

**ENGLEWOOD BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2016**

**ENGLEWOOD BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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# 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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Englewood Board of Education for the fiscal year ended June 30, 2016, and have issued our report thereon dated December 1, 2016.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of management, the Board of Trustees, others within the District and the New Jersey State Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*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

**ENGLEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the district's CAFR.

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Cheryl Balletto	Board Secretary/School Business Administrator	\$140,000
Robert Brown	Treasurer of School Monies	350,000

There is a Public Employees' Dishonesty Insurance Coverage with the New Jersey Schools Insurance Group (NJSIG) covering all other employees with multiple coverage of \$250,000.

**Tuition Charges**

A comparison of tentative tuition charges was made.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to each of signature certification and proper itemization.

- **Finding** – The audit of the vision benefit bills indicated certain individuals continued to remain on vision benefit bills after termination of employment.

**Recommendation** – The District's vision benefit bills be reviewed on a monthly basis to ensure only active and eligible employees with the District are receiving benefits.

- **Finding** – Our audit of health benefit waiver opt-out payments revealed that employee contributions for health benefits were not deducted from the premiums when calculating the waiver benefit payment.

**Recommendation** – Health benefit waiver opt-out payments be calculated net of the employee health benefit contribution.

**ENGLEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Financial Planning, Accounting and Reporting (Continued)**

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls tested were certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to the general fund.

The District maintains a personnel tracking and accounting (Position Control) system.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserve for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**Finding** – Certain bills for energy service providers were not recorded in the District records at year end. We noted that the bills were not turned over to the business office in a timely manner in order to be included as part of the year end close.

**Recommendation** – Bills for energy service providers be turned over to the business office in a timely manner to ensure amounts are recorded in the District records at year end.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection included administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-2.4. As a result of the procedures performed no additional procedures were deemed necessary to test the propriety of expenditure classification.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in good condition.

Acknowledgement of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports were included in the minutes.

**ENGLEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Financial Planning, Accounting and Reporting (Continued)**

**Board Secretary's Records (Continued)**

The prescribed contractual order system was followed without any material exceptions noted.

- **Finding** – Our audit revealed a balance due at June 30, 2016 from the City for the fiscal year 2016 tax levy in the amount of \$4,394,223. The amount of \$4,308,035 has been subsequently received in July, 2016, therefore no recommendation is warranted.
- **Finding** – Our review of the Capital Projects Fund revealed a certain project was overexpended at June 30, 2016 in the amount of \$25,145.

**Recommendation** – Continued efforts be taken to provide the remaining unfunded project balance in the amount of \$25,145 that exists at year end in the Capital Projects Fund.

- **Finding** – Our audit of the athletic scholarship account revealed that checks issued contained only one authorized signature.

**Recommendation** – Checks issued from the athletic scholarship bank account contain the required three (3) authorized check signatures.

**Treasurer's Records**

The Treasurer did perform reconciliations for all required accounts.

The Treasurer's cash balances were in agreement with the reconciled cash balances as determined during the audit.

The Treasurer's records were in agreement with the Board Secretary's records.

**Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Expendable Trust Fund.

**Elementary and Secondary School Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act of 2001**

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Titles I, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination of the E.S.E.A./NCLB funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

**ENGLEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Financial Planning, Accounting and Reporting (Continued)**

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the CAFR.

Our examination of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the board of education may establish that the bid threshold may be up to \$40,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has designated the Business Administrator as the qualified purchasing agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed; however, to determine whether any clear-cut violations existed.

The results of our examination did indicate individual payments, contracts, or agreements which were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5, in certain instances.

**ENGLEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**School Purchasing Programs (Continued)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

- **Finding (CAFR 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.

**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.

**Food Service Fund**

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19.4.1. Provisions of the FSMC contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

The number of meals claimed for reimbursement was verified against sales and meal count records with no exceptions noted. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file times the number of operating days on a school by school basis. The free and reduced price meal policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures. See attached Exhibit.



**ENGLEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Food Service Fund (Continued)**

USDA Food Distribution Program commodities were received and a separate inventory were maintained on a first-in, first-out basis.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

- **Finding** – We noted accounts receivable balances in the amount of \$209,000 due from students in the Food Service Fund at June 30, 2016.

**Recommendation** – The District continue to review and implement policies related to the student accounts receivable balance in the Food Service Fund and uncollectible amounts be cleared of record.

