

**ENGLEWOOD BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2018**

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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Englewood Board of Education for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 25, 2019.

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

This report is intended for the information of management of the Board of Education, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Lerch, Vinci & Higgins, LLP

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2019

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Official Bonds

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

There is a Public Employees' Dishonesty Insurance Coverage with the New Jersey Schools Insurance Group (NJSIG) covering all other employees with multiple coverage of \$500,000.

Tuition Charges

A comparison of tentative tuition charges was made.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

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

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

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

- **Finding** – Our audit revealed that the April 30, 2018 employee withholdings related to New Jersey gross income tax deductions were not remitted to the State until October 3, 2018. It was noted that this was an isolated instance, therefore no recommendation is warranted.

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

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection included administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. As a result of the procedures performed no additional procedures were deemed necessary to test the propriety of expenditure classification.

Travel

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

Board Secretary's Records

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

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

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

- **Finding** – Our audit revealed a balance due at June 30, 2018 from the City for the fiscal year 2018 tax levy in the amount of \$952,976. The amount of \$952,976 has been subsequently received in August, 2018, therefore no recommendation is warranted.

Treasurer's Records

The Treasurer did perform reconciliations for all required accounts.

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

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

Unemployment Compensation Insurance Trust Fund

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

Elementary and Secondary School Education Act (E.S.E.A) As Amended by the Every Student Succeeds Act (ESSA)

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

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

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

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

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

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

T.P.A.F. Reimbursements

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

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

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000. The Board has designated the School Business Administrator as the qualified purchasing agent.

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

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

The results of our examination did not indicate individual payments, contracts, or agreements which were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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

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

- **Finding (CAFR Finding 2018-001)** – Our audit of purchases related to compliance with the Public Schools Contracts Law revealed the following:
 - Purchasing requirements that apply to National Cooperative contract awards were not followed.
 - Amounts charged per vendor invoices for various supplies and services awarded through State contract and Ed Data cooperative purchasing were not verified to approved State contract and Ed Data rates.
 - The Office of the State Comptroller was not notified of one contract award in excess of \$2 million.

Recommendation – Efforts be made to ensure purchases and contract awards in excess of the bid and quote thresholds are made in accordance with the requirements of the Local Public Contracts Law.

Food Service Fund

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

Cash receipts and bank records were reviewed for timely deposit.

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

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed.

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

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Food Service Fund (Continued)

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

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

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

The Statement of Revenues, Expenses and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program costs of goods sold.

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

- **Finding** – Sales per the Food Service Management Company’s (FSMC) operating statement exceeded sales per the District’s records by approximately \$64,500 for the current year.

Recommendation – Sales reported by the Food Service Management Company be reconciled with the District’s records on a monthly basis.

- **Finding** – We noted accounts receivable balances in the amount of \$149,000 due from students in the Food Service Fund at June 30, 2018.

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

After School and Summer Child Care Programs

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

Student Body Activities

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

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

Cash disbursements had proper supporting documentation.

- **Finding** – Our audit of student body activities revealed that:

Dwight Morrow High/Academies

- Fundraising activities were deposited into the athletic account rather than the high school student activity account.

McCloud Elementary School

- Two (2) deposits for student body activities were not made in a timely manner.
- Two (2) checks were issued with only one authorized check signature.

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Student Body Activities (Continued)

Latino Heritage

- Pre-numbered receipts are not utilized
- Deposits were not made in a timely manner
- Check request forms are not utilized

Recommendation – With regards to student activities it is recommended that:

Dwight Morrow High/Academies

- Fundraising activities be deposited into the high school student activity account rather than the athletic account.

McCloud Elementary School

- Deposits be made in a timely manner and checks issued contain two (2) authorized check signatures.

Latino Heritage

- The District implement internal control procedures related to the financial transactions of the Latino Heritage student account.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and limited English proficient. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with exception. The information that was included on the workpapers was verified with exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Finding (CAFR Finding 2018-002) – Our audit of the District’s Application for State School Aid (ASSA) revealed several discrepancies between the ASSA enrollment counts, District workpapers and the supporting District records.

