129-097

**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, 2016**

*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 Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2016-001 (Continued)**

**Context:**

We noted that the Office of the State Comptroller was not notified of one (1) contract in excess of \$2 million. We noted one (1) contract in excess of the bid threshold that was awarded through a national cooperative purchasing agreement that was not procured in accordance with requirements of the Local Public School Contracts Law. We noted three (3) professional service contract awards that were not subsequently advertised in the official newspaper. We noted two (2) instances for certain contracts awarded to cooperative purchasing vendors for goods and services in excess of the bid threshold that were not approved in the minutes. We noted total purchases for asbestos removal and musical instruments which were in excess of the bid threshold that were not publicly advertised for bids and were not approved in the minutes.

**Effect:**

Noncompliance with the Public School Contracts Law.

**Cause:**

See condition.

**Recommendation:**

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

**View of Responsible Officials and Planned Corrective Action:**

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, 2016**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR STATE AWARDS**

**Finding 2016-002**

Our audit of the District's Application for State School Aid (ASSA) revealed several discrepancies between the ASSA enrollment counts, District workpapers and the supporting District records.

**State program information:**

Adjustment Aid	495-034-5120-085
Additional Adjustment Aid	495-034-5120-085
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
School Choice Aid	495-034-5120-068
PARCC Readiness	495-034-5120-098
Per Pupil Growth Aid	495-034-5120-097

**Criteria or specific requirement:**

State Grant Compliance Supplement – State Aid Public - Eligibility

**Condition:**

Enrollment counts reported on the ASSA were not in agreement with the District workpapers or supporting District records.

**Questioned Costs:**

Unknown.

**Context:**

We noted the number of regular, special education, private schools for the disabled and low income students reported on the ASSA was not in agreement with the District's workpapers and other supporting documentation.

**Effect:**

Noncompliance with the State Aid Public Compliance Requirements.

**Cause:**

Unknown.

**ENGLEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR STATE AWARDS**

**Finding 2016-002 (Continued)**

**Recommendation:**

Internal control procedures be strengthened over the reporting of information on the Application for State School Aid (ASSA) to ensure District workpapers, class registers and related records support student counts reported on the ASSA.

**Views of Responsible Officials and Planned Corrective Action Plan:**

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  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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*, Uniform Guidance and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2015-001**

**Condition**

Certain purchase orders in the General Fund, Special Revenue Fund and Capital Projects Fund were deemed overstated or not properly classified (i.e., accounts payable or encumbrances). In addition, certain contract balances and utility charges in the General Fund were unrecorded at year end.

**Current Status**

Corrective action has been taken.

**Finding 2015-002**

**Condition**

The District did not transfer sufficient capital reserve to fund expenditures incurred for the High School steam heating project in the amount of \$454,795.

**Current Status**

Corrective action was partially taken – See Finding in Auditor's Management Report on Administrative Findings.

**Finding 2015-003**

**Condition**

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

**Current Status**

See Finding 2016-001.

**ENGLEWOOD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 2015-004**

**Condition**

Certain students' IEP's did not indicate that the student was required to receive intensive related services as reported in the Extraordinary Aid application.

**Current Status**

Corrective action has been taken.