

ENGLEWOOD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Englewood, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Englewood Board of Education

Englewood, New Jersey

For The Fiscal Year Ended June 30, 2017

Prepared by

Business Office

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INTRODUCTORY SECTION



"Excellence Through Diversity"

ENGLEWOOD PUBLIC SCHOOLS

ADMINISTRATIVE BUILDING, 274 KNICKERBOCKER ROAD, ENGLEWOOD, NJ 07631

November 30, 2017

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, 2017, 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 2016-2017 fiscal year with an enrollment of 3,100 students, which is 10 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year Ending 6/30</u>	<u>Total Student Enrollment</u>	<u>Percent Change From Previous Yr.</u>
2012-2013	2,991	(0.4)
2013-2014	3,050	2.0
2014-2015	3,084	1.0
2015-2016	3,110	1.0
2016-2017	3,100	(0.4)

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 2016-2017 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 has updated core academic curriculum areas and purchase new textbooks.

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,

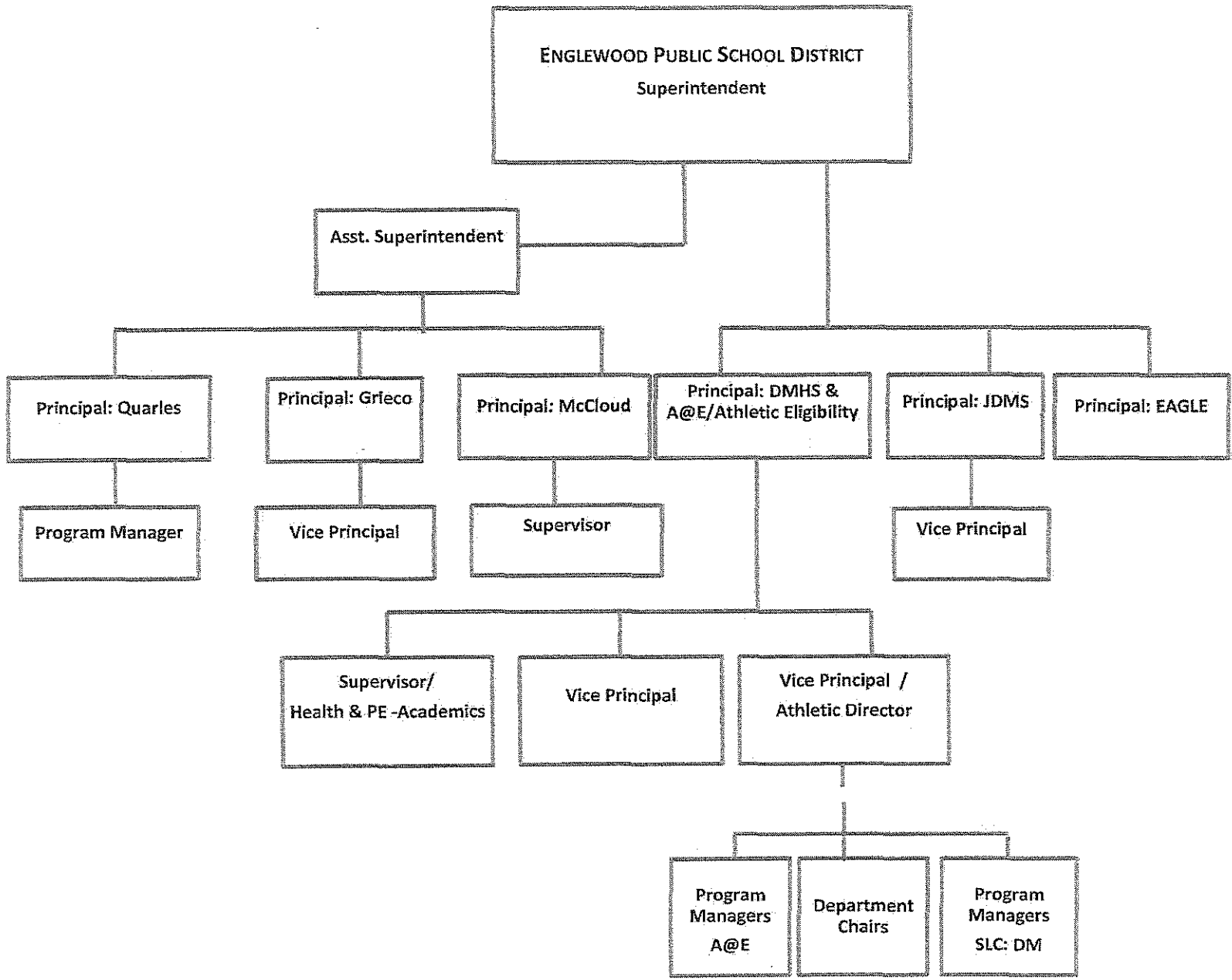


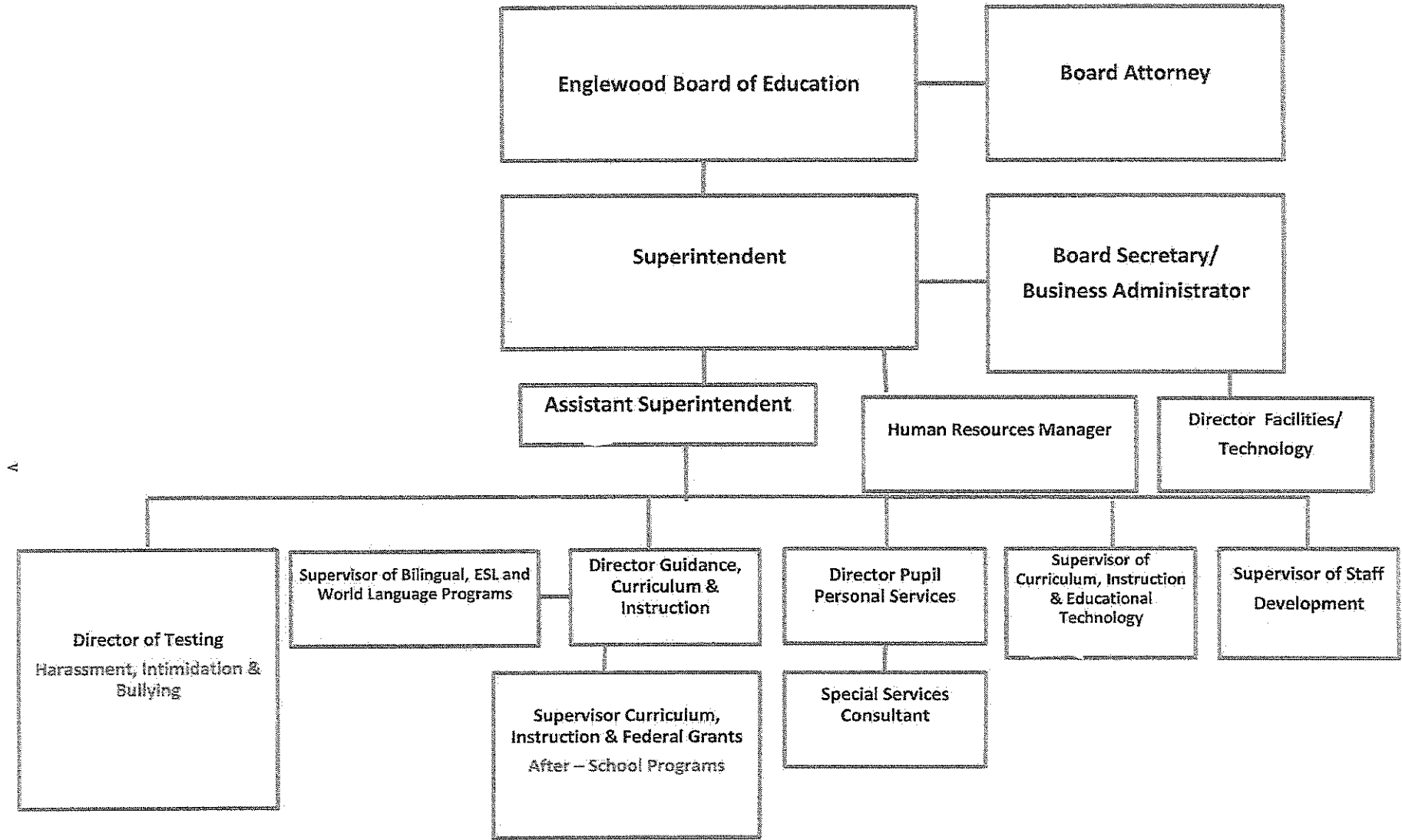
Mr. Robert L. Kravitz
Superintendent of Schools



Cheryl Balletto, CPA, PSA
Business Administrator/Board Secretary

A.T.





A

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

ROSTER OF OFFICIALS

JUNE 30, 2017

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM</u>
Mr. Stephen Brown, President	2017
Mr. Henry Pruitt, Vice President	2018
Ms. Molly Craig-Berry	2018
Kim Donaldson	2019
George Garrison, III	2018
Glenn Garrison	2017
Betty Griffin	2017
Angela Midgette-David	2019
Elisabeth Schwartz	2019

OTHER OFFICIALS

Mr. Robert Kravitz, Superintendent of Schools
Ms. Cheryl Balletto, Business Administrator/Board Secretary
Mr. Robert Sims, Account Manager
Mr. Robert Brown, Treasurer

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

JUNE 30, 2017

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, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2017 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 from 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, 2017, 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 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.

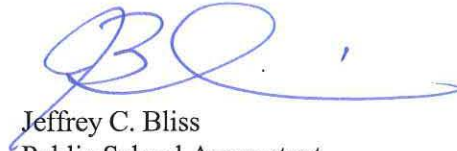
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2017 on our consideration of the Englewood Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Englewood Board of Education's 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
November 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

ENGLEWOOD BOARD OF EDUCATION

Management Discussion and Analysis Year Ended June 30, 2017

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 (2016-2017) and the prior year (2015-2016) 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, 2017

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 2017?" 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 2017 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, 2017

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 2017 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 \$46,493,361 (net position). The District's unrestricted net position was in a deficit position of \$9,031,377.
- The District's total net position decreased \$1,257,074.
- General revenues accounted for \$59,578,318 in revenue or 65 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 \$31,675,983 or 35 percent to total revenues of \$91,254,301.
- The School District had \$90,370,972 in expenses for governmental activities; only \$29,208,514 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$59,578,318 were adequate to provide for these programs.
- The District reported a special item of \$270,449 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 \$7,560,395.
- The General Fund had \$70,709,440 in revenues and \$74,550,051 in expenditures. The General Fund's balance decreased \$3,256,063 from the previous year to \$6,535,484 at June 30, 2017.
- The General Fund budgetary fund balance at the close of the current fiscal year was \$8,084,704 which represented a decrease of \$2,906,937 from the previous year. Unassigned budgetary fund balance increased \$39,473 from the previous year to \$1,389,340 at June 30, 2017.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2017

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 2017 and 2016:

**Net Position
As of June 30, 2017 and 2016**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets						
Current Assets	\$ 9,642,524	\$ 13,556,069	\$ 405,445	\$ 381,957	\$ 10,047,969	\$ 13,938,026
Capital Assets	63,399,142	62,310,868	304,313	265,682	63,703,455	62,576,550
Total Assets	<u>73,041,666</u>	<u>75,866,937</u>	<u>709,758</u>	<u>647,639</u>	<u>73,751,424</u>	<u>76,514,576</u>
Deferred Outflows of Resources	<u>3,649,790</u>	<u>2,337,519</u>	<u>-</u>	<u>-</u>	<u>3,649,790</u>	<u>2,337,519</u>
Total Assets and Deferred Outflows of Resources	<u>76,691,456</u>	<u>78,204,456</u>	<u>709,758</u>	<u>647,639</u>	<u>77,401,214</u>	<u>78,852,095</u>
Liabilities						
Long-Term Liabilities	24,010,353	22,400,321			24,010,353	22,400,321
Other Liabilities	2,256,817	2,628,391	95,296	89,143	2,352,113	2,717,534
Total Liabilities	<u>26,267,170</u>	<u>25,028,712</u>	<u>95,296</u>	<u>89,143</u>	<u>26,362,466</u>	<u>25,117,855</u>
Deferred Inflows of Resources	<u>4,544,873</u>	<u>5,982,640</u>	<u>514</u>	<u>1,165</u>	<u>4,545,387</u>	<u>5,983,805</u>
Total Liabilities and Deferred Inflows of Resources	<u>30,812,043</u>	<u>31,011,352</u>	<u>95,810</u>	<u>90,308</u>	<u>30,907,853</u>	<u>31,101,660</u>
Net Position						
Net investment in capital assets	52,091,654	49,130,322	304,313	265,682	52,395,967	49,396,004
Restricted	3,128,771	5,554,837			3,128,771	5,554,837
Unrestricted	(9,341,012)	(7,492,055)	309,635	291,649	(9,031,377)	(7,200,406)
Total Net Position	<u>\$ 45,879,413</u>	<u>\$ 47,193,104</u>	<u>\$ 613,948</u>	<u>\$ 557,331</u>	<u>\$ 46,493,361</u>	<u>\$ 47,750,435</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, 2017

THE SCHOOL DISTRICT AS A WHOLE (Continued)

The following shows the changes in Net Position for fiscal years 2017 and 2016:

**Change in Net Position
For The Fiscal Years Ended June 30, 2017 and 2016**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,379,757	\$ 711,067	\$ 819,615	\$ 789,249	\$ 2,199,372	\$ 1,500,316
Operating Grants and Contributions	27,357,365	21,723,896	1,647,854	1,549,679	29,005,219	23,273,575
Capital Grants and Contributions	471,392	1,029,044			471,392	1,029,044
General Revenues						
Property Taxes	52,594,914	51,868,795			52,594,914	51,868,795
State Aid - Unrestricted	6,301,480	7,290,877			6,301,480	7,290,877
Other	681,924	449,847	-	-	681,924	449,847
Total Revenues	88,786,832	83,073,526	2,467,469	2,338,928	91,254,301	85,412,454
Expenses						
Instruction						
Regular	36,035,396	31,719,415			36,035,396	31,719,415
Special Education	17,164,703	15,035,765			17,164,703	15,035,765
Other Instruction	4,370,164	4,121,522			4,370,164	4,121,522
School Sponsored Activities and Athletics	828,671	830,923			828,671	830,923
Support Services						
Student and Instruction Related Services	10,658,722	9,679,904			10,658,722	9,679,904
General Administrative Services	1,802,680	1,487,569			1,802,680	1,487,569
School Administrative Services	5,641,252	4,335,052			5,641,252	4,335,052
Central Services	1,566,815	1,443,526			1,566,815	1,443,526
Plant Operations and Maintenance	7,937,351	7,901,477			7,937,351	7,901,477
Student Transportation	3,909,006	3,875,295			3,909,006	3,875,295
Interest on Debt	456,212	502,731			456,212	502,731
Food Services			1,962,412	1,975,659	1,962,412	1,975,659
Day Care Programs	-	-	448,440	522,536	448,440	522,536
Total Expenses	90,370,972	80,933,179	2,410,852	2,498,195	92,781,824	83,431,374
Increase (Decrease) in Net Position Before Special Items	(1,584,140)	2,140,347	56,617	(159,267)	(1,527,523)	1,981,080
Special Items	270,449	714,982	-	-	270,449	714,982
Increase/(Decrease) in Net Position	(1,313,691)	2,855,329	56,617	(159,267)	(1,257,074)	2,696,062
Net Position, Beginning of Year	47,193,104	44,337,775	557,331	716,598	47,750,435	45,054,373
Net Position, End of Year	\$ 45,879,413	\$ 47,193,104	\$ 613,948	\$ 557,331	\$ 46,493,361	\$ 47,750,435

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2017

Governmental Activities. The unique nature of property taxes in New Jersey creates the need to routinely review the School District operations. Property taxes of \$52,594,914 and \$51,868,795 made up 59% and 62% of the revenues for governmental activities for the Englewood Board of Education for fiscal years ended June 30, 2017 and 2016, respectively. The District's total revenues were \$88,786,832 and \$83,073,526 for the fiscal years ended June 30, 2017 and 2016. Federal, state and local aid and grants accounted for another \$34,130,237 and \$30,043,817 or 38% and 36% of total governmental activities revenues for the fiscal years ended June 30, 2017 and 2016, respectively.