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Facilities and Capital Assets

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

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Testing for Lead of all Drinking Water in Educational Facilities

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Management Suggestion

Continued efforts be made to collect grant balances due from NJ School Development Authority (SDA) in the amount of \$1,662,947 recorded in the Capital Projects Fund.

Follow-up Prior Year Findings

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

**ENGLEWOOD BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch (Regular Rate)	Paid	86,355	33,042	33,042	-
	Reduced	33,922	12,698	12,698	
	Free	<u>260,486</u>	<u>99,298</u>	<u>99,298</u>	-
		<u>380,763</u>	<u>145,038</u>	<u>145,038</u>	-
National School Breakfast (Regular Rate)	Paid	21,602	7,966	7,966	
	Reduced	9,617	3,490	3,490	
	Free	<u>124,198</u>	<u>48,741</u>	<u>48,741</u>	-
		<u>155,417</u>	<u>60,197</u>	<u>60,197</u>	-
School Snacks (Regular Rate)	Free	<u>124,125</u>	<u>48,851</u>	<u>48,851</u>	-
		<u>124,125</u>	<u>48,851</u>	<u>48,851</u>	-
		<u><u>660,305</u></u>	<u><u>254,086</u></u>	<u><u>254,086</u></u>	-

**ENGLEWOOD BOARD OF EDUCATION
NET CASH RESOURCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Net cash resources did not exceed three months of expenditures
Proprietary Funds - Food Service Fund
FYE 2018**

<u>Net Cash Resources:</u>	Food Service B - 4/5	
CAFR *		Current Assets
B-4	\$	Cash & Cash Equiv. 11,740
B-4		Due from Other Gov'ts 121,447
B-4		Accounts Receivable 4,708
CAFR		Current Liabilities
B-4		Less Accounts Payable (63,536)
B-4		Less Deferred Revenue (5,533)
	<u>\$</u>	<u>68,826</u> (A)
 <u>Net Adj. Total Operating Expense:</u>		
B-5		Tot. Operating Exp. 1,991,727
B-5		Less Depreciation (43,442)
	<u>\$</u>	<u>1,948,285</u> (B)
 <u>Average Monthly Operating Expense:</u>		
	<u>\$</u>	<u>194,829</u> (C)
 <u>Three times monthly Average:</u>		
	<u>\$</u>	<u>584,486</u> (D)

TOTAL IN BOX A	\$	68,826	
LESS TOTAL IN BOX D	\$	(584,486)	
NET	\$	<u>(515,660)</u>	
Net Cash Resources does not exceed three months average expenditures.			

**ENGLEWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 13, 2017
SCHEDULE OF AUDITED ENROLLMENTS**

	2018-2019 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Reported on Workpapers. as Private Schools	Sample for Veri- fication	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Full Day Preschool 3 Years Old					-								-	-	-	-	-	
Full Day Preschool 4 Years Old	142		142		-			142		142			-	-	-	-	-	
Full Day Kindergarten	159		163		(4)			163		162			-	-	-	-	-	
Grade 1	161		163		(2)			163		162			-	-	-	-	-	
Grade 2	168		169		(1)			169		170			-	-	-	-	-	
Grade 3	164		164		-			164		162			-	-	-	-	-	
Grade 4	161		161		-			161		161			-	-	-	-	-	
Grade 5	171		172		(1)			172		172			-	-	-	-	-	
Grade 6	158		158		-			158		158			-	-	-	-	-	
Grade 7	151		151		-			151		150			-	-	-	-	-	
Grade 8	156		158		(2)			158		158			-	-	-	-	-	
Grade 9	255	3	262	3	(7)	-		262		260			-	-	-	-	-	
Grade 10	239	5	250	5	(11)	-		250		250			-	-	-	-	-	
Grade 11	232	1	254	1	(22)	-		254		244			-	-	-	-	-	
Grade 12	247	-	251	-	(4)	-		251		255			-	-	-	-	-	
Post- Graduate	-		-		-	-		-		-			-	-	-	-	-	
Adult High School (15+ Credits)	-		-		-	-		-		-			-	-	-	-	-	
Adult High School (1-14 Credits)	-		-		-	-		-		-			-	-	-	-	-	
Subtotal	2,564	9	2,618	9	(54)	-		2618	-	2606	-		12	-	-	-	-	
Sp Ed - Elementary	260		252		8			252		255			(3)	10	10	8	8	-
Sp Ed - Middle School	71		69		2			69		70			(1)	6	6	5	5	-
Sp Ed - High School	72	2	72	2	-			72		75			(3)	19	19	17	17	-
Subtotal	403	2	393	2	10	-		393	-	400	-		(7)	35	35	30	30	-
County Vocational - Regular					-								-					-
County Vocational - F.T. Post-Second					-								-					-
Subtotal	-	-	-	-	-	-		-	-	-	-		-	-	-	-	-	-
Totals	2,967	11	3,011	11	(44)	-		3,011	-	3,006	-		5	35	35	30	30	-
Percentage Error					-1.48%	0.00%							0.17%					0.00%

ENGLEWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 13, 2017
SCHEDULE OF AUDITED ENROLLMENTS

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Full Day Preschool 3 Years Old			-			-			-			-
Full Day Preschool 4 Years Old			-			-			-			-
Full Day Kindergarten	123.0	126.0	(3.0)	5	5	-	33	33	-	8	8	-
Grade 1	131.0	134.0	(3.0)	6	6	-	21	21	-	5	5	-
Grade 2	143.0	142.0	1.0	5	5	-	25	25	-	6	6	-
Grade 3	120.0	124.0	(4.0)	5	5	-	22	22	-	5	5	-
Grade 4	133.0	133.0	-	6	6	-	10	10	-	3	3	-
Grade 5	147.0	149.0	(2.0)	5	5	-	16	16	-	4	4	-
Grade 6	129.0	131.0	(2.0)	5	5	-	8	8	-	2	2	-
Grade 7	130.0	129.0	1.0	5	5	-	9	9	-	2	2	-
Grade 8	117.0	118.0	(1.0)	4	4	-	12	12	-	2	2	-
Grade 9	133.0	127.0	6.0	6	6	-	22	22	-	5	5	-
Grade 10	134.5	124.0	10.5	3	3	-	10	10	-	3	3	-
Grade 11	125.0	117.5	7.5	4	4	-	5	5	-	1	1	-
Grade 12	146.0	126.0	20.0	4	4	-	12	12	-	3	3	-
Post- Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult High School (15+ Credits)	-	-	-	-	-	-	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,711.5	1,681	31	63	63	-	205	205	-	49	49	-
Sp Ed - Elementary	217	195	22	6	6	-	15	15	-	4	4	-
Sp Ed - Middle School	71	67	4	2	2	-	5	5	-	1	1	-
Sp Ed - High School	74.5	69.5	5	2	2	-	-	-	-	0	0	-
Subtotal	362.5	331.5	31	10	10	-	20	20	-	5	5	-
Other (State)	2	2.0	-	-	-	-	-	-	-	-	-	-
Subtotal	2.0	2.0	-	-	-	-	-	-	-	-	-	-
Totals	2,076.0	2,014.0	62.0	73.0	73.0	-	225	225	-	54	54	-
Percentage Error			<u>2.99%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	360.0	360.0	-	9.0	7.0	2.0
Regular - Special Ed	496.0	496.0	-	13.0	13.0	-
Transported - Non Public	138.0	138.0	-	4.0	3.0	1.0
Special Needs	70.0	70.0	-	2.0	2.0	-
Totals	1,064.0	1,064.0	-	28.0	25.0	3.0

Percentage Error 0.0% 10.7%

ENGLEWOOD BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 ENROLLMENT AS OF OCTOBER 13, 2017
 SCHEDULE OF AUDITED ENROLLMENTS