**After School and Summer Child Care Programs**

The financial transactions of the After School and Summer Child Care Programs were maintained as an enterprise fund. The financial accounts and records were reviewed on a test-check basis.

- **Finding** – Our audit of the After School and Summer Child Care Programs revealed that the billing and receivable ledger was not updated to reflect all monthly payments.

**Recommendation** – The billing and accounts receivable ledger for the After School Child Care programs be updated to reflect each monthly payment.

**Student Body Activities**

The Board has a policy, which clearly established the regulation of student activity funds.

Cash receipts and disbursements records for the various schools were maintained in fair condition.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and limited English proficient. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with exception. The information that was included on the workpapers was verified with exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District had adequate written procedures for the recording of student enrollment data.

**Finding (CAFR 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.

**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.

**ENGLEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2015-2016 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

Our procedures included a review of the State Schools Development Authority (SDA) grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

**Management Suggestion**

- Old outstanding checks in the Trust and Agency Funds be reviewed and cleared of record.
- The District continue its efforts to ensure the remaining balance in the amount of \$86,188 due from the City for the 2016 property tax levy is collected.

**Follow-up Prior Year Findings**

In accordance with government standards, our procedures included a review of all prior year recommendations.

**ENGLEWOOD BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch (Regular Rate)	Paid	116,063	45,140	45,140	
	Reduced	40,280	15,895	15,895	
	Free	<u>249,754</u>	<u>100,949</u>	<u>100,949</u>	<u>-</u>
		<u>406,097</u>	<u>161,984</u>	<u>161,984</u>	<u>-</u>
National School Breakfast (Regular Rate)	Paid	31,958	11,654	11,654	
	Reduced	13,830	5,295	5,295	
	Free	<u>133,459</u>	<u>56,434</u>	<u>56,434</u>	<u>-</u>
		<u>179,247</u>	<u>73,383</u>	<u>73,383</u>	<u>-</u>
School Snacks (Regular Rate)	Free	<u>108,564</u>	<u>47,339</u>	<u>47,339</u>	<u>-</u>
		<u>108,564</u>	<u>47,339</u>	<u>47,339</u>	<u>-</u>
		<u>693,908</u>	<u>282,706</u>	<u>282,706</u>	<u>-</u>

**ENGLEWOOD BOARD OF EDUCATION**

**NET CASH RESOURCE SCHEDULE**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service Fund  
FYE 2016**

<b><u>Net Cash Resources:</u></b>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	<b>*</b>	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 3,012
B-4		Due from Other Gov'ts	281,470
B-4		Accounts Receivable	
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(83,570)
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>(5,573)</u>
		<b>Net Cash Resources</b>	<b><u>\$ 195,339</u></b> (A)

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	1,975,659	
B-5	Less Depreciation	<u>(33,006)</u>	
	Adj. Tot. Oper. Exp.	<b><u>\$ 1,942,653</u></b>	(B)

**Average Monthly Operating Expense:**

	B / 10	<b><u>\$ 194,265</u></b>	(C)
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**Three times monthly Average:**

	3 X C	<b><u>\$ 582,796</u></b>	(D)
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TOTAL IN BOX A	\$ 195,339
LESS TOTAL IN BOX D	<u>\$ (582,796)</u>
NET	<b><u>\$ (387,457)</u></b>

Net Cash Resources does not exceed three months average expenditures.

**ENGLEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2015  
SCHEDULE OF AUDITED ENROLLMENTS**

	2016-2017 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. Private Schools	Reported on Workpapers Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Full Day Preschool 3 Years Old	2		2		-			2		-			2		-			
Full Day Preschool 4 Years Old	184		184		-			184		185			(1)		-			
Full Day Kindergarten	214		215		(1)			192		196			(4)		-			
Grade 1	179		180		(1)			157		165			(8)		-			
Grade 2	205		196		9			176		172			4		-			
Grade 3	197		202		(5)			174		180			(6)		-			
Grade 4	194		188		6			166		164			2		-			
Grade 5	181		187		(6)			160		163			(3)		-			
Grade 6	159		159		-			159		158			1		-			
Grade 7	180		180		-			180		183			(3)		-			
Grade 8	185		185		-			184		181			3		-			
Grade 9	236		237		(1)			235		213			22		-			
Grade 10	247		241		6			248		240			8		-			
Grade 11	234	4	236	4	(2)	-		237		260			(23)		-			
Grade 12	232		226		6			230		228			2		-			
Post- Graduate	-		-		-			-		-			-		-			
Adult High School (15+ Credits)	-		-		-			-		-			-		-			
Adult High School (1-14 Credits)	-		-		-			-		-			-		-			
Subtotal	2,829	4	2,818	4	11	-		2684	-	2688	-		(4)	-				
Sp Ed - Elementary	235		235		-			226		230			(4)	4	10	4	4	-
Sp Ed - Middle School	76		76		-			76		79			(3)	5	3	3	3	-
Sp Ed - High School	100		100		-			97		77			20	11	16	10	10	-
Subtotal	411	-	411	-	-	-		399	-	386	-		13	20	29	17	17	-
County Vocational - Regular					-								-					
County Vocational - F.T. Post-Second					-								-					
Subtotal	-	-	-	-	-	-		-	-	-	-		-	-	-	-	-	-
Totals	3,240	4	3,229	4	11	-		3,083	-	3,074	-		9	20	29	17	17	-
Percentage Error					0.34%	0.00%				0.29%				45.00%				0.00%

**ENGLEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2015  
SCHEDULE OF AUDITED ENROLLMENTS**

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Full Day Preschool 3 Years Old			-						-			-
Full Day Preschool 4 Years Old			-						-			-
Full Day Kindergarten	146	144	2	5	5	-	41	41	-	5	5	-
Grade 1	120	122	(2)	4	4	-	32	32	-	6	6	-
Grade 2	153	144	9	5	5	-	27	27	-	6	6	-
Grade 3	136	138	(2)	5	5	-	28	28	-	6	6	-
Grade 4	144	136	8	5	5	-	30	30	-	6	6	-
Grade 5	133	135	(2)	5	4	1	10	10	-	4	4	-
Grade 6	115	125	(10)	4	4	-	10	10	-	5	5	-
Grade 7	122	121	1	4	5	(1)	12	12	-	2	2	-
Grade 8	126	131	(5)	5	4	1	6	6	-	3	3	-
Grade 9	116	113	3	4	4	-	5	5	-	2	2	-
Grade 10	122	124	(2)	4	4	-	10	10	-	3	3	-
Grade 11	106	112	(6)	4	4	-	8	8	-	2	2	-
Grade 12	104	103	1	4	-	4	8	8	-	2	0	2
Post- Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult High School (15+ Credits)	-	-	-	-	-	-	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>1,643.0</b>	<b>1,648</b>	<b>(5)</b>	<b>58</b>	<b>53</b>	<b>5</b>	<b>227</b>	<b>227</b>	<b>-</b>	<b>52</b>	<b>50</b>	<b>2</b>
Sp Ed - Elementary	176	169	7	7	7	-	5	5	-	1	1	-
Sp Ed - Middle School	63	61	2	2	2	-	4	4	-	2	2	-
Sp Ed - High School	94	83	11	3	2	1	2	2	-	1	0	1
<b>Subtotal</b>	<b>333.0</b>	<b>313.0</b>	<b>20</b>	<b>12</b>	<b>11</b>	<b>1</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>1</b>
County Vocational - Regular												
County Vocational - F.T. Post-Second												
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>1,976.0</b>	<b>1,961.0</b>	<b>15.0</b>	<b>70.0</b>	<b>64.0</b>	<b>6.0</b>	<b>238</b>	<b>238</b>	<b>-</b>	<b>56</b>	<b>53</b>	<b>3</b>
Percentage Error			<u>0.76%</u>			<u>8.57%</u>			<u>0.00%</u>			<u>5.36%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	321.0	321.0	-	10.0	9.0	1.0
Regular - Special Ed	453.0	453.0	-	5.0	4.0	1.0
Transported - Non Public	127.0	127.0	-	13.0	13.0	-
Special Needs	64.0	64.0	-	4.0	4.0	-
	<u>965.0</u>	<u>965.0</u>	<u>-</u>	<u>32.0</u>	<u>30.0</u>	<u>2.0</u>
Percentage Error			<u>0.0%</u>			<u>6.3%</u>

**ENGLEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2015  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Errors
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Full Day Kindergarten	9.0	9.0	-	8.0	8.0	-
Grade 1	6.0	6.0	-	5.0	5.0	-
Grade 2	5.0	5.0	-	4.0	4.0	-
Grade 3	2.0	2.0	-	1.0	1.0	-
Grade 4	4.0	4.0	-	3.0	3.0	-
Grade 5	3.0	3.0	-	2.0	2.0	-
Grade 6	3.0	3.0	-	2.0	2.0	-
Grade 7	3.0	3.0	-	2.0	2.0	-
Grade 8	4.0	4.0	-	3.0	3.0	-
Grade 9	3.0	3.0	-	2.0	2.0	-
Grade 10	5.0	5.0	-	4.0	4.0	-
Grade 11	3.0	3.0	-	2.0	2.0	-
Grade 12	4.0	4.0	-	3.0	-	3.0
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>54.0</b>	<b>54.0</b>	<b>-</b>	<b>41.0</b>	<b>38.0</b>	<b>3.0</b>
Sp Ed - Elementary	2.0	2.0	-	1.0	1.0	-
Sp Ed - Middle School	1.0	1.0	-	1.0	1.0	-
Sp Ed - High School	-		-			-
<b>Subtotal</b>	<b>3.0</b>	<b>3.0</b>	<b>-</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>
County Vocational - Regular						
County Vocational - F.T. Post-Second						
<b>Subtotal</b>						
<b>Totals</b>	<b>57.0</b>	<b>57.0</b>	<b>-</b>	<b>43.0</b>	<b>40.0</b>	<b>3.0</b>
Percentage Error			<u>0.00%</u>			<u>6.98%</u>

**ENGLEWOOD BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**SECTION 1A**

2015-2016 Total General Fund Expenditures per the CAFR	\$	68,939,942
Increased by:		
Transfer from Capital Outlay to Capital Projects		879,795
Decreased by:		
On-Behalf TPAF Pension & Social Security		(6,340,864)
Assets Acquired Under Capital Leases		(342,015)
		_____
Adjusted 2015-2016 General Fund Expenditures	\$	<u>63,136,858</u>
2% of Adjusted 2015-2016 General Fund Expenditures	\$	<u>1,262,737</u>
Enter Greater of 2% of Adjusted 2015-2016 General Fund Expenditures or \$250,000		1,262,737
Increased by: Allowable Adjustments		87,130
		_____
Maximum Unreserved/Undesignated Fund Balance	\$	<u>1,349,867</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2016 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	10,991,641
Decreased by:		
Year End Encumbrances		688,691
Excess Surplus - Designated for Subsequent Year's Expenditures		1,968,985
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-Designated for Subsequent Expenditures		350,000
Tuition Adjustments		350,000
Designated for Subsequent Years Expenditures		598,748
SEMI/ARRA - Designated for Subsequent Years Expenditures		39,298
		_____
Total Unassigned Fund Balance	\$	<u>2,827,214</u>

**SECTION 3**

Reserved Fund Balance - Excess Surplus	\$	<u>1,477,347</u>
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**Recapitulation of Excess Surplus as of June 30, 2016**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$	1,968,985
Reserved Excess Surplus		<u>1,477,347</u>
		_____
Total Excess Surplus	\$	<u>3,446,332</u>

**Detail of Allowable Adjustments**

SEMI 2014 Cost Settlement	\$	34,332
Non Public Transportation		<u>52,798</u>
		_____
	\$	<u>87,130</u>



**ENGLEWOOD BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that:

1. The District's vision benefit bills be reviewed on a monthly basis to ensure only active and eligible employees with the District are receiving benefits.
2. Health benefit waiver opt-out payments be calculated net of the employee health benefit contribution.
3. Bills for energy service providers be turned over to the business office in a timely manner to ensure amounts are recorded in the District records at year end.
- \* 4. Continued efforts be taken to provide the remaining unfunded project balance in the amount of \$25,145 that exists at year end in the Capital Projects Fund.
5. Checks issued from the Athletic Scholarship bank account contain the required three (3) authorized check signatures.

**III. School Purchasing Program**

- \* It is recommended that continued efforts be made to ensure purchases and contract awards in excess of the bid threshold are made in accordance with the Local Public School Contracts Law.

**IV. School Food Services**

- \* It is recommended that the District continue to review and implement policies related to the student accounts receivable balance in the Food Service Fund and uncollectable amount be cleared of record.

**V. After School Day Care and Summer Programs**

It is recommended that the billing and accounts receivable ledger for the After School Child Care programs be updated to reflect each monthly payment.

**VI. Student Body Activities**

There are none.

**VII Application for State School Aid**

It is recommended that 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.

**VIII. Transportation**

There are none.

**ENGLEWOOD BOARD OF EDUCATION  
RECOMMENDATIONS**

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Years' Audit Findings/Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all prior year findings, however, further action is required for the recommendations denoted with an asterisk (\*).

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Jeffrey C. Bliss  
Certified Public Accountant  
Public School Accountant