The total cost of all programs and services were \$90,370,972 and \$80,933,179 for the fiscal years ended June 30, 2017 and 2016. Instruction comprised \$58,398,934, (64%) and \$51,707,625, (64%) of District expenses for the fiscal years ended June 30, 2017 and 2016, respectively. Support services comprised \$31,515,826 (35%) and \$28,722,823 (35%) of the District expenses for the fiscal years ended June 30, 2017 and 2016, respectively.

Total governmental activities expenses exceeded revenues and special items, decreasing net position \$1,313,691 for the fiscal year ended June 30, 2017. For fiscal year 2016, the governmental activities revenues and special items exceeded expenses increasing net position \$2,855,329.

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, 2017 and 2016**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 36,035,396	\$ 31,719,415	\$ 22,585,339	\$ 22,231,949
Special Education	17,164,703	15,035,765	10,746,335	9,381,080
Other Instruction	4,370,164	4,121,522	2,072,847	2,064,507
School Sponsored Activities and Athletics	828,671	830,923	828,671	830,923
Support Services				
Student and Instruction Related Services	10,658,722	9,679,904	8,277,809	7,682,798
General Administrative Services	1,802,680	1,487,569	1,802,680	1,487,569
School Administrative Services	5,641,252	4,335,052	3,752,065	3,287,221
Central Services	1,566,815	1,443,526	1,566,815	1,443,526
Plant Operations and Maintenance	7,937,351	7,901,477	6,120,923	5,589,841
Student Transportation	3,909,006	3,875,295	2,952,762	2,967,027
Interest on Debt	456,212	502,731	456,212	502,731
Total	\$ 90,370,972	\$ 80,933,179	\$ 61,162,458	\$ 57,469,172

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2017

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 revenues exceeded expenses by \$56,617 for the fiscal year ended June 30, 2017. Business-Type activity expenses exceeded revenues by \$159,267 for the previous fiscal year ended June 30, 2016.
- Charges for services represent \$819,615 (33%) and \$789,249 (34%) of revenue for the fiscal years ended June 30, 2017 and 2016, 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 \$341,712 and operating revenues for Day Care program operations were \$477,903 for the fiscal year ending June 30, 2017.
- Federal and state reimbursements for food service meals, including payments for free and reduced lunches and donated commodities were \$1,647,854 (67%) and \$1,549,679 (66%) for the fiscal years ended June 30, 2017 and 2016, respectively.
- Total expenses were \$2,410,852 and \$2,498,195 for the fiscal years ended June 30, 2017 and 2016. Expenses for Food Services were \$1,962,412 and expenses for Day Care programs were \$448,440 for the fiscal year ended June 30, 2017.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2017

THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds is included in the fiscal year 2017 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 \$76,785,535 and \$75,969,497 and expenditures of \$81,764,255 and \$78,271,861 for the fiscal years ended June 30, 2017 and 2016, respectively. As the District completed the year, its governmental funds reported a *combined* fund balance of \$7,560,395, a decrease of \$3,547,958 from last year's fund balance of \$11,108,353.

The decrease was primarily the result of capital outlay expenditures in the General Fund.

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, 2017 and 2016, 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>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2017</u>	<u>2016</u>		
Local Sources				
Property Taxes	\$ 50,778,757	\$ 49,783,095	\$ 995,662	2%
Other	2,058,556	1,128,117	930,439	82%
State Sources	17,712,253	17,750,800	(38,547)	0%
Federal Sources	<u>159,874</u>	<u>112,863</u>	<u>47,011</u>	42%
Total General Fund Revenues	<u>\$ 70,709,440</u>	<u>\$ 68,774,875</u>	<u>\$ 1,934,565</u>	3%

Overall General Fund revenues increased \$1,934,565 or 3% 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 \$930,439 or 82% as a result of increased tuition revenue realized. State revenues decreased \$38,547 or less than 1%.

Revenues from Federal sources increased by \$47,011 which was primarily due to the increase in Medicaid assistance aid.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2017

THE SCHOOL DISTRICT'S FUNDS (Continued)

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2017 and 2016:

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2017</u>	<u>2016</u>	<u>(Decrease)</u>	<u>Change</u>
Instruction	\$ 45,167,972	\$ 42,288,197	\$ 2,879,775	7%
Support Services	26,660,737	25,044,136	1,616,601	6%
Debt Service	717,989	524,038	193,951	37%
Capital Outlay	<u>2,003,353</u>	<u>1,083,571</u>	<u>919,782</u>	85%
Total Expenditures	<u>\$ 74,550,051</u>	<u>\$ 68,939,942</u>	<u>\$ 5,610,109</u>	8%

Overall General Fund expenditures increased 8% 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, 2017 was \$6,535,484. After deducting, 1) restricted - \$6,148,604, and 2) assigned - \$546,760, the unassigned fund balance decreased from a balance of \$149,973 at June 30, 2016 to a deficit of \$159,880 at June 30, 2017.

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 2016/2017 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, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

While the District's final 2016/2017 budget for the General Fund anticipated that revenues and expenditures would roughly equal with the use of \$4,899,803 in fund balance, the actual results for the year ended June 30, 2017 was a decrease of \$2,906,937 in budgetary fund balance compared to a decrease of \$871,932 in budgetary fund balance in 2016. The total unassigned budgetary fund balance (budgetary basis) at June 30, 2017 was \$1,389,340 compared to \$1,349,867 at June 30, 2016.

CAPITAL ASSETS

At the end of the fiscal years 2017 and 2016, the School District had \$63,703,455 and \$62,576,550 invested in land, land improvements, construction in progress, buildings, furniture, equipment and vehicles. Depreciation charges for the fiscal years 2017 and 2016 were \$2,550,452 and \$2,307,582 for governmental activities, respectively, and \$40,960 and \$33,006 for business-type activities, respectively. The following is a comparison of the June 30, 2017 and 2016 capital asset balances.

Capital Assets
at June 30, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 513,200	\$ 513,200			\$ 513,200	\$ 513,200
Construction in Progress	-	841,508			-	841,508
Land Improvements	3,919,314	3,126,633			3,919,314	3,126,633
Buildings and Building Improvements	83,636,897	80,118,584			83,636,897	80,118,584
Machinery and Equipment	6,314,240	6,145,000	\$ 751,577	\$ 671,986	7,065,817	6,816,986
	94,383,651	90,744,925	751,577	671,986	95,135,228	91,416,911
Less Accumulated Depreciation	(30,984,509)	(28,434,057)	(447,264)	(406,304)	(31,431,773)	(28,840,361)
Total	\$ 63,399,142	\$ 62,310,868	\$ 304,313	\$ 265,682	\$ 63,703,455	\$ 62,576,550

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, 2017

LONG-TERM LIABILITIES

At June 30, 2017, the School District had \$24,010,353 as outstanding long-term liabilities consisting of \$11,809,846 of bonds (net), \$1,071,858 of capital leases, \$407,679 of lease purchase agreements \$1,122,485 for compensated absences and \$9,598,485 for net pension liability. The following is a comparison of the June 30, 2017 and 2016 balances:

**Outstanding Long-Term Liabilities
At June 30, 2017 and 2016**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Serial Bonds (Including Unamortized Premium)	\$ 11,809,846	\$ 13,349,317
Capital Leases	1,071,858	736,975
Lease Purchase Agreements	407,679	
Compensated Absences	1,122,485	1,062,944
Net Pension Liability	<u>9,598,485</u>	<u>7,251,085</u>
Total	<u>\$ 24,010,353</u>	<u>\$ 22,400,321</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 2017-2018 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 2017-2018. Budgeted expenditures in the General Fund decreased 1.00% in fiscal year 2017-2018.

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, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,737,787	\$ 244,100	\$ 5,981,887
Restricted, Cash with Fiscal Agent	824,194		824,194
Accounts Receivable	3,080,543	140,963	3,221,506
Inventories		20,382	20,382
Capital Assets, Not Being Depreciated	513,200		513,200
Capital Assets, Being Depreciated, Net	<u>62,885,942</u>	<u>304,313</u>	<u>63,190,255</u>
Total Assets	<u>73,041,666</u>	<u>709,758</u>	<u>73,751,424</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	614,047		614,047
Deferred Amounts on Net Pension Liability	<u>3,035,743</u>	<u>-</u>	<u>3,035,743</u>
Total Deferred Outflows of Resources	<u>3,649,790</u>	<u>-</u>	<u>3,649,790</u>
Total Assets and Deferred Outflows of Resources	<u>76,691,456</u>	<u>709,758</u>	<u>77,401,214</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,666,415	89,480	1,755,895
Accrued Interest Payable	174,688		174,688
Payable to Other Governments	98,997		98,997
Unearned Revenue	316,717	5,816	322,533
Noncurrent Liabilities			
Due within one year	1,853,270		1,853,270
Due beyond one year	<u>22,157,083</u>	<u>-</u>	<u>22,157,083</u>
Total Liabilities	<u>26,267,170</u>	<u>95,296</u>	<u>26,362,466</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	4,544,873		4,544,873
Deferred Commodities Revenues	<u>-</u>	<u>514</u>	<u>514</u>
Total Deferred Inflows of Resources	<u>4,544,873</u>	<u>514</u>	<u>4,545,387</u>
Total Liabilities and Deferred Inflows of Resources	<u>30,812,043</u>	<u>95,810</u>	<u>30,907,853</u>
NET POSITION			
Net Investment in Capital Assets	52,091,654	304,313	52,395,967
Restricted for			
Capital Projects	1,767,171		1,767,171
Plant Maintenance	1,011,600		1,011,600
Other Purposes	350,000		350,000
Unrestricted	<u>(9,341,012)</u>	<u>309,635</u>	<u>(9,031,377)</u>
Total Position	<u>\$ 45,879,413</u>	<u>\$ 613,948</u>	<u>\$ 46,493,361</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, 2017

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
Governmental Activities							
Instruction							
Regular Instruction	\$ 36,035,396	\$ 797,879	\$ 12,652,178		\$ (22,585,339)		\$ (22,585,339)
Special Education Instruction	17,164,703		6,418,368		(10,746,335)		(10,746,335)
Other Instruction	4,370,164		2,297,317		(2,072,847)		(2,072,847)
School Sponsored Activities and Athletics	828,671				(828,671)		(828,671)
Support Services							
Student & Instruction Related Services	10,658,722		2,380,913		(8,277,809)		(8,277,809)
General Administration	1,802,680				(1,802,680)		(1,802,680)
School Administration	5,641,252		1,889,187		(3,752,065)		(3,752,065)
Central Services	1,566,815				(1,566,815)		(1,566,815)
Plant Operations & Maintenance	7,937,351	369,475	975,561	\$ 471,392	(6,120,923)		(6,120,923)
Student Transportation	3,909,006	212,403	743,841		(2,952,762)		(2,952,762)
Interest on Long-Term Debt	456,212	-	-		(456,212)		(456,212)
Total Governmental Activities	90,370,972	1,379,757	27,357,365	471,392	(61,162,458)	-	(61,162,458)
Business-Type Activities							
Food Service	1,962,412	341,712	1,647,854			\$ 27,154	27,154
Day Care Programs	448,440	477,903	-			29,463	29,463
Total Business-Type Activities	2,410,852	819,615	1,647,854	-	-	56,617	56,617
Total Primary Government	\$ 92,781,824	\$ 2,199,372	\$ 29,005,219	\$ 471,392	(61,162,458)	56,617	(61,105,841)
General Revenues							
Taxes:							
Property Taxes, levied for general purposes, net					50,778,757		50,778,757
Property Taxes, levied for debt service, net					1,816,157		1,816,157
Unrestricted State Aid					6,301,480		6,301,480
Investment Earnings					34,036		34,036
Miscellaneous Income					647,888		647,888
Special Items							
Change in Net Pension Liability					270,449		270,449
Total General Revenues and Special Items					59,848,767	-	59,848,767
Change in Net Assets					(1,313,691)	56,617	(1,257,074)
Net Position, Beginning of Year					47,193,104	557,331	47,750,435
Net Position, End of Year					\$ 45,879,413	\$ 613,948	\$ 46,493,361

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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 5,662,822	\$ 74,965			\$ 5,737,787
Restricted, Cash with Fiscal Agent			\$ 824,194		824,194
Accounts Receivable:					
Intergovernmental	725,140	618,189	1,662,947		3,006,276
Other	67,355	864			68,219
Due from Other Funds	<u>1,322,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,322,667</u>
 Total Assets	 <u>\$ 7,777,984</u>	 <u>\$ 694,018</u>	 <u>\$ 2,487,141</u>	 <u>\$ -</u>	 <u>\$ 10,959,143</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,200,009	\$ 232,838	\$ 43,270		\$ 1,476,117
Other Liabilities		147,807			147,807
Due to Other Funds	42,491	-	1,316,619		1,359,110
Intergovernmental Accounts Payable:					
State		71,270			71,270
Federal		27,727			27,727
Unearned Revenue	<u>-</u>	<u>316,717</u>	<u>-</u>	<u>-</u>	<u>316,717</u>
 Total Liabilities	 <u>1,242,500</u>	 <u>796,359</u>	 <u>1,359,889</u>	 <u>-</u>	 <u>3,398,748</u>
Fund Balances (Deficits)					
Restricted					
Capital Reserve	950,088				950,088
Capital Reserve - Designated for Subsequent Year Expenditures	650,000				650,000
Maintenance Reserve	761,600				761,600
Maintenance Reserve - Designated for Subsequent Year Expenditures	250,000				250,000
Emergency Reserve	604,000				604,000
Tuition Adjustments - Designated for Subsequent Year Expenditures	350,000				350,000
Excess Surplus	1,105,569				1,105,569
Excess Surplus - Designated for Subsequent Year's Expenditures	1,477,347				1,477,347
Capital Projects			1,127,252		1,127,252
Assigned					
Year End Encumbrances	146,442				146,442
SEMI/ARRA - Designated for Subsequent Year Exp.	7,423				7,423
Designated for Subsequent Year Expenditures	392,895				392,895
Unassigned (Deficit)	<u>(159,880)</u>	<u>(102,341)</u>	<u>-</u>	<u>-</u>	<u>(262,221)</u>
 Total Fund Balances (Deficits)	 <u>6,535,484</u>	 <u>(102,341)</u>	 <u>1,127,252</u>	 <u>-</u>	 <u>7,560,395</u>
 Total Liabilities and Fund Balances	 <u>\$ 7,777,984</u>	 <u>\$ 694,018</u>	 <u>\$ 2,487,141</u>	 <u>\$ -</u>	 <u>\$ 10,959,143</u>