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Errors
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Full Day Kindergarten	3.0	3.0	-	3.0	3.0	-
Grade 1	2.0	2.0	-	2.0	2.0	-
Grade 2	4.0	4.0	-	3.0	3.0	-
Grade 3	1.0	1.0	-	1.0	1.0	-
Grade 4	-	-	-	-	-	-
Grade 5	1.0	1.0	-	1.0	1.0	-
Grade 6	1.0	1.0	-	1.0	1.0	-
Grade 7	1.0	1.0	-	1.0	1.0	-
Grade 8	-	-	-	-	-	-
Grade 9	5.5	4.5	1.0	3.0	3.0	-
Grade 10	-	-	-	-	-	-
Grade 11	3.0	3.0	-	3.0	3.0	-
Grade 12	2.0	2.0	-	2.0	2.0	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	23.5	22.5	1.0	20.0	20.0	-
Sp Ed - Elementary	1.0	1.0	-	1.0	1.0	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	0.5	0.5	-	0.5	0.5	-
Subtotal	1.5	1.5	-	1.5	1.5	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	25.0	24.0	1.0	21.5	21.5	-
Percentage Error			<u>4.00%</u>			<u>0.00%</u>

**ENGLEWOOD BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SECTION 1A

2017-2018 Total General Fund Expenditures per the CAFR	\$	77,813,446
Increased by:		
Transfer from Capital Outlay to Capital Projects		
Decreased by:		
On-Behalf TPAF Pension & Social Security		(8,351,295)
Assets Acquired Under Capital Leases/Lease Purchase Agreements		<u>(4,072,491)</u>
Adjusted 2017-2018 General Fund Expenditures	\$	<u>65,389,660</u>
2% of Adjusted 2017-2018 General Fund Expenditures	\$	<u>1,307,793</u>
Enter Greater of 2% of Adjusted 2017-2018 General Fund Expenditures or \$250,000		1,307,793
Increased by: Allowable Adjustments		<u>486,501</u>
Maximum Unreserved/Undesignated Fund Balance	\$	<u>1,794,294</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2018 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	6,968,460
Decreased by:		
Year End Encumbrances		715,644
Excess Surplus - Designated for Subsequent Year's Expenditures		1,105,569
Capital Reserve		305,088
Capital Reserve - Designated for Subsequent Year's Expenditures		650,000
Maintenance Reserve		514,600
Maintenance Reserve - Designated for Subsequent Year's Expenditures		250,000
Emergency Reserve		2,000
Emergency Reserve - Designated for Subsequent Expenditures		604,000
Designated for Subsequent Years Expenditures		<u>443,411</u>
Total Unassigned Fund Balance	\$	<u>2,378,148</u>

SECTION 3

Reserved Fund Balance - Excess Surplus	\$	<u>583,854</u>
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Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$	1,105,569
Reserved Excess Surplus		<u>583,854</u>
Total Excess Surplus	\$	<u>1,689,423</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$	393,034
Non Public Transportation		<u>93,467</u>
	\$	<u>486,501</u>

**ENGLEWOOD BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

It is recommended that efforts be made to ensure purchases and contract awards in excess of the bid and quote thresholds are made in accordance with the requirements of the Local Public Contracts Law.

IV. School Food Services

It is recommended that:

1. The sales reported by the Food Service Management Company be reconciled with the District's records on a monthly basis.
2. The District continue to review and implement policies related to the student accounts receivable balance in the Food Service Fund and uncollectible amounts be cleared of record.

V. After School Day Care and Summer Programs

There are none.

VI. Student Body Activities

It is recommended that with regard to student activities:

Dwight Morrow High/Academies

- Fundraising activities be deposited into the high school student activity account rather than the athletic account.

McCloud Elementary School

- Deposits be made in a timely manner and checks issued contain two (2) authorized check signatures.

Latino Heritage

- The District implement internal control procedures related to the financial transactions of the Latino Heritage student account.

VII Application for State School Aid

It is recommended that internal control procedures be strengthened over the reporting of information on the Application for State School Aid (ASSA) to ensure District workpapers and class registers support student counts reported on the ASSA.

VIII. Transportation

There are none.

**ENGLEWOOD BOARD OF EDUCATION
RECOMMENDATIONS**

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

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

ACKNOWLEDGEMENT

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

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Jeffrey C. Bliss
Certified Public Accountant
Public School Accountant