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

**ENGLEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

Total Fund Balances (Exhibit B-1)		\$ 7,560,395
<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 \$94,383,651 and the accumulated depreciation is \$30,984,509.</p>		63,399,142
<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>		614,047
<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 amortized over future years.</p>		
Deferred Outflows of Resources	\$ 3,035,743	
Deferred Inflows of Resources	<u>(4,544,873)</u>	(1,509,130)
<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>		(174,688)
<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)	\$ 11,809,846	
Capital Leases	1,071,858	
Lease Purchase Agreements	407,679	
Compensated Absences	1,122,485	
Net Pension Liability	<u>9,598,485</u>	<u>(24,010,353)</u>
Net Position of Governmental Activities		<u>\$ 45,879,413</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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 50,778,757			\$ 1,816,157	\$ 52,594,914
Tuition	797,879				797,879
Transportation Fees	212,403				212,403
Interest	30,911		\$ 3,125		34,036
Rentals	369,475				369,475
Miscellaneous	647,888	\$ 38,662	-	-	686,550
Total - Local Sources	52,837,313	38,662	3,125	1,816,157	54,695,257
Intergovernmental					
State Sources	17,712,253	1,899,626	471,392		20,083,271
Federal Sources	159,874	1,847,133	-	-	2,007,007
Total Revenues	70,709,440	3,785,421	474,517	1,816,157	76,785,535
EXPENDITURES					
Current					
Instruction					
Regular Instruction	27,237,929	1,399,534			28,637,463
Special Education Instruction	14,476,184	514,239			14,990,423
Other Instruction	2,605,289	889,552			3,494,841
School Sponsored Activities and Athletics	848,570				848,570
Support Services					
Student & Instruction Related Services	8,959,935	959,349			9,919,284
General Administration	1,825,709				1,825,709
School Administration	4,377,576				4,377,576
Central Services	1,620,809				1,620,809
Plant Operations & Maintenance	5,983,038				5,983,038
Student Transportation	3,893,670				3,893,670
Debt Service					
Principal	688,200			1,310,000	1,998,200
Interest	29,789			506,157	535,946
Capital Outlay	2,003,353	17,787	1,617,586	-	3,638,726
Total Expenditures	74,550,051	3,780,461	1,617,586	1,816,157	81,764,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,840,611)	4,960	(1,143,069)	-	(4,978,720)
OTHER FINANCING SOURCES (USES)					
Capital Lease/Lease-Purchase Proceeds	606,568		824,194		1,430,762
Transfers In	3,125		25,145		28,270
Transfers Out	(25,145)	-	(3,125)	-	(28,270)
Total Other Financing Sources and Uses	584,548	-	846,214	-	1,430,762
Net Change in Fund Balances	(3,256,063)	4,960	(296,855)	-	(3,547,958)
Fund Balance (Deficit), Beginning of Year	9,791,547	(107,301)	1,424,107	-	11,108,353
Fund Balance (Deficit), End of Year	\$ 6,535,484	\$ (102,341)	\$ 1,127,252	\$ -	\$ 7,560,395

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

**ENGLEWOOD BOARD OF EDUCATION
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, 2017**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (3,547,958)

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	\$ 3,638,726	
Depreciation Expense	<u>(2,550,452)</u>	1,088,274

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	\$ (824,194)	
Lease Purchase Agreements	(606,568)	
Principal Repayments:		
Serial Bonds	1,310,000	
Capital Leases Payable	489,311	
Lease Purchase Agreements Payable	198,889	
Amortization of Deferred Amounts on Refunding	(155,724)	
Amortization of Bond Premium	<u>229,471</u>	641,185

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		5,987
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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.

Increase in Compensated Absences	\$ (59,541)	
Decrease in Pension Expense	287,913	
Decrease in Net Pension Liability	<u>270,449</u>	498,821

Change in net position of governmental activities (Exhibit A-2) \$ (1,313,691)

**ENGLEWOOD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2017**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>After School Day Care Program</u>	<u>Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 130,753	\$ 113,347	\$ 244,100
Accounts Receivable - Intergovernmental	137,483		137,483
Other Accounts Receivable	951	2,529	3,480
Inventories	<u>20,382</u>	<u>-</u>	<u>20,382</u>
Total Current Assets	<u>289,569</u>	<u>115,876</u>	<u>405,445</u>
Capital Assets:			
Equipment	751,577		751,577
Accumulated Depreciation	<u>(447,264)</u>	<u>-</u>	<u>(447,264)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>304,313</u>	<u>-</u>	<u>304,313</u>
Total Assets	<u>593,882</u>	<u>115,876</u>	<u>709,758</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	75,880	13,600	89,480
Unearned Revenues	<u>5,816</u>	<u>-</u>	<u>5,816</u>
Total Liabilities	<u>81,696</u>	<u>13,600</u>	<u>95,296</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenues	<u>514</u>	<u>-</u>	<u>514</u>
Total Liabilities and Deferred Inflows of Resources	<u>82,210</u>	<u>13,600</u>	<u>95,810</u>
NET POSITION			
Investment in Capital Assets	304,313	-	304,313
Unrestricted	<u>207,359</u>	<u>102,276</u>	<u>309,635</u>
Total Net Position	<u>\$ 511,672</u>	<u>\$ 102,276</u>	<u>\$ 613,948</u>

**ENGLEWOOD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>After School Day Care Program</u>	<u>Totals</u>
OPERATING REVENUES			
Local Sources			
Daily Food Sales - reimbursable programs	\$ 171,168		\$ 171,168
Daily Food Sales - non-reimbursable programs	170,544		170,544
Program Fees	-	\$ 477,903	477,903
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	341,712	477,903	819,615
OPERATING EXPENSES			
Salaries and Employee Benefits	657,006	389,103	1,046,109
Cost of Sales - reimbursable programs	875,339		875,339
Cost of Sales - non-reimbursable programs	68,136		68,136
Purchased Management Services	110,547		110,547
Other Purchased Services	121,090	57,213	178,303
Supplies and Materials	82,088	1,664	83,752
Miscellaneous	7,246	460	7,706
Depreciation	40,960	-	40,960
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	1,962,412	448,440	2,410,852
Operating Income/(Loss)	(1,620,700)	29,463	(1,591,237)
NONOPERATING REVENUES			
State Sources:			
School Lunch Program	21,622		21,622
Federal Sources			
School Breakfast Program	311,753		311,753
School Lunch Program	1,069,628		1,069,628
Food Distribution Program	156,150		156,150
Snack Program	88,701	-	88,701
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues	1,647,854	-	1,647,854
Change in Net Position	27,154	29,463	56,617
Net Position Beginning of Year	484,518	72,813	557,331
	<hr/>	<hr/>	<hr/>
Net Position End of Year	\$ 511,672	\$ 102,276	\$ 613,948

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

**ENGLEWOOD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>After School Day Care Program</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 341,004	\$ 476,535	\$ 817,539
Cash Payments for Employee Salaries and Benefits	(657,006)	(389,103)	(1,046,109)
Cash Payments to Suppliers for Goods and Services	(1,112,357)	(45,737)	(1,158,094)
Net Cash Provided by (Used for) Operating Activities	(1,428,359)	41,695	(1,386,664)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Sources	1,635,691	-	1,635,691
Net Cash Provided by Noncapital Financing Activities	1,635,691	-	1,635,691
Cash Flows from Capital Financing Activities			
Purchases of Capital Assets	(79,591)	-	(79,591)
Net Cash (Used for) Capital Financing Activities	(79,591)	-	(79,591)
Net Increase (Decrease) in Cash and Cash Equivalents	127,741	41,695	169,436
Cash and Cash Equivalents, Beginning of Year	3,012	71,652	74,664
Cash and Cash Equivalents, End of Year	\$ 130,753	\$ 113,347	\$ 244,100
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (1,620,700)	\$ 29,463	\$ (1,591,237)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	40,960		40,960
Non-Cash Federal Assistance - Food Distribution Program	156,150		156,150
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Inventory	4,280		4,280
Increase/(Decrease) in Accounts Payable	(7,690)	13,600	5,910
Increase/(Decrease) in Unearned Revenue	243	-	243
(Increase)/Decrease in Accounts Receivable	(951)	(1,368)	(2,319)
Increase/(Decrease) in Deferred Commodities Revenue	(651)	-	(651)
Total Adjustments	192,341	12,232	204,573
Net Cash Provided by (Used for) Operating Activities	\$ (1,428,359)	\$ 41,695	\$ (1,386,664)
Noncash Investing, Capital and Financing Activities			
Value Received Food Distribution Program	\$ 155,499		

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, 2017**

	Unemployment Compensation <u>Trust Fund</u>	Scholarship Trust Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 255,048	\$ 4,841	\$ 659,480
Due from Other Funds	<u>10,800</u>	<u>42,491</u>	<u>-</u>
Total Assets	<u>265,848</u>	<u>47,332</u>	<u>\$ 659,480</u>
LIABILITIES			
Accrued Salaries and Payroll Deductions Payable			\$ 507,932
Payable to State Governments	12,974		
Due to Student Groups			134,700
Due to Other Funds	<u>-</u>	<u>-</u>	<u>16,848</u>
Total Liabilities	<u>12,974</u>	<u>-</u>	<u>\$ 659,480</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 252,874</u>	<u>\$ 47,332</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, 2017**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship Trust Fund</u>
ADDITIONS		
Contributions		
Employee	\$ 47,594	
Private	-	-
	<hr/>	<hr/>
Total Contributions	47,594	-
	<hr/>	<hr/>
Investment Earnings		
Interest	1,012	\$ 26
	<hr/>	<hr/>
Total Additions	48,606	26
	<hr/>	<hr/>
DEDUCTIONS		
Claims and Contributions	90,746	
Scholarships Awarded		300
Return of Prior Year Contribution	280,000	-
	<hr/>	<hr/>
Total Deductions	370,746	300
	<hr/>	<hr/>
Change in Net Position	(322,140)	(274)
Net Position, Beginning of Year	575,014	47,606
	<hr/>	<hr/>
Net Position, End of Year	\$ 252,874	\$ 47,332
	<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, 2017**

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 2017, the District adopted the following GASB statements:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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, 2017**

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, 2017**

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 student of the District.

Additionally, the government reports the following fund types:

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, 2017**

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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in a separate bank account and their use is limited by capital lease agreements for capital projects.

5. *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 acquisition 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

6. *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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *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 items, which arise only under the accrual basis of accounting that qualify for reporting in this category. One item 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 inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are 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.

7. *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.

8. *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.

9. *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 reported 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 with 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.

ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *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.

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

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 2017/2018 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 (See Note 2D).

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 2017/2018 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 (See Note 2E).

ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2015/2016 contract year that is appropriated in the 2017/2018 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes (See Note 2F).

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

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

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

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, 2017 that will be appropriated in the adopted 2017/2018 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 2017/2018 District budget certified for taxes.

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

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. 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 2015-2016 and 2016-2017 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 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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

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 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$2,037,620. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved an additional capital reserve appropriation of \$25,145 and the appropriation of additional extraordinary aid of \$305,456 from the general fund on January 19, 2017 and July 20, 2017, 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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund balance deficit of \$159,880 in the General Fund and \$102,341 in the Special Revenue Fund as of June 30, 2017 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2016/2017 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General and Special Revenue Fund deficits do not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficits in the GAAP (fund) financial statements of \$159,880 in the General Fund and \$102,341 in the Special Revenue Fund are less than the delayed state aid payments at June 30, 2017.

C. 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, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, June 30, 2016	\$ 2,559,005
Increased by:	
Interest Earnings	9,000
Return of Unexpended Capital Reserve Funds	<u>750,000</u>
	3,318,005
Withdrawals:	
Approved in District Budget	(1,692,772)
Approved by Board Resolution	<u>(25,145)</u>
Balance, June 30, 2017	<u>\$ 1,600,088</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, 2017, the District designated and appropriated \$650,000 in the 2017/2018 original budget certified for taxes.

D. 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, 2017 is as follows:

Balance, June 30, 2016	\$ 1,007,700
Increased by:	
Interest Earnings	3,900
Deposits Approved by Board Resolution	<u>250,000</u>
	1,261,600
Withdrawals:	
Approved in District Budget	<u>(250,000)</u>
Balance, June 30, 2017	<u>\$ 1,011,600</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,488,800. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. Of the maintenance reserve balance at June 30, 2017, the District designated and appropriated \$250,000 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, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. 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 or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. 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, 2017 is as follows:

Balance, June 30, 2015	\$ 602,000
Increased by:	
Interest Earnings	<u>2,000</u>
Balance, June 30, 2016	<u>\$ 604,000</u>

F. 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, 2017 is \$2,582,916. Of this amount, \$1,477,347 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$1,105,369 will be appropriated in the 2018/2019 original budget certified for taxes.

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), National Credit Union Share Insurance Fund (NCUSIF), 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.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$7,725,450 and bank and brokerage firm balances of the Board's deposits amounted to \$10,232,812. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" or "cash with Fiscal Agent" are categorized as:

Depository Account

Insured	\$ 9,404,231
Uninsured and Collateralized	<u>828,581</u>
	<u>\$ 10,232,812</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, 2017 the Board's bank balance of \$828,581 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>\$ 828,581</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, 2017, 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, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2017 for the district's individual major funds in the aggregate, 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	\$ 170,419					\$ 170,419
State	551,962	\$ 459	\$ 1,662,947	\$ 1,864		2,217,232
Federal	2,759	617,730		135,619		756,108
Other Accounts	<u>67,355</u>	<u>864</u>	<u>-</u>	<u>951</u>	<u>\$ 2,529</u>	<u>71,699</u>
Gross Receivables	792,495	619,053	1,662,947	138,434	2,529	3,215,458
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 792,495</u>	<u>\$ 619,053</u>	<u>\$ 1,662,947</u>	<u>\$ 138,434</u>	<u>\$ 2,529</u>	<u>\$ 3,215,458</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>
Special Revenue Fund	
Unencumbered grant draw downs	\$ 120,804
Grant Drawdowns Reserved for Encumbrances	<u>195,913</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 316,717</u>

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 513,200			\$ 513,200
Construction in Progress	841,508	-	\$ (841,508)	-
Total Capital Assets, Not Being Depreciated	<u>1,354,708</u>	<u>-</u>	<u>(841,508)</u>	<u>513,200</u>
Capital assets, Being Depreciated:				
Land Improvements	3,126,633	\$ 792,681		3,919,314
Buildings and Building Improvements	80,118,584	3,518,313		83,636,897
Machinery and Equipment	6,145,000	169,240	-	6,314,240
Total Capital Assets Being Depreciated	<u>89,390,217</u>	<u>4,480,234</u>	<u>-</u>	<u>93,870,451</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,717,814)	(147,310)		(1,865,124)
Building and Building Improvements	(22,480,151)	(1,824,212)		(24,304,363)
Machinery and Equipment	(4,236,092)	(578,930)	-	(4,815,022)
Total Accumulated Depreciation	<u>(28,434,057)</u>	<u>(2,550,452)</u>	<u>-</u>	<u>(30,984,509)</u>
Total Capital Assets, Being Depreciated, Net	<u>60,956,160</u>	<u>1,929,782</u>	<u>-</u>	<u>62,885,942</u>
Government Activities Capital Assets, Net	<u>\$ 62,310,868</u>	<u>\$ 1,929,782</u>	<u>\$ (841,508)</u>	<u>\$ 63,399,142</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 671,986	\$ 79,591	-	\$ 751,577
Total Capital Assets Being Depreciated	<u>671,986</u>	<u>79,591</u>	<u>-</u>	<u>751,577</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(406,304)	(40,960)	-	(447,264)
Total Accumulated Depreciation	<u>(406,304)</u>	<u>(40,960)</u>	<u>-</u>	<u>(447,264)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 265,682</u>	<u>\$ 38,631</u>	<u>\$ -</u>	<u>\$ 304,313</u>

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$ 434,279
Special Education	<u>3,285</u>

Total Instruction	<u>437,564</u>
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Support Services

School Administrative Services	90,495
Plant Operations and Maintenance	1,996,136
Student Transportation	<u>26,257</u>

Total Support Services	<u>2,112,888</u>
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Total Governmental Activities	<u>\$ 2,550,452</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 40,960</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 40,960</u>
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Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2017:

<u>Project</u>	<u>Remaining Commitment</u>
District Wide Technology Project	<u>\$ 824,194</u>
	<u>\$ 824,194</u>

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,316,619
General Fund	Payroll Agency Fund	6,048
Unemployment Trust Fund	Payroll Agency Fund	10,800
Scholarship Trust Fund	General Fund	<u>42,491</u>
		<u>\$ 1,375,958</u>

The above balances are the result of revenues earned or other financing sources received 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.

Interfund transfers

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:			
General Fund		\$ 25,145	\$ 25,145
Capital Projects Fund	<u>\$ 3,125</u>	<u>-</u>	<u>3,125</u>
Total	<u>\$ 3,125</u>	<u>\$ 25,145</u>	<u>\$ 28,270</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.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases/Lease Purchase Agreements

The District is leasing copiers, district wide technology upgrades, textbooks and reading software totaling \$1,929,190 under capital leases and lease purchase agreements. The leases are for terms of 2 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ 498,428
Total	<u>\$ 498,428</u>

The unexpended proceeds from capital leases in the amount of \$824,197 at June 30, 2017 are held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 518,959
2019	302,719
2020	302,719
2021	244,688
2022	<u>226,242</u>
Total minimum lease payments	1,595,327
Less: amount representing interest	<u>115,790</u>
Present value of minimum lease payments	<u>\$ 1,479,537</u>

Balances at June 30, 2017:

Capital Lease Obligations	\$1,071,858
Lease-Purchase Agreements	<u>407,679</u>
	<u>\$1,479,537</u>

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2017 are comprised of the following issues:

\$14,970,000, 2013 Refunding Bonds, due in annual installments of \$1,360,000 to \$1,765,000 through April, 2024, interest at 2.00% to 5.00% \$10,905,000

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

Governmental Activities:

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,625,000	191,406	1,816,406
2023-2025	<u>3,470,000</u>	<u>163,081</u>	<u>3,633,081</u>
	<u>\$ 10,905,000</u>	<u>\$ 1,804,611</u>	<u>\$ 12,709,611</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 188,924,496
Less: Net Debt Issued	<u>10,905,000</u>
Remaining Borrowing Power	<u>\$ 178,019,496</u>

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017, was as follows:

	Balance, <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2017</u>	Due Within <u>One Year</u>
Governmental activities:					
Serial Bonds	\$ 12,215,000		\$ 1,310,000	\$ 10,905,000	\$ 1,360,000
Deferred Amounts					
Add: Original Issue Premium	<u>1,134,317</u>	<u>-</u>	<u>229,471</u>	<u>904,846</u>	<u>-</u>
Total Bonds Payable	13,349,317	-	1,539,471	11,809,846	1,360,000
Capital Leases	736,975	\$ 824,194	489,311	1,071,858	255,891
Lease Purchase Agreements		606,568	198,889	407,679	237,379
Compensated Absences	1,062,944	59,541	-	1,122,485	-
Net Pension Liability	<u>7,251,085</u>	<u>2,635,313</u>	<u>287,913</u>	<u>9,598,485</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 22,400,321</u>	<u>\$ 4,125,616</u>	<u>\$ 2,515,584</u>	<u>\$ 24,010,353</u>	<u>\$ 1,853,270</u>

For the governmental activities, the liabilities for compensated absences, capital leases, lease purchase agreements and 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 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 Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group 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, 2017**

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 Group 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:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	None	\$ 47,594	\$ 90,746	\$ 252,874
2016	None	45,743	68,268	575,014
2015	None	40,602	126,442	596,500

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, except for the following pending litigation.

Pending Litigation – The District has filed a declaratory judgment action pursuant to a send/receive agreement between the District and the Englewood Cliffs' School District. Through this litigation, the District sought to not only protect its rights provided for by the agreement, but to reinstate a prior injunction against all public school boards within the State from accepting students from the District of Englewood Cliffs. This contemplated litigation is a direct result of Englewood Cliffs' recent confirmed efforts to violate, interfere with, and sever the send/receive agreement to the District's detriment. The Board currently is paid in excess of \$800,000.00 in send/receive tuition.

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, 2017, 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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

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, 2017, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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

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

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 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, 2017**

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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively 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>
2017	\$ 287,913	\$ 2,948,308	\$ 10,130
2016	277,708	2,025,017	13,430
2015	234,056	1,274,699	5,995

In addition for fiscal year 2016/2017 the District contributed \$1,837 for PERS and the State contributed \$9,962 for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$1,964,872 during the fiscal year ended June 30, 2017 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, 2017**

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, 2017, the District reported in the statement of net position (accrual basis) a liability of \$9,598,485 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .03241 percent, which was an increase of .00011 percent from its proportionate share measured as of June 30, 2015 of .03230 percent.

For the fiscal year ended June 30, 2017, 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 \$270,449 as a result of the decrease in the net pension liability net of the related change in deferred outflows and inflows. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 178,503	
Changes of Assumptions	1,988,293	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	365,999	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>502,948</u>	<u>\$ 4,544,873</u>
Total	<u>\$ 3,035,743</u>	<u>\$ 4,544,873</u>

At June 30, 2017, the 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>	<u>Total</u>
2018	\$ (613,555)
2019	(613,555)
2020	(534,270)
2021	73,148
2022	<u>179,102</u>
	<u>\$ (1,509,130)</u>

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$14,949,605 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$198,967,050. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .25293 percent, which was an increase of .01715 percent from its proportionate share measured as of June 30, 2015 of .23578 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 237,611,122</u>	<u>\$ 198,967,050</u>	<u>\$ 167,409,178</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017**

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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$2,456,611, \$2,411,236 and \$2,023,583, 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.

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For Englewood Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 50,778,757		\$ 50,778,757	\$ 50,778,757	
Tuition	600,000		600,000	797,879	\$ 197,879
Transportation Fees	185,000		185,000	212,403	27,403
Interest	14,900		14,900	30,911	16,011
Rentals	350,000		350,000	369,475	19,475
Miscellaneous	420,000	-	420,000	647,888	227,888
Total Local Sources	<u>52,348,657</u>	<u>-</u>	<u>52,348,657</u>	<u>52,837,313</u>	<u>488,656</u>
State Sources					
School Choice Aid	4,324,509		4,324,509	4,324,509	-
Special Education Aid	1,813,061		1,813,061	1,813,061	-
Security Aid	977,741		977,741	977,741	-
Transportation Aid	687,644		687,644	687,644	-
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	-
Professional Learning Community Aid	31,070		31,070	31,070	-
Extraordinary Aid	460,000	\$ 305,456	765,456	765,456	-
Other State Aid	127,252		127,252	208,773	81,521
Nonpublic School Transportation Aid				57,562	57,562
On-behalf TPAF Pension Contributions (Non-Budget)					
Pension Benefit Contribution				2,845,219	2,845,219
NCGI Premium				103,089	103,089
On-behalf TPAF Post Retirement					
Medical Benefits Contributions (Non-Budget)				2,456,611	2,456,611
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				9,962	9,962
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,964,872	1,964,872
Total State Sources	<u>10,237,087</u>	<u>305,456</u>	<u>10,542,543</u>	<u>18,061,379</u>	<u>7,518,836</u>
Federal Sources:					
Semi/ARRA				7,423	7,423
Medicaid Assistance Program	189,183	-	189,183	152,451	(36,732)
Total Federal Sources	<u>189,183</u>	<u>-</u>	<u>189,183</u>	<u>159,874</u>	<u>(29,309)</u>
Total Revenues	<u>62,774,927</u>	<u>305,456</u>	<u>63,080,383</u>	<u>71,058,566</u>	<u>7,978,183</u>
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	1,426,896	(220,026)	1,206,870	1,166,223	40,647
Grades 1-5	4,264,199	23,648	4,287,847	4,231,567	56,280
Grades 6-8	3,063,259	(44,379)	3,018,880	2,964,706	54,174
Grades 9-12	6,449,678	62,730	6,512,408	6,471,827	40,581
Regular Program - Home Instruction					
Salaries of Teachers	80,000	(42,480)	37,520	32,536	4,984
Purchased Professional-Educational Services	14,200	(11,500)	2,700	2,210	490
General Supplies	1,001	(1,001)	-	-	-
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	14,200	(3,119)	11,081	6,664	4,417
Other Purchased Services	504,500	217,151	721,651	720,058	1,593
General Supplies	538,330	(107,529)	430,801	408,960	21,841
General Supplies (Non Budgeted - Lease Purchase)				208,790	(208,790)
Textbooks	47,765	366,630	414,395	396,708	17,687
Textbooks (Non Budgeted - Lease Purchase)				397,778	(397,778)
Other Objects	11,500	5,399	16,899	15,030	1,869
Total Regular Programs	<u>16,415,528</u>	<u>245,524</u>	<u>16,661,052</u>	<u>17,023,057</u>	<u>(362,005)</u>

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 1,488,940	\$ (181,340)	\$ 1,307,600	\$ 1,290,963	\$ 16,637
Purchased - Professional Educational Services	35,000	(12,000)	23,000	18,415	4,585
Other Purchased Services	250,000	-	250,000	250,000	-
General Supplies	3,047	(2,500)	547	352	195
Objects	500	(500)	-	-	-
Total Learning and/or Language Disabilities	1,777,487	(196,340)	1,581,147	1,559,730	21,417
Behavioral Disabilities					
Salaries of Teachers	79,410	(79,410)	-	-	-
Other Purchased Services	250,000	(250,000)	-	-	-
General Supplies	2,000	(2,000)	-	-	-
Total Behavioral Disabilities	331,410	(331,410)	-	-	-
Multiple Disabilities					
Salaries of Teachers	755,171	343,313	1,098,484	1,090,093	8,391
Purchased Professional-Educational Services	5,000	-	5,000	2,272	2,728
Other Purchased Services	500,000	998,000	1,498,000	1,497,403	597
General Supplies	3,700	(450)	3,250	529	2,721
Total Multiple Disabilities	1,263,871	1,340,863	2,604,734	2,590,297	14,437
Resource Room/Resource Center					
Salaries of Teachers	1,976,125	(61,044)	1,915,081	1,910,660	4,421
Other Purchased Services	300,000	-	300,000	300,000	-
General Supplies	2,931	-	2,931	577	2,354
Total Resource Room/Resource Center	2,279,056	(61,044)	2,218,012	2,211,237	6,775
Autism					
Salaries of Teachers	70,045	(70,045)	-	-	-
Other Purchased Services	630,000	(630,000)	-	-	-
General Supplies	1,700	(1,700)	-	-	-
Total Autism	701,745	(701,745)	-	-	-
Preschool Disabilities - Full-Time					
Salaries of Teachers	556,415	44,607	601,022	600,964	58
Other Purchased Services	327,000	70	327,070	327,070	-
General Supplies	3,000	(70)	2,930	497	2,433
Other Objects	400	-	400	-	400
Total Preschool Disabilities - Full-Time	886,815	44,607	931,422	928,531	2,891
Total Special Education	7,240,384	94,931	7,335,315	7,289,795	45,520
Bilingual Education					
Salaries of Teachers	1,630,361	(120,315)	1,510,046	1,503,505	6,541
Other Purchased Services	200,000	-	200,000	200,000	-
General Supplies	33,500	(5,659)	27,841	10,847	16,994
Textbooks	-	59	59	59	-
Total Bilingual Education	1,863,861	(125,915)	1,737,946	1,714,411	23,535

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra-Curricular Activities					
Salaries	\$ 125,300	\$ (10,426)	\$ 114,874	\$ 100,703	\$ 14,171
Purchased Services	10,000	19,886	29,886	29,858	28
Supplies and Materials	24,000	(261)	23,739	20,625	3,114
Total School Sponsored Co/Extra-Curricular Activities	<u>159,300</u>	<u>9,199</u>	<u>168,499</u>	<u>151,186</u>	<u>17,313</u>
School Sponsored Athletics - Instruction					
Salaries	474,200	(25,400)	448,800	294,227	154,573
Purchased Services	270,300	-	270,300	178,759	91,541
Supplies and Materials	120,000	(10,593)	109,407	85,458	23,949
Total School Sponsored Athletics - Instruction	<u>864,500</u>	<u>(35,993)</u>	<u>828,507</u>	<u>558,444</u>	<u>270,063</u>
Total Instruction	<u>26,543,573</u>	<u>187,746</u>	<u>26,731,319</u>	<u>26,736,893</u>	<u>(5,574)</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	75,000	25,232	100,232	80,702	19,530
Tuition to Other LEAs Within the State-Special	679,735	(179,472)	500,263	500,263	-
Tuition to County Voc. School Dist. - Regular	275,000	108,496	383,496	355,680	27,816
Tuition to County Voc. School Dist. - Special	317,984	91,337	409,321	409,320	1
Tuition to CSSD & Reg. Day Schools	1,731,560	467,766	2,199,326	2,199,325	1
Tuition to Priv. Sch. for the Disabled					
Within the State	1,921,809	(305,076)	1,616,733	1,614,532	2,201
Tuition - State Facilities	33,593	2,000	35,593	35,398	195
Tuition - Other	30,000	28,000	58,000	57,354	646
Total Undistributed Expenditures - Instruction	<u>5,064,681</u>	<u>238,283</u>	<u>5,302,964</u>	<u>5,252,574</u>	<u>50,390</u>
Attendance and Social Work					
Salaries	144,738	(56,007)	88,731	86,231	2,500
Salaries of Family Support Team	634,721	(149,390)	485,331	485,328	3
Salaries of Family Liaisons	145,936	36,718	182,654	182,623	31
Supplies and Materials	600	27	627	626	1
Total Attendance and Social Work	<u>925,995</u>	<u>(168,652)</u>	<u>757,343</u>	<u>754,808</u>	<u>2,535</u>
Health Services					
Salaries	512,651	(74,411)	438,240	431,108	7,132
Purchased Professional and Technical Services	200,000	11,614	211,614	211,536	78
Other Purchased Services	3,390	(939)	2,451	1,104	1,347
Supplies and Materials	12,850	(328)	12,522	6,903	5,619
Other Objects	1,300	-	1,300	-	1,300
Total Health Services	<u>730,191</u>	<u>(64,064)</u>	<u>666,127</u>	<u>650,651</u>	<u>15,476</u>
Speech, OT, PT and Related Services					
Salaries	772,681	(12,000)	760,681	750,297	10,384
Purchased Professional-Educational Services	850,000	255,147	1,105,147	1,091,115	14,032
Supplies and Materials	9,108	-	9,108	6,859	2,249
Total Speech, OT, PT and Related Services	<u>1,631,789</u>	<u>243,147</u>	<u>1,874,936</u>	<u>1,848,271</u>	<u>26,665</u>
Other Supp. Serv. Students - Extra Serv.					
Purchased Professional-Educational Services	50,000	(50,000)	-	-	-
Total Other Supp. Serv. Students - Extra Serv.	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 425,232	\$ 8,628	\$ 433,860	\$ 433,658	\$ 202
Purchased Professional-Educational Services	7,000	(4,000)	3,000	1,397	1,603
Other Purchased Services	98,000	143,300	241,300	239,705	1,595
Supplies and Materials	43,750	(17,000)	26,750	18,673	8,077
Other Objects	15,000	12,000	27,000	12,000	15,000
Total Guidance	<u>588,982</u>	<u>142,928</u>	<u>731,910</u>	<u>705,433</u>	<u>26,477</u>
Child Study Team					
Salaries of Other Professional Staff	1,096,461	30,060	1,126,521	1,126,403	118
Salaries of Secretarial and Clerical Assistants	58,691	10,400	69,091	69,040	51
Purchased Professional - Educational Services	200,000	(57,850)	142,150	116,656	25,494
Other Purchased Services	41,050	325	41,375	41,314	61
Supplies and Materials	8,000	-	8,000	7,068	932
Other Objects	500	-	500	465	35
Total Child Study Team	<u>1,404,702</u>	<u>(17,065)</u>	<u>1,387,637</u>	<u>1,360,946</u>	<u>26,691</u>
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	484,078	(195,609)	288,469	286,119	2,350
Other Purchased Services	155,800	73,942	229,742	229,641	101
Supplies and Materials	51,800	(43,000)	8,800	6,595	2,205
Total Improvement of Inst. Serv.	<u>691,678</u>	<u>(164,667)</u>	<u>527,011</u>	<u>522,355</u>	<u>4,656</u>
Edu. Media Serv./Sch. Library					
Salaries	368,856	9,377	378,233	378,163	70
Other Purchased Services	727,810	57,745	785,555	783,584	1,971
Supplies and Materials	25,500	476,274	501,774	472,062	29,712
Total Edu. Media Serv./Sch. Library	<u>1,122,166</u>	<u>543,396</u>	<u>1,665,562</u>	<u>1,633,809</u>	<u>31,753</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	124,105	(97,605)	26,500	26,458	42
Purchased Professional/Educational Services	63,400	(47,500)	15,900	1,540	14,360
Other Purchased Services	11,500	(200)	11,300	5,902	5,398
Total Instructional Staff Training Services	<u>199,005</u>	<u>(145,305)</u>	<u>53,700</u>	<u>33,900</u>	<u>19,800</u>
Support Services General Administration					
Salaries	319,334	137,717	457,051	457,043	8
Salaries of Attorneys	146,370	(146,370)	-	-	-
Legal Services	40,000	335,243	375,243	375,200	43
Audit Fees	51,000	52,600	103,600	52,284	51,316
Other Purchased Professional Services	15,000	65,267	80,267	80,217	50
Communications/Telephone	211,000	(55,451)	155,549	154,163	1,386
BOE Other Purchased Services	10,000	(6,000)	4,000	3,983	17
Miscellaneous Purchased Services	42,300	(9,691)	32,609	32,395	214
General Supplies	8,750	875	9,625	8,586	1,039
Judgements Against the School District	39,643	223,857	263,500	263,500	-
Miscellaneous Expenditures	41,355	(2,500)	38,855	27,800	11,055
BOE Membership Dues and Fees	30,000	(3,000)	27,000	24,974	2,026
Total Support Services General Administration	<u>954,752</u>	<u>592,547</u>	<u>1,547,299</u>	<u>1,480,145</u>	<u>67,154</u>
Support Services School Administration					
Salaries of Principal/Asst. Principals/Program Directors	2,665,195	(7,906)	2,657,289	2,647,286	10,003
Other Purchased Services	474,300	(101,889)	372,411	353,452	18,959
Supplies and Materials	34,000	(1,683)	32,317	32,253	64
Other Objects	3,800	(1,628)	2,172	1,614	558
Total Support Services School Administration	<u>3,177,295</u>	<u>(113,106)</u>	<u>3,064,189</u>	<u>3,034,605</u>	<u>29,584</u>

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 834,549	\$ 12,261	\$ 846,810	\$ 846,742	\$ 68
Purchased Professional Services	29,000	6,400	35,400	35,378	22
Purchased Technical Services	80,000	28,361	108,361	108,317	44
Misc. Purchased Services	6,600	500	7,100	7,007	93
Supplies and Materials	29,598	(12,998)	16,600	16,470	130
Other Objects	30,100	(18,761)	11,339	11,263	76
Total Central Services	<u>1,009,847</u>	<u>15,763</u>	<u>1,025,610</u>	<u>1,025,177</u>	<u>433</u>
Admin. Info Technology					
Salaries	78,421	146,410	224,831	224,822	9
Other Purchased Services	-	425	425	425	-
Total Admin. Info. Technology	<u>78,421</u>	<u>146,835</u>	<u>225,256</u>	<u>225,247</u>	<u>9</u>
Required Maintenance for School Facilities					
Salaries	68,870	1,377	70,247	70,247	-
Cleaning, Repair and Maintenance	547,800	45,861	593,661	517,881	75,780
Total Required Maintenance for School Facilities	<u>616,670</u>	<u>47,238</u>	<u>663,908</u>	<u>588,128</u>	<u>75,780</u>
Custodial Services					
Salaries	126,647	-	126,647	126,647	-
Cleaning, Repair and Maint. Serv.	1,948,000	(17,526)	1,930,474	1,908,798	21,676
Rental of Land & Bldg Oth. Than Lease purch. Agmt	240,096	(126,000)	114,096	113,365	731
Other Purchased Property Services	263,800	(34,000)	229,800	208,068	21,732
Insurance	447,500	(40,000)	407,500	404,463	3,037
Miscellaneous Purchased Services	454,800	(4,518)	450,282	444,390	5,892
General Supplies	275,500	(7,894)	267,606	187,948	79,658
Energy (Electricity)	1,125,000	(8,106)	1,116,894	1,116,232	662
Other Objects	29,500	-	29,500	17,163	12,337
Total Custodial Services	<u>4,910,843</u>	<u>(238,044)</u>	<u>4,672,799</u>	<u>4,527,074</u>	<u>145,725</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maint. Serv.	50,000	(8,000)	42,000	21,663	20,337
General Supplies	1,700	8,000	9,700	8,743	957
Total Care and Upkeeping Grounds	<u>51,700</u>	<u>-</u>	<u>51,700</u>	<u>30,406</u>	<u>21,294</u>
Security					
Salaries	596,124	37,623	633,747	633,136	611
Purchased Professional and Technical Services	10,000	(6,206)	3,794	352	3,442
Cleaning, Repair and Maint. Serv.	5,000	1,000	6,000	6,000	-
General Supplies	12,000	6,506	18,506	18,120	386
Total Security	<u>623,124</u>	<u>38,923</u>	<u>662,047</u>	<u>657,608</u>	<u>4,439</u>
Student Transportation Services					
Sal. For Pupil Trans. (Bet Home & School)-Reg.	52,580	1,053	53,633	53,632	1
Sal. For Pupil Trans. (Other than Bet Home & School)	185,000	(3,853)	181,147	163,110	18,037
Cleaning, Repair & Maint. Services	40,000	6,800	46,800	46,790	10
Contracted Services (Between Home and School) - Vendors	1,614,970	15,371	1,630,341	1,618,882	11,459
Contracted Services (Other than Between Home and School) - Vendors	70,435	(19,359)	51,076	32,378	18,698
Contracted Services (Spl. Ed. Students)-Vendors	291,000	229,337	520,337	512,631	7,706
Contracted Services (Spl. Ed. Students)-Joint Agreements	700,000	41,049	741,049	741,048	1
Contracted Serv.-Aid in Lieu of Payments - Non-Public Schools	310,000	(58,509)	251,491	243,969	7,522
Miscellaneous Purchased Services - Transportation	405,000	(1,170)	403,830	400,150	3,680
Transportation Supplies	3,500	205	3,705	3,237	468
Other Objects	1,500	293	1,793	1,592	201
Total Student Transportation Services	<u>3,673,985</u>	<u>211,217</u>	<u>3,885,202</u>	<u>3,817,419</u>	<u>67,783</u>

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 435,000	\$ (62,000)	\$ 373,000	\$ 372,785	\$ 215
Other Retirement Contributions -PERS	300,000	(10,250)	289,750	289,750	-
Other Retirement Contributions -Deferred PERS Pymt.	5,000	(5,000)	-	-	-
Workmen's Compensation	397,100	(77,700)	319,400	319,398	2
Health Benefits	7,356,761	(539,610)	6,817,151	6,814,661	2,490
Other Employee Benefits	150,000	(14,145)	135,855	135,587	268
Total Unallocated Benefits - Employee Benefits	<u>8,643,861</u>	<u>(708,705)</u>	<u>7,935,156</u>	<u>7,932,181</u>	<u>2,975</u>
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				2,845,219	(2,845,219)
NCGI Premium				103,089	(103,089)
On-behalf TPAF Post Retirement					
Medical Benefits Contributions (Non-Budget)				2,456,611	(2,456,611)
On-behalf TPAF Long-Term Disability Insurance(Non-Budget)				9,962	(9,962)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,964,872	(1,964,872)
Total On-Behalf Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,379,753</u>	<u>(7,379,753)</u>
Total Undistributed Expenditures	<u>36,155,587</u>	<u>\$ 550,669</u>	<u>36,706,256</u>	<u>43,460,490</u>	<u>(6,754,234)</u>
Total Expenditures - Current Expenditures	<u>62,699,160</u>	<u>738,415</u>	<u>63,437,575</u>	<u>70,197,383</u>	<u>(6,759,808)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5	60,000	(60,000)			-
Grades 9-12	48,000	(44,795)	3,205	3,205	-
Undistributed Expenditures:					
Instruction		114,871	114,871	88,678	26,193
Required Maintenance for School Facilities		17,256	17,256	17,256	-
School Sponsored and Other Instructional Programs	-	16,385	16,385	16,385	-
	<u>108,000</u>	<u>43,717</u>	<u>151,717</u>	<u>125,524</u>	<u>26,193</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	122,320	122,320	99,838	22,482
Construction Services	1,825,000	273,580	2,098,580	1,777,991	320,589
Buildings Other than Lease Purchase Agreements	500,000	-	500,000	-	500,000
Other Objects	184,772	-	184,772	184,772	-
Total Facilities Acquisition and Construction Services	<u>2,509,772</u>	<u>395,900</u>	<u>2,905,672</u>	<u>2,062,601</u>	<u>843,071</u>
Interest - Deposit to Capital Reserve	9,000	-	9,000	-	9,000
Total Capital Outlay	<u>2,626,772</u>	<u>439,617</u>	<u>3,066,389</u>	<u>2,188,125</u>	<u>878,264</u>
Transfer of Funds to Charter Schools	2,348,798	(183,885)	2,164,913	2,164,543	370
Total Expenditures	<u>67,674,730</u>	<u>994,147</u>	<u>68,668,877</u>	<u>74,550,051</u>	<u>(5,881,174)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(4,899,803)</u>	<u>(688,691)</u>	<u>(5,588,494)</u>	<u>(3,491,485)</u>	<u>2,097,009</u>

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY (Continued)					
Other Financing Sources/(Uses)					
Lease-Purchase Proceeds				\$ 606,568	\$ 606,568
Transfer In - Capital Projects Fund				3,125	3,125
Transfer Out - Capital Reserve to Capital Projects	-	\$ (25,145)	\$ (25,145)	(25,145)	-
Total Other Financing Sources (Uses)	-	(25,145)	(25,145)	584,548	609,693
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	\$ (4,899,803)	(713,836)	(5,613,639)	(2,906,937)	2,706,702
Fund Balance, Beginning of Year	10,991,641	-	10,991,641	10,991,641	-
Fund Balance, End of Year	<u>\$ 6,091,838</u>	<u>\$ (713,836)</u>	<u>\$ 5,378,002</u>	<u>\$ 8,084,704</u>	<u>\$ 2,706,702</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 950,088	
Capital Reserve - Designated for Subsequent Year's Expenditures				650,000	
Maintenance Reserve				761,600	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				250,000	
Emergency Reserve				604,000	
Tuition Adjustments - 2015/2016 - Designated for Subsequent Year's Expenditures				350,000	
Excess Surplus				1,105,569	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,477,347	
Assigned Fund Balance					
Designated For Subsequent Year's Expenditures				392,895	
SEMI/ARRA - Designated For Subsequent Year's Expenditures				7,423	
Year End Encumbrances				146,442	
Unassigned Fund Balance				<u>1,389,340</u>	
Reconciliation to Governmental Funds Statements (GAAP):				8,084,704	
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(1,549,220)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 6,535,484</u>	

**ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Local Sources		\$ 73,759	\$ 73,759	\$ 38,662	\$ (35,097)
State Sources	\$ 1,839,311	51,868	1,891,179	1,904,678	13,499
Federal Sources	2,023,079	892,701	2,915,780	1,957,925	(957,855)
Total Revenues	<u>3,862,390</u>	<u>1,018,328</u>	<u>4,880,718</u>	<u>3,901,265</u>	<u>(979,453)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	1,804,279	(284,945)	1,519,334	1,296,001	223,333
Other Purchased Services	1,551,717	(347,522)	1,204,195	1,151,528	52,667
General Supplies	87,424	268,135	355,559	219,993	135,566
Textbooks	104,151	(1,437)	102,714	89,071	13,643
Other Objects	-	801	801	140	661
Total Instruction	<u>3,547,571</u>	<u>(364,968)</u>	<u>3,182,603</u>	<u>2,756,733</u>	<u>425,870</u>
Support Services					
Salaries of Supervisors of Instruction	-	79,375	79,375	79,375	-
Other Purchased Professional Services	216,379	928,772	1,145,151	721,394	423,757
Cont. Trans. Serv. (Bet. Home & Sch)	47,465	11,608	59,073	57,073	2,000
Travel	-	6,358	6,358	520	5,838
Other Purchased Services	-	69,300	69,300	29,833	39,467
Supplies and Materials	-	8,531	8,531	817	7,714
Other Objects	50,975	58,837	109,812	84,227	25,585
Total Support Services	<u>314,819</u>	<u>1,162,781</u>	<u>1,477,600</u>	<u>973,239</u>	<u>504,361</u>
Unallocated Employed Benefits	<u>-</u>	<u>190,723</u>	<u>190,723</u>	<u>153,506</u>	<u>37,217</u>
Capital Outlay					
Non-Instructional Equipment		17,787	17,787	17,787	-
Instructional Equipment	-	12,005	12,005	-	12,005
Total Capital Outlay	<u>-</u>	<u>29,792</u>	<u>29,792</u>	<u>17,787</u>	<u>12,005</u>
Total Expenditures	<u>3,862,390</u>	<u>1,018,328</u>	<u>4,880,718</u>	<u>3,901,265</u>	<u>979,453</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, 2017**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 71,058,566	\$ 3,901,265
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, 2016		-
Encumbrances, June 30, 2017		(120,804)
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2015/2016 State Aid)	1,200,094	107,301
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2016/2017 State Aid)	<u>(1,549,220)</u>	<u>(102,341)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 70,709,440</u>	<u>\$ 3,785,421</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 74,550,051	\$ 3,901,265
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, 2016		-
Encumbrances , June 30, 2017	<u>-</u>	<u>(120,804)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 74,550,051</u>	<u>\$ 3,780,461</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 Four Fiscal Years ***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03241 %	0.03230 %	0.02842 %	0.07294 %
District's Proportionate Share of the Net Pension Liability (Asset)	9,598,485	7,251,085	5,321,629	13,940,689
District's Covered-Employee Payroll	2,371,158	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	405%	308%	243%	632%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 287,913	\$ 277,708	\$ 234,056	\$ 549,604
Contributions in Relation to the Contractually Required Contributions	<u>287,913</u>	<u>277,708</u>	<u>234,056</u>	<u>549,604</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	2,371,158	2,354,341	2,192,991	2,206,933
Contributions as a Percentage of Covered-Employee Payroll	12.14%	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 Four Fiscal Years ***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 198,967,050</u>	<u>\$ 149,021,394</u>	<u>\$ 130,115,851</u>	<u>\$ 120,746,323</u>
Total	<u>\$ 198,967,050</u>	<u>\$ 149,021,394</u>	<u>\$ 130,115,851</u>	<u>\$ 120,746,323</u>
District's Covered-Employee Payroll	26,187,653	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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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, 2017

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, 2017

	IDEA Part B		Title I	Title IIA	Title III	Title III Immigrant	Perkins Grant	To Exhibit E-1A
	Basic 2016/17	Preschool 2016/17						
REVENUES								
Intergovernmental								
State								
Federal	\$ 953,843	\$ 38,708	\$ 660,284	\$ 221,179	\$ 82,227	\$ 323	\$ 1,361	\$ 1,957,925
Other	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 953,843</u>	<u>\$ 38,708</u>	<u>\$ 660,284</u>	<u>\$ 221,179</u>	<u>\$ 82,227</u>	<u>\$ 323</u>	<u>\$ 1,361</u>	<u>\$ 1,957,925</u>
EXPENDITURES								
Instruction								
Salaries of teachers			\$ 416,710	\$ 19,459	\$ 52,163	\$ 300		\$ 488,632
Other purchased services	\$ 468,037	\$ 37,164	37,758					542,959
General Supplies	7,494	1,544	106,427		8,682			124,147
Textbooks								-
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	<u>475,531</u>	<u>38,708</u>	<u>560,895</u>	<u>19,459</u>	<u>60,845</u>	<u>300</u>	<u>-</u>	<u>1,155,738</u>
Support Services								
Salaries of Supervisors of Instruction				79,375				79,375
Personal Services-Employee Benefits			97,645	51,643	3,990	-		153,278
Other Purchased Professional Services	478,312			43,618	17,000	23	\$ 1,361	540,314
Cont. Trans. Serv. (Bet. Home & Sch)								-
Travel								-
Other Purchased Services				27,084	392			27,476
Supplies & Materials								-
Other Objects	-	-	1,744	-	-	-	-	1,744
Total Support Services	<u>478,312</u>	<u>-</u>	<u>99,389</u>	<u>201,720</u>	<u>21,382</u>	<u>23</u>	<u>1,361</u>	<u>802,187</u>
Capital Outlay								
Non-Instructional Equipment								-
Instructional Equipment	-	-	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 953,843</u>	<u>\$ 38,708</u>	<u>\$ 660,284</u>	<u>\$ 221,179</u>	<u>\$ 82,227</u>	<u>\$ 323</u>	<u>\$ 1,361</u>	<u>\$ 1,957,925</u>

ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Exhibit E-1 Subtotal</u>	<u>Preschool Education Aid</u>	<u>Nonpublic Security</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>To Exhibit E-1B</u>
REVENUES							
Intergovernmental							
State		\$ 1,206,279	\$ 82,483	\$ 42,575	\$ 89,071	\$ 181,080	\$ 1,601,488
Federal	\$ 1,957,925						1,957,925
Other	-	-	-	-	-	-	-
Total Revenues	\$ 1,957,925	\$ 1,206,279	\$ 82,483	\$ 42,575	\$ 89,071	\$ 181,080	\$ 3,559,413
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 488,632	\$ 804,388					\$ 1,293,020
Other purchased services	542,959	305,000					847,959
General Supplies	124,147	39,818		\$ 42,575			206,540
Textbooks	-	-	-	-	\$ 89,071		89,071
Other Objects	-	-	-	-	-	-	-
Total Instruction	1,155,738	1,149,206	-	42,575	89,071	-	2,436,590
Support Services							
Salaries of Supervisors of Instruction	79,375						79,375
Personal Services-Employee Benefits	153,278						153,278
Other Purchased Professional Services	540,314					\$ 181,080	721,394
Cont. Trans. Serv. (Bet. Home & Sch)	-	57,073					57,073
Travel	-						-
Other Purchased Services	27,476						27,476
Supplies & Materials	-						-
Other Objects	1,744	-	\$ 82,483	-	-	-	84,227
Total Support Services	802,187	57,073	82,483	-	-	181,080	1,122,823
Capital Outlay							
Non-Instructional Equipment	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	\$ 1,957,925	\$ 1,206,279	\$ 82,483	\$ 42,575	\$ 89,071	\$ 181,080	\$ 3,559,413

ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Exhibit E-1A Subtotal	Chapter 192			Chapter 193			Other Programs	Grand Total
		Home Instruction	Compensatory Education	ESL	Exam and Classification	Corrective Speech	Supplementary Instruction		
REVENUES									
Intergovernmental									
State	\$ 1,601,488	\$ 459	\$ 6,808	\$ 5,298	\$ 119,767	\$ 85,169	\$ 85,689		\$ 1,904,678
Federal	1,957,925								1,957,925
Other	-	-	-	-	-	-	-	\$ 38,662	38,662
Total Revenues	<u>\$ 3,559,413</u>	<u>\$ 459</u>	<u>\$ 6,808</u>	<u>\$ 5,298</u>	<u>\$ 119,767</u>	<u>\$ 85,169</u>	<u>\$ 85,689</u>	<u>\$ 38,662</u>	<u>\$ 3,901,265</u>
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 1,293,020							\$ 2,981	\$ 1,296,001
Other Purchased Services	847,959	\$ 459	\$ 6,808	\$ 5,298	\$ 119,767	\$ 85,169	\$ 85,689	379	1,151,528
General Supplies	206,540							13,453	219,993
Textbooks	89,071								89,071
Other Objects	-	-	-	-	-	-	-	140	140
Total Instruction	<u>2,436,590</u>	<u>459</u>	<u>6,808</u>	<u>5,298</u>	<u>119,767</u>	<u>85,169</u>	<u>85,689</u>	<u>16,953</u>	<u>2,756,733</u>
Support Services									
Salaries of Supervisors of Instruction	79,375								79,375
Personal Services-Employee Benefits	153,278							228	153,506
Other Purchased Professional Services	721,394								721,394
Cont. Trans. Serv. (Bet. Home & Sch)	57,073								57,073
Travel	-							520	520
Other Purchased Services	27,476							2,357	29,833
Supplies & Material	-							817	817
Other Objects	84,227	-	-	-	-	-	-	-	84,227
Total Support Services	<u>1,122,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,922</u>	<u>1,126,745</u>
Capital Outlay									
Non-Instructional Equipment	-	-	-	-	-	-	-	17,787	17,787
Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,787</u>	<u>17,787</u>
Total Expenditures	<u>\$ 3,559,413</u>	<u>\$ 459</u>	<u>\$ 6,808</u>	<u>\$ 5,298</u>	<u>\$ 119,767</u>	<u>\$ 85,169</u>	<u>\$ 85,689</u>	<u>\$ 38,662</u>	<u>\$ 3,901,265</u>

**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, 2017**

<u>Districtwide</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 822,101	\$ 804,388	\$ 17,713
Other Purchased Services	305,000	305,000	-
General Supplies	40,000	39,818	182
Other Objects	-	-	-
Total Instruction	<u>1,167,101</u>	<u>1,149,206</u>	<u>17,895</u>
Support Services			
Salaries of Supervisors of Instruction	-	-	-
Salaries of Program Directors	-	-	-
Contr. Trans. Serv. (Bet. Home & Sch)	57,073	57,073	-
Travel	-	-	-
Total Support Services	<u>57,073</u>	<u>57,073</u>	<u>-</u>
Total Expenditures	<u>\$ 1,224,174</u>	<u>\$ 1,206,279</u>	<u>\$ 17,895</u>
Total 2016-2017 ECPA Allocation			\$ 1,214,565
Add: Actual Preschool Aid Carryover (June 30, 2016)			9,609
Budgeted Transfer from General Fund			1,221
Cancelled Prior Year Accounts Payable			<u>1,221</u>
Total Preschool Aid Funds Available for 2016-2017 Budget			1,225,395
Less: 2016-2017 Budgeted Preschool Aid (Including Prior Year Budgeted Carryover)			<u>1,224,174</u>
Available & Unbudgeted Preschool Aid Funds as of June 30, 2017			1,221
Add: June 30, 2017 Unexpended Preschool Aid			<u>17,895</u>
2016-2017 Actual Carryover - Preschool Aid			<u>\$ 19,116</u>
2016-2017 Preschool Aid Carryover Budgeted in 2017-2018			<u>\$ -</u>

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, 2017**

<u>Project</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2017</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	2,644,086	\$ 43,270	94,847
Durie Park Elementary School - Light Dimmers Capital Lease	199,488	198,462		1,026
DMHS South Building Steam Heating Sys. Rep. - Phase 1	2,617,318	2,617,318		-
DMHS North Building Steam Heating Sys. Rep. - Phase 2	2,444,989	841,509	1,574,316	29,164
Technology Upgrade	824,194	-	-	824,194
	<u>55,680,337</u>	<u>52,935,499</u>	<u>1,617,586</u>	<u>1,127,252</u>
<u>Reconciliation to GAAP</u>				
				<u>\$ 1,127,252</u>
				<u>\$ 1,127,252</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects:				
Year End Encumbrances				\$ 824,194
Available for Capital Projects				<u>303,058</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 1,127,252</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, 2017**

Revenues and Other Financing Sources

Revenues:

Interest Earned	\$ 3,125
Other Financing Sources	
Capital Lease Proceeds	824,194
Transfers from the General Fund	<u>25,145</u>
 Total Revenues	 <u>852,464</u>

Expenditures and Other Financing Uses

Expenditures:

Purchased Professional and Technical Services	12,686
Construction Services	1,604,900
Equipment	-
Other Financing Uses	
Transfers to the General Fund	<u>3,125</u>
 Total Expenditures and Other Financing Uses	 <u>1,620,711</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(768,247)
 Fund Balance- Beginning of Year	 <u>1,895,499</u>
 Fund Balance- End of Year	 <u>\$ 1,127,252</u>

Reconciliation to GAAP

Fund Balance - June 30,2017 - Budgetary Basis	<u>\$ 1,127,252</u>
 Fund Balance, June 30, 2017 - GAAP Basis	 <u>\$ 1,127,252</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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bergen County Grant	\$ 1,000,000		\$ 1,000,000	\$ 1,000,000
Englewood City Grant	3,900,000	-	3,900,000	3,900,000
	<u>4,900,000</u>	<u>-</u>	<u>4,900,000</u>	<u>4,900,000</u>
Expenditures and Other Financing Uses				
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 1,894,043		\$ 1,894,043	\$ 1,894,043
Bond Proceeds	1,861,531		1,861,531	1,861,531
Transfer from Capital Outlay	74,009	-	74,009	74,009
	<u>3,829,583</u>	<u>-</u>	<u>3,829,583</u>	<u>3,829,583</u>
Expenditures and Other Financing Uses				
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>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 5,628	\$ -	\$ 5,628	\$ -

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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 4,876,300		\$ 4,876,300	\$ 4,876,300
Sale of Property - City of Englewood	6,800,000		6,800,000	6,800,000
Bond Proceeds	7,796,981		7,796,981	7,796,981
Transfer from Capital Outlay	2,949,563	-	2,949,563	2,949,563
	<u>22,422,844</u>	<u>-</u>	<u>22,422,844</u>	<u>22,422,844</u>
Expenditures and Other Financing Uses				
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 4,389,061		\$ 4,389,061	\$ 4,389,061
Bond Proceeds	9,538,115		9,538,115	9,538,115
Transfer from Capital Outlay	1,732,542	-	1,732,542	1,732,542
	<u>15,659,718</u>	<u>-</u>	<u>15,659,718</u>	<u>15,659,718</u>
Expenditures and Other Financing Uses				
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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 308,359		\$ 308,359	\$ 308,359
Bond Proceeds	788,316		788,316	788,316
Transfer from Capital Outlay	<u>1,685,528</u>	<u>-</u>	<u>1,685,528</u>	<u>1,685,528</u>
Total Revenues and Other Financing Sources	<u>2,782,203</u>	<u>-</u>	<u>2,782,203</u>	<u>2,782,203</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	181,095		181,095	200,000
Construction Services	2,402,301	\$ 43,270	2,445,571	2,521,513
Equipment	<u>60,690</u>	<u>-</u>	<u>60,690</u>	<u>60,690</u>
Total Expenditures and Other Financing Uses	<u>2,644,086</u>	<u>43,270</u>	<u>2,687,356</u>	<u>2,782,203</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 138,117</u>	<u>\$ (43,270)</u>	<u>\$ 94,847</u>	<u>\$ -</u>
Additional project information:				
Project Number	1370-X01-04-1000			
Grant Date	December 29, 2004			
Bond Authorization Date	April 1, 2003			
Bonds Authorized	788,316			
Bonds Issued	788,316			
Original Authorized Cost	1,096,675			
Additional Authorized Cost	1,385,528			
Reduced Authorized Costs				
Revised Authorized Cost	2,482,203			
Percentage Increase(Decrease) Over Original				
Authorized Cost	55.82%			
Percentage Completion	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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
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>
Additional project information:				
Project Number				
Lease Date	March 15, 2008			
Lease Proceeds	198,462			
Original Authorized Cost	198,462			
Additional Authorized Cost - Interest	1,026			
Reduced Authorized Costs				
Revised Authorized Cost	199,488			
Percentage Increase(Decrease) Over Original				
Authorized Cost	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 1
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 854,951		\$ 854,951	\$ 854,951
Local Contribution	<u>1,737,222</u>	<u>\$ 25,145</u>	<u>1,762,367</u>	<u>1,762,367</u>
 Total Revenues and Other Financing Sources	 <u>2,592,173</u>	 <u>25,145</u>	 <u>2,617,318</u>	 <u>2,617,318</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	32,111	-	32,111	32,111
Construction Services	<u>2,585,207</u>	<u>-</u>	<u>2,585,207</u>	<u>2,585,207</u>
 Total Expenditures and Other Financing Uses	 <u>2,617,318</u>	 <u>-</u>	 <u>2,617,318</u>	 <u>2,617,318</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ (25,145)</u>	 <u>\$ 25,145</u>	 <u>\$ -</u>	 <u>\$ -</u>
Additional project information:				
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	100.00%			
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 807,996		\$ 807,996	\$ 807,996
Local Contribution	<u>1,636,993</u>	<u>-</u>	<u>1,636,993</u>	<u>1,636,993</u>
 Total Revenues and Other Financing Sources	 <u>2,444,989</u>	 <u>-</u>	 <u>2,444,989</u>	 <u>2,444,989</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	64,437	\$ 12,686	77,123	77,123
Construction Services	<u>777,072</u>	<u>1,561,630</u>	<u>2,338,702</u>	<u>2,367,866</u>
 Total Expenditures and Other Financing Uses	 <u>841,509</u>	 <u>1,574,316</u>	 <u>2,415,825</u>	 <u>2,444,989</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 1,603,480</u>	 <u>\$ (1,574,316)</u>	 <u>\$ 29,164</u>	 <u>\$ -</u>
 Additional project information:				
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	98.81%			
Original Target Completion Date	June 30, 2015			
Revised Target Completion Date	June 30, 2017			

ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
TECHNOLOGY PROJECT - DISTRICT WIDE UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds	\$ -	\$ 824,194	\$ 824,194	\$ 824,194
Interest	-	-	-	-
Total Revenues and Other Financing Sources	-	824,194	824,194	824,194
Expenditures and Other Financing Uses				
Construction Services	-	-	-	824,194
Total Expenditures and Other Financing Uses	-	-	-	824,194
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 824,194	\$ 824,194	\$ -

Additional project information:

Project Number	
Lease Date	April 27, 2017
Lease Proceeds	824,194
Original Authorized Cost	824,194
Percentage Increase(Decrease) Over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2018

PROPRIETARY FUNDS

EXHIBIT G-1

**ENGLEWOOD BOARD OF EDUCATION
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

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

EXHIBIT G-2

**ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

EXHIBIT G-3

**ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017**

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 134,700	\$ 524,780	\$ 659,480
Total Assets	<u>\$ 134,700</u>	<u>\$ 524,780</u>	<u>\$ 659,480</u>
LIABILITIES			
Accrued Salaries & Payroll Deductions Payable		\$ 507,932	\$ 507,932
Due to Student Groups	\$ 134,700		134,700
Due to Other Funds	<u>-</u>	<u>16,848</u>	<u>16,848</u>
Total Liabilities	<u>\$ 134,700</u>	<u>\$ 524,780</u>	<u>\$ 659,480</u>

**ENGLEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<u>Balance, July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2017</u>
Assets				
Cash	\$ 149,577	\$ 245,835	\$ 260,712	\$ 134,700
Total Assets	<u>\$ 149,577</u>	<u>\$ 245,835</u>	<u>\$ 260,712</u>	<u>\$ 134,700</u>
Liabilities				
Due to Student Groups:				
High School and Academies at Englewood	\$ 101,983	\$ 140,513	\$ 142,181	\$ 100,315
Dismus Middle School	15,354	47,656	52,506	10,504
McCloud Elementary School	858	33,761	33,501	1,118
Eagle Academy	1,518			1,518
Life Alternative School		1,500		1,500
Athletic Account	<u>29,864</u>	<u>22,405</u>	<u>32,524</u>	<u>19,745</u>
Total Liabilities	<u>\$ 149,577</u>	<u>\$ 245,835</u>	<u>\$ 260,712</u>	<u>\$ 134,700</u>

**ENGLEWOOD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2017</u>
ASSETS				
Cash and Cash Equivalents	\$ 450,230	\$ 35,959,319	\$ 35,884,769	\$ 524,780
Total	<u>\$ 450,230</u>	<u>\$ 35,959,319</u>	<u>\$ 35,884,769</u>	<u>\$ 524,780</u>
LIABILITIES				
Accrued Salaries & Payroll Deductions Payable	409,531	35,840,530	35,742,129	507,932
Due to Other Funds	<u>40,699</u>	<u>118,789</u>	<u>142,640</u>	<u>16,848</u>
Total	<u>\$ 450,230</u>	<u>\$ 35,959,319</u>	<u>\$ 35,884,769</u>	<u>\$ 524,780</u>

LONG-TERM DEBT

ENGLEWOOD BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<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, 2016</u>	<u>Matured</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
Refunding of School Bonds	8/14/2013	\$ 14,970,000	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>\$ 12,215,000</u>	<u>\$ 1,310,000</u>	<u>\$ 10,905,000</u>
						<u>\$ 12,215,000</u>	<u>\$ 1,310,000</u>	<u>\$ 10,905,000</u>
						Paid by Budget	<u>\$ 1,310,000</u>	

ENGLEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Capital Leases</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2016</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2017</u>
Mail Machine	\$ 28,050	0.00%	\$ 6,600		\$ 6,600	
Savin Copiers -9	96,499	5.30%	24,867		21,220	\$ 3,647
Savin Copiers -6	59,914	5.34%	30,951		12,326	18,625
Dell Computers -1630	1,508,106	4.15%	384,369		384,369	-
Savin Copiers - 22	342,015	0.37%	290,188		64,796	225,392
District Wide Technology Project	824,194	3.88%	-	\$ 824,194	-	824,194
			<u>736,975</u>	<u>824,194</u>	<u>489,311</u>	<u>1,071,858</u>
<u>Lease Purchase Agreements</u>						
Textbooks	397,778	N/A		397,778	198,889	198,889
Early Learning Reading Software	208,790	4.03%	-	208,790	-	208,790
			<u>-</u>	<u>606,568</u>	<u>198,889</u>	<u>407,679</u>
			<u>\$ 736,975</u>	<u>\$ 1,430,762</u>	<u>\$ 688,200</u>	<u>\$ 1,479,537</u>

**ENGLEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 1,816,157	-	\$ 1,816,157	\$ 1,816,157	-
Total Revenues	<u>1,816,157</u>	<u>-</u>	<u>1,816,157</u>	<u>1,816,157</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal on Bonds	1,310,000		1,310,000	1,310,000	
Interest on Bonds	<u>506,157</u>	<u>-</u>	<u>506,157</u>	<u>506,157</u>	\$ <u>-</u>
Total Expenditures	<u>1,816,157</u>	<u>-</u>	<u>1,816,157</u>	<u>1,816,157</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 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	\$ 52,091,654
Restricted	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	3,128,771
Unrestricted	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)	(9,341,012)
Total governmental activities net position	<u>\$ 51,965,502</u>	<u>\$ 58,342,947</u>	<u>\$ 49,929,315</u>	<u>\$ 51,331,324</u>	<u>\$ 50,822,911</u>	<u>\$ 55,002,183</u>	<u>\$ 42,968,943</u>	<u>\$ 44,337,775</u>	<u>\$ 47,193,104</u>	<u>\$ 45,879,413</u>
Business-type activities										
Net investment in capital assets	\$ 83,993	\$ 176,156	\$ 187,557	\$ 406,418	\$ 371,442	\$ 343,208	\$ 316,668	\$ 287,014	\$ 265,682	\$ 304,313
Restricted										
Unrestricted	433,510	416,164	463,010	281,368	305,072	360,059	377,746	429,584	291,649	309,635
Total business-type activities net position	<u>\$ 517,503</u>	<u>\$ 592,320</u>	<u>\$ 650,567</u>	<u>\$ 687,786</u>	<u>\$ 676,514</u>	<u>\$ 703,267</u>	<u>\$ 694,414</u>	<u>\$ 716,598</u>	<u>\$ 557,331</u>	<u>\$ 613,948</u>
District-wide										
Net investment in capital assets	\$ 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	\$ 52,395,967
Restricted	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	3,128,771
Unrestricted	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)	(9,031,377)
Total district net position	<u>\$ 52,483,005</u>	<u>\$ 58,935,267</u>	<u>\$ 50,579,882</u>	<u>\$ 52,019,110</u>	<u>\$ 51,499,425</u>	<u>\$ 55,705,450</u>	<u>\$ 43,663,357</u>	<u>\$ 45,054,373</u>	<u>\$ 47,750,435</u>	<u>\$ 46,493,361</u>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 36,035,396
Special education	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	17,164,703
Other instruction	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	4,370,164
School Sponsored Activities and Athletics	620,547	829,197	865,349	850,977	1,018,015	824,663	700,748	785,555	830,923	828,671
Support Services:										
Student & instruction related services	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	10,658,722
General and business administrative services	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	1,802,680
School administrative services	2,754,190	2,866,179	2,513,812	2,678,738	3,277,947	3,114,263	2,723,280	4,005,534	4,335,052	5,641,252
Central Services	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	1,566,815
Administrative Information Technology	177,733	256,616	46,148	34,827						
Plant operations and maintenance	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	7,937,351
Pupil transportation	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	3,909,006
Interest on long-term debt	1,150,819	1,112,202	1,079,522	1,043,463	976,817	390,267	561,397	603,301	502,731	456,212
Total governmental activities expenses	65,838,050	65,744,466	64,609,262	64,918,165	67,813,616	64,892,576	67,295,920	76,722,686	80,933,179	90,370,972
Business-type activities:										
Food service	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	1,962,412
After school program			125,052	85,530	128,315	117,883	327,001	379,828	522,536	448,440
Total business-type activities expense	1,384,572	1,451,515	1,715,802	1,711,257	1,869,556	1,841,203	2,095,693	2,183,942	2,498,195	2,410,852
Total district expenses	\$ 67,222,622	\$ 67,195,981	\$ 66,325,064	\$ 66,629,422	\$ 69,683,172	\$ 66,733,779	\$ 69,391,613	\$ 78,906,628	\$ 83,431,374	\$ 92,781,824
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 16,321	\$ 163,522	\$ 100,241	\$ 75,348	\$ 7,563	\$ 182,373	\$ 123,452	\$ 160,956	\$ 243,932	\$ 797,879
Plant Operations				228,067	203,215	193,691	320,918	429,985	302,845	369,475
Student Transportation				143,708	187,292	132,634	201,761	183,692	164,290	212,403
Operating grants and contributions	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	27,357,365
Capital grants and contributions	5,491,099	2,843,714	28,691	32,845	2,649	48,823	-	162,511	1,029,044	471,392
Total governmental activities program revenues	22,332,286	14,456,765	12,060,661	12,595,311	12,533,996	12,999,640	12,377,046	20,195,853	23,464,007	29,208,514
Business-type activities:										
Charges for services										
Food service	\$ 544,674	\$ 495,706	\$ 508,067	\$ 455,250	\$ 479,580	\$ 463,425	\$ 336,019	\$ 336,615	\$ 333,934	\$ 341,712
After School Program			130,962	102,568	122,647	108,398	386,140	452,928	455,315	477,903
Operating grants and contributions	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	1,647,854
Total business type activities program revenues	1,430,454	1,474,713	1,774,049	1,748,476	1,858,284	1,867,956	2,086,840	2,206,126	2,338,928	2,467,469
Total district program revenues	\$ 23,762,740	\$ 15,931,478	\$ 13,834,710	\$ 14,343,787	\$ 14,392,280	\$ 14,867,596	\$ 14,463,886	\$ 22,401,979	\$ 25,802,935	\$ 31,675,983
Net (Expense)/Revenue										
Governmental activities	(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)	(61,162,458)
Business-type activities	45,882	23,198	58,247	37,219	(11,272)	26,753	(8,853)	22,184	(159,267)	56,617
Total district-wide net expense	\$ (43,459,882)	\$ (51,264,503)	\$ (52,490,354)	\$ (52,285,635)	\$ (55,290,892)	\$ (51,866,183)	\$ (54,927,727)	\$ (56,504,649)	\$ (57,628,439)	\$ (61,105,841)

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

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013				
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 50,778,757
Property taxes levied for debt service, net	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	1,816,157
Unrestricted grants and aid	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	6,301,480
Investment earnings	694,462	108,781	91,173	93,456	38,416	79,826	99,199	58,909	55,114	34,036
Miscellaneous income	1,082,065	530,860	332,656	321,419	372,533	682,163	379,178	120,568	364,785	647,888
Gain/(Loss) on Disposal of Capital Assets		(112,831)							29,948	-
Transfers	(182,000)	(59,079)								
Special Item - Change in Net Pension Liability								1,038,966	714,982	270,449
Total governmental activities	53,846,844	57,665,146	55,349,900	53,762,012	54,771,207	56,072,208	56,826,323	57,895,665	60,324,501	59,848,767
Business-type activities:										
Prior Year Receivables Cancelled										
Loss on Disposal of Capital Assets		(7,460)								
Transfers	182,000	59,079								
Total business-type activities	182,000	51,619	-	-	-	-	-	-	-	-
Total district-wide	\$ 54,028,844	\$ 57,716,765	\$ 55,349,900	\$ 53,762,012	\$ 54,771,207	\$ 56,072,208	\$ 56,826,323	\$ 57,895,665	\$ 60,324,501	\$ 59,848,767
Change in Net Position										
Governmental activities	\$ 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	\$ (1,313,691)
Business-type activities	227,882	74,817	58,247	37,219	(11,272)	26,753	(8,853)	22,184	(159,267)	56,617
Total district	\$ 10,568,962	\$ 6,452,262	\$ 2,859,546	\$ 1,476,377	\$ (519,685)	\$ 4,206,025	\$ 1,898,596	\$ 1,391,016	\$ 2,696,062	\$ (1,257,074)

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

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013				
General Fund										
Reserved	\$ 6,236,365	\$ 8,088,378	\$ 8,827,408							
Unreserved	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	\$ 6,148,604
Committed						260,674	790,000	396,936	395,900	-
Assigned				4,426,311	855,324	953,772	816,527	167,723	930,837	546,760
Unassigned				(14,322)	(44,439)	(177,768)	(115,837)	9,235	149,773	(159,880)
Total General Fund	\$ 7,598,183	\$ 8,429,993	\$ 9,468,225	\$ 10,276,653	\$ 9,187,266	\$ 12,728,241	\$ 14,045,155	\$ 10,491,545	\$ 9,791,547	\$ 6,535,484
All Other Governmental Funds										
Reserved	\$ 10,881,343	\$ 942,583	\$ 543,068							
Unreserved	(858,229)	1,926,457	1,501,231							
Restricted				\$ 940,982	\$ 656,161	\$ 818,561	\$ 652,182	\$ 2,662,630	\$ 1,424,107	\$ 1,127,252
Assigned										
Unassigned				(101,355)	(84,553)			(85,473)	(107,301)	(102,341)
Total all other governmental funds	\$ 10,023,114	\$ 2,869,040	\$ 2,044,299	\$ 839,627	\$ 571,608	\$ 818,561	\$ 652,182	\$ 2,577,157	\$ 1,316,806	\$ 1,024,911

**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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property Tax levy	\$ 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	\$ 52,594,914
Tuition charges	16,321	163,522	100,241	75,348	7,563	182,373	123,452	160,956	243,932	797,879
Transportation Fees				143,708	187,292	132,634	201,761	183,692	164,290	212,403
Interest earnings	694,462	108,781	91,173	93,456	38,416	79,826	99,199	58,909	55,114	34,036
Rentals			92,460	228,067	203,215	193,691	320,918	429,985	302,845	369,475
Miscellaneous	1,097,996	559,446	344,980	347,357	406,330	737,853	402,770	158,630	439,307	686,550
State sources	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	20,083,271
Federal sources	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	2,007,007
Total revenue	76,361,130	72,293,821	67,410,561	66,357,323	67,305,203	69,071,848	69,203,369	71,325,797	75,969,497	76,785,535
Expenditures										
Instruction										
Regular Instruction	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	28,637,463
Special education instruction	9,244,869	9,285,109	9,022,277	9,319,776	9,589,873	9,339,686	10,724,164	11,382,338	13,785,767	14,990,423
Other instruction	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	3,494,841
School Sponsored Activities and Athletics	616,703	828,711	876,834	848,397	1,015,167	825,929	700,073	803,954	850,381	848,570
Support Services:										
Tuition										
Student & inst. related services	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	9,919,284
General and business admin. Services	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	1,825,709
School administrative services	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	4,377,576
Central Services	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	1,620,809
Administrative Information Technology	177,733	256,616	46,148	34,827						
Plant operations and maintenance	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	5,983,038
Pupil transportation	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	3,893,670
Other support services										
Capital outlay	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	3,638,726
Debt service:										
Principal	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	1,998,200
Interest and other charges	1,140,641	1,132,490	1,101,620	1,060,636	1,084,745	794,468	669,759	660,164	609,621	535,946
Total expenditures	88,011,431	79,032,377	67,197,080	66,753,567	69,206,215	65,701,664	69,620,854	72,954,432	78,271,861	81,764,255
Excess (Deficiency) of revenues over (under) expenditures	(11,650,301)	(6,738,556)	213,481	(396,244)	(1,901,012)	3,370,184	(417,485)	(1,628,635)	(2,302,364)	(4,978,720)
Other Financing sources (uses)										
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	473,171			473,606	124,549	1,568,020	-	342,015	1,430,762
Transfers in	2,765,111	1,862,025	11,466	6,347	303,386		4,033	2,497,255	882,644	28,270
Transfers out	(2,947,111)	(1,921,104)	(11,466)	(6,347)	(303,386)		(4,033)	(2,497,255)	(882,644)	(28,270)
Total other financing sources (uses)	843,172	416,092	-	-	543,606	417,744	1,568,020	-	342,015	1,430,762
Net change in fund balances	\$ (10,807,129)	\$ (6,322,464)	\$ 213,481	\$ (396,244)	\$ (1,357,406)	\$ 3,787,928	\$ 1,150,535	\$ (1,628,635)	\$ (1,960,349)	\$ (3,547,958)
Debt service as a percentage of noncapital expenditures	4.10%	4.07%	4.24%	4.04%	3.95%	4.19%	4.15%	3.82%	3.64%	3.24%

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Cancelled O/S Checks</u>	<u>Cancellation of Prior Year Payables</u>	<u>E-Rate Rebates</u>	<u>Rentals</u>	<u>Refunds</u>	<u>Transportation Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2017	797,879	30,911		295,716		369,475	74,157	212,403	278,015	2,058,556

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
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
2017	36,825,600	3,127,131,000	754,651,000	237,852,200	259,745,000	4,416,204,800		4,416,204,800	594,119,200	4,893,708,466	1.203

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	
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
2017	1.203	1.163	0.275	2.641

Source: County Abstract of Ratables

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

<u>Taxpayer</u>	<u>2017</u>		<u>2008</u>	
	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	2.04%		
Englewood Terrace LLC	42,300,000	0.96%	\$ 46,500,000	0.89%
SHG Englewood South I LLC	40,560,000	0.92%		
SHG Englewood South II LLC	27,339,700	0.62%		
SHG Englewood South III LLC	23,318,700	0.53%		
Brunt Street, LLC	19,540,400	0.44%	20,616,400	0.39%
Rockwood Property Holding, LLC	16,000,000	0.36%	19,693,300	0.38%
Englewood Village LLC	15,000,000	0.34%	16,103,400	0.31%
SH729-744 LLC	14,250,000	0.32%		
Seol Shik Poom, Inc.	13,658,000	0.31%		
West Side Grand Ave LLC	-	0.00%		
Lackland Partners	-	0.00%	15,413,900	0.30%
USF Propco	-	0.00%	15,240,000	0.29%
Englewood Terrace LLC - Middlesex Mgmt	-	0.00%	13,500,000	0.26%
Realty Assoc Fund	-	0.00%	12,598,000	0.24%
Nordhoff Realty Assoc	-	0.00%	11,651,800	0.22%
			-	
	<u>\$ 301,966,800</u>	<u>6.84%</u>	<u>\$ 171,316,800</u>	<u>3.28%</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	
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
2017	52,594,914	52,594,914	100.00%	-

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases/Lease Purchase Agreements</u>			
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	28,455	455
2017	10,905,000	1,479,537	12,384,537	28,455 (E)	435

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			
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%	429
2017	10,905,000		10,905,000	0.25%	383

Source: District records

ENGLEWOOD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(Unaudited)

Total Debt

Municipal Debt:	
City of Englewood	\$ 86,162,868
Englewood Board of Education (June 30, 2017)	<u>10,905,000</u>
	<u>97,067,868</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	34,370,228
Bergen County Utilities Authority - Wastewater (B)	<u>8,645,723</u>
	<u>43,015,951</u>
 Total Direct and Overlapping Debt	 <u>\$ 140,083,819</u>

Source:
Borough of Englewood's 2016 Annual Debt Statement
County of Bergen's 2016 Annual Debt Statement
Bergen County Utilities Authority's 2016 Annual Audit

(A) The debt for this entity was apportioned to Englewood by dividing the municipality's 2016 equalized value by the total 2016 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 2017

	Equalized valuation basis
2016	\$ 4,807,455,643
2015	4,693,646,294
2014	4,668,235,256
	<u>\$ 14,169,337,193</u>
Average equalized valuation of taxable property	\$ 4,723,112,398
Debt limit (4% of	188,924,496
Total Net Debt Applicable to Limit	<u>10,905,000</u>
Legal debt margin	<u>\$ 178,019,496</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 188,924,496
Total net debt applicable to limit	<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>	<u>10,905,000</u>
Legal debt margin	<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>	<u>\$ 178,019,496</u>
Total net debt applicable to the limit as a percentage of debt limit	7.66%	10.32%	9.24%	8.60%	8.31%	7.80%	7.54%	7.09%	6.51%	5.77%

Source: Annual Debt Statements

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>
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	75,849	5.1%
2016	28,455	75,849 (E)	4.5%
2017	28,455 (E)	75,849 (E)	4.5% (E)

Source: New Jersey State Department of Education

(E) Estimate

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

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

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>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>	<u>2017</u>
Instruction										
Regular	229.0	305.0	301.0	216.0	216.0	225.0	251.0	256.0	262.0	257.0
Special Education	51.0	50.0	13.0	92.0	109.0	118.0	147.0	42.0	41.0	46.0
Support Services:										
Student & instruction related services	67.0	69.0	72.0	76.0	66.0	73.0	27.0	51.0	62.0	61.0
School administrative services	28.0	25.0	26.0	23.0	23.0	28.0	25.0	25.0	14.0	14.0
General and business administrative services	17.0	20.0	18.0	18.0	17.0	16.0	18.0	22.0	18.0	17.0
Plant operations and maintenance	12.0	20.0	17.0	17.0	18.0	19.0	2.0	2.0	2.0	2.0
Pupil transportation	1.0	1.0	12.0	17.0	16.0	17.0	5.0	5.0	5.0	5.0
Food Service	0.5									
Total	<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>	<u>402.0</u>

Source: District Personnel Records

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

Teacher/Pupil Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	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
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	1.25%	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	4.90%	320	1:10	1:8	1:12	3,019.5	2,908.6	-1.01%	96.33%
2016	3,110	71,395,480	22,957	3.37%	303	1:10	1:8	1:11	3,103.7	2,909.9	2.79%	93.76%
2017	3,100	75,591,383	24,384	6.22%	303	1:10	1:8	1:11	3,086.3	2,900.5	-0.56%	93.98%

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>Elementary</u>										
Quarles Elementary (1958)										
Square Feet	46,310	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Capacity (students)	400	500	500	500	500	500	500	500	500	500
Enrollment	524	490	376	353	385	438	450	466	487	487
Cleveland/McCloud Elementary (1935)										
Square Feet	36,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Capacity (students)	500	550	550	550	550	550	550	550	550	550
Enrollment	257	257	565	503	564	569	563	549	553	553
Lincoln/Grieco Elementary (1915)										
Square Feet	58,520	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000
Capacity (students)	550	600	600	600	600	600	600	600	600	600
Enrollment	383	394	553	564	541	574	579	589	606	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	63	-	-	41	-	-	-	-	-	-
<u>Middle School</u>										
Janis Dismus School (1968)										
Square Feet	41,150	94,680	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	516	518	380	377	404	388	386	412	422	422
<u>Senior High School</u>										
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	1,023	1,011	1,013	1,001	1,038	1,085	1,002	1,068	1,064	1,064
<u>Vince Lombardi Learning Center</u>										
High School (1931)										
Square Feet					31,000	31,000	31,000	31,000	31,000	-
Capacity (students)										
Enrollment										
Number of Schools at June 30, 2017										
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>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>	<u>2017</u>
Quarles Elementary	\$ 128,072	\$ 81,751	\$ 94,151	\$ 103,039	\$ 75,683	\$ 50,776	\$ 58,390	\$ 54,854	\$ 54,356	\$ 59,558
McCloud Elementary	102,459	65,401	75,322	82,432	60,548	40,621	46,712	96,502	95,627	104,777
Grieco Elementary	140,879	89,926	103,567	113,343	83,252	55,853	64,228	92,440	91,601	100,365
Liberty School	115,265	73,576	84,736	92,735	68,115	45,698	52,550			
Middle School	256,146	163,502	188,304	206,079	151,368	101,552	116,779	96,177	95,305	104,424
High School	537,905	343,354	395,437	432,765	279,404	187,451	212,616	192,232	196,788	219,004
Vince Lombardi Center	-	-	-	-	38,467	25,807	32,620	31,490	-	-
Total School Facilities	\$ 1,280,726	\$ 817,509	\$ 941,518	\$ 1,030,393	\$ 756,837	\$ 507,758	\$ 583,895	\$ 563,695	\$ 533,677	\$ 588,128

Source: District Records

**ENGLEWOOD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2017
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Blanket Real and Personal Property (All Locations)		
Limits of Liability per occurrence	\$ 450,000,000	\$ 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	
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	
Cyber Liability	10,000,000	25,000
Public Employee Dishonesty Faithful Performance Bond	500,000	1,000
Theft, Disappearance and Destruction	50,000	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, PSA

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 Education
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, 2017 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 November 30, 2017.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

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 an instance of noncompliance or other matter that is 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 and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

We also 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 November 30, 2017.

Englewood Board of Education's Response to Finding

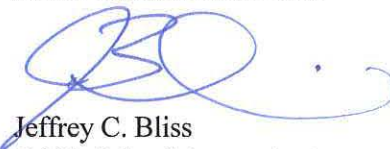
The Englewood Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Englewood Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and,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

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
November 30, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**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 Education
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, 2017. 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 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, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal and state program is not modified with respect to these matters.

The Englewood Board of Education's response to the noncompliance finding 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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

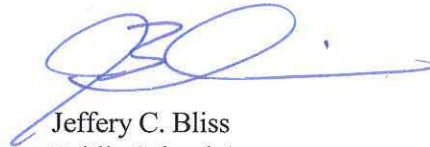
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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, 2017 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 November 30, 2017, 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
November 30, 2017

ENGLEWOOD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016			Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Prior Year Enc/AP	Refund of Prior Years' Balances	Adjustments	Balance, June 30, 2017			Memo	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor							(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Capital Projects Fund																	
NJSDA - DMHS Steam Heating - Phase 1	1370-040-14-1002	3/17/14-6/30/16	\$ 854,951	\$ (854,951)									\$ (854,951)			\$ (854,951)	-
NJSDA - DMHS Steam Heating - Phase 2	1370-040-14-1001	3/17/14-6/30/16	807,996	(807,996)	\$ 471,392	-	-	\$ 471,392	-	-	-	-	(807,996)	\$ -	-	(807,996)	471,392
Total Capital Projects Fund/SDA Cluster				(1,662,947)	471,392	-	-	471,392	-	-	-	-	(1,662,947)	-	-	(1,662,947)	471,392
Enterprise Fund																	
National School Lunch (State Share)	17-100-010-3350-023	7/1/16-6/30/17	21,622				\$ 19,758	21,622					(1,864)			(1,864)	21,622
National School Lunch (State Share)	16-100-010-3350-023	7/1/15-6/30/16	62,010	(4,027)	-	-	4,027	-	-	-	-	-	-	-	-	-	-
Total Enterprise Fund				(4,027)	-	-	-	23,785	21,622	-	-	-	(1,864)	-	-	(1,864)	21,622
Total State Financial Assistance Subject to Single Audit Determination				(3,037,109)	665,126	\$ 44,508	-	19,403,741	20,459,071	\$ 2,826	\$ 44,508	(298,535)	(3,870,281)	75,989	\$ 71,270	(2,199,604)	20,459,071
State Financial Assistance Not Subject to Single Audit Determination																	
General Fund																	
On-Behalf TPAF Contributions																	
Pension Benefit Contribution	17-495-034-5094-002	7/1/16-6/30/17	2,845,219				(2,845,219)	(2,845,219)									(2,845,219)
Pension NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	103,089				(103,089)	(103,089)									(103,089)
Post Retirement Medical Contribution	17-495-034-5094-001	7/1/16-6/30/17	2,456,611				(2,456,611)	(2,456,611)									(2,456,611)
Long-Term Disability Insurance Contrib.	17-495-034-5094-004	7/1/16-6/30/17	9,962				(9,962)	(9,962)									(9,962)
Total State Financial Assistance Utilized for Calculation to Determine Major Program				\$ (3,037,109)	\$ 665,126	\$ 44,508	\$ -	\$ 13,988,860	\$ 15,044,190	\$ 2,826	\$ 44,508	\$ (298,535)	\$ (3,870,281)	\$ 75,989	\$ 71,270	\$ (2,199,604)	\$ 15,044,190

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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, 2017**

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 Title 2 U.S. Code of Federal Regulations Part 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 a decrease of \$349,126 for the general fund and a decrease of \$115,844 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	\$ 159,874	\$ 17,712,253	\$ 17,872,127
Special Revenue Fund	1,847,133	1,899,626	3,746,759
Capital Projects Fund		471,392	471,392
Food Service Fund	<u>1,626,232</u>	<u>21,622</u>	<u>1,647,854</u>
Total Financial Assistance	<u>\$ 3,633,239</u>	<u>\$ 20,104,893</u>	<u>\$ 23,738,132</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, 2017**

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 \$1,964,872 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$2,948,308, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,456,611 and TPAF Long-Term Disability Insurance in the amount of \$9,962 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's 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, 2017

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? X yes none reported

Noncompliance material to basic financial statements noted? X yes 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:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A160100</u>	<u>IDEA Part B</u>
<u>84.173</u>	<u>H173A160114</u>	<u>IDEA Preschool</u>
<u>84.367</u>	<u>S367A160029</u>	<u>Title IIA</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </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, 2017

Part I - Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

2) Significant deficiency(ies) identified that are not
considered to be material weakness(es)? 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 N.J. Circular Letter 15-08? X yes no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-068</u>	<u>School Choice Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>495-034-5120-085</u>	<u>Additional Adjustment Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </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, 2017**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2017-001

We noted the capital lease bank account with BOK Financial for district wide technology upgrades was not recorded in the District's accounting records. In addition, the contract awarded for the technology upgrades was not encumbered at year end.

Criteria or specific requirement:

State Department of Education's GAAP Technical Accounting Manual

Condition:

The lease proceeds and contract award relating to the district wide technology upgrade were not reported in the District's accounting records.

Context

The lease proceeds in the amount of \$824,194 and subsequent contract award related to the district wide technology upgrade were not reflected in the District's records during the year.

Effect

Accounting records did not reflect the financial transactions related to the district wide technology upgrade.

Cause

Unknown.

Recommendation

The District record the lease proceeds of its capital lease bank account in their financial accounting records. In addition, the contract awarded for the district wide technology upgrades be encumbered in the District records.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it has revised its procedures to ensure corrective action is taken in the 2017-2018 school year.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017**

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 2017-002

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
Professional Learning Community Aid	495-034-5120-101

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 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, 2017

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 2017-002 (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, 2017

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 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2016-001

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

Corrective action has been taken.

Finding 2016-002

Condition

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

Current Status

See Finding 2017-002.