

ENGLEWOOD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Englewood, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Englewood Board of Education
Englewood, New Jersey
For The Fiscal Year Ended June 30, 2019**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



"Excellence Through Diversity"

ENGLEWOOD PUBLIC SCHOOLS

ADMINISTRATIVE BUILDING, 274 KNICKERBOCKER ROAD, ENGLEWOOD, NJ 07631

December 16, 2019

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, 2019, 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 basic 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 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 2018-2019 fiscal year with an enrollment of 3,021 students, which is 64 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</u> <u>Ending 6/30</u>	<u>Total Student</u> <u>Enrollment</u>	<u>Percent Change</u> <u>From Previous Yr.</u>
2014-2015	3,084	1.0
2015-2016	3,110	1.0
2016-2017	3,100	(0.4)
2017-2018	3,085	(0.4)
2018-2019	3,021	(0.2)

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 2018-2019 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, purchase new textbooks, new computers and network infrastructure.

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, 2018.

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.

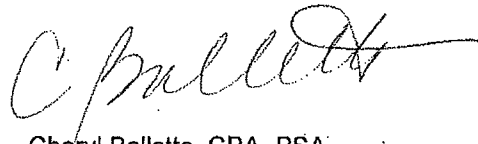
9. OTHER INFORMATION: A) Independent Audit - State statutes require an annual audit by independent Certified Public Accountants (CPA) or Registered Municipal Accountants. The accounting firm of Lerch, Vinci & Higgins, LLC, was selected by the Board. In addition to meeting the requirements set forth in 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,

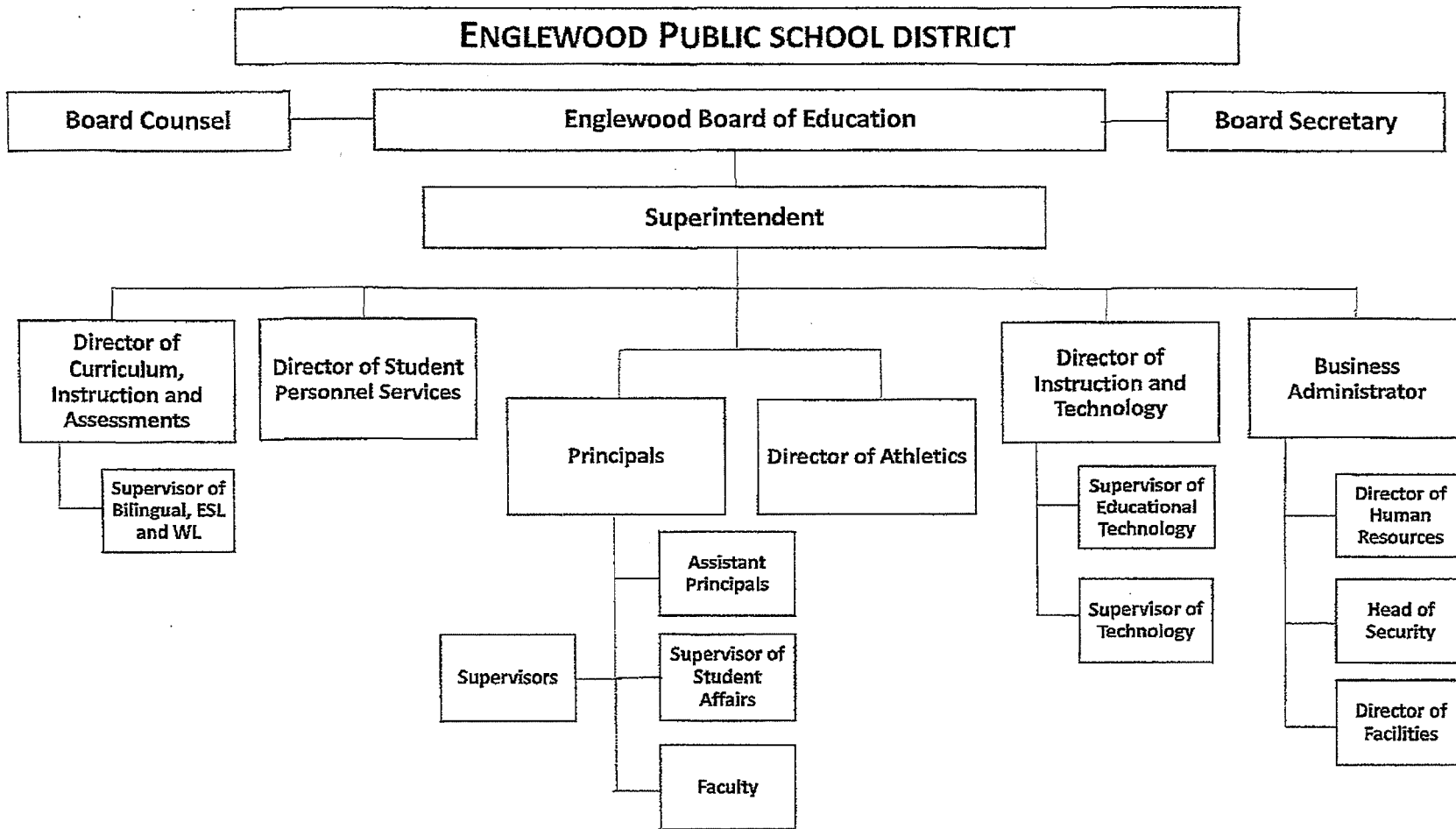


Mr. Robert L. Kravitz
Superintendent of Schools



Cheryl Balletto, CPA, PSA
Business Administrator/Board Secretary

ENGLEWOOD PUBLIC SCHOOL DISTRICT



**ENGLEWOOD SCHOOL DISTRICT
CITY OF ENGLEWOOD, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2019**

MEMBERS OF THE BOARD OF EDUCATION

TERM

Mr. Steven Berrios	2021
Ms. Molly Craig-Berry	2021
Ms. Dalia Lerner	2020
Ms. Kim Donaldson	2019
Ms. Michelle Marom	2020
Ms. Angela Midgette-David	2019
Mr. Donovan Rodriques	2021
Ms. Elisabeth Schwartz	2019
Mr. Brent Watson	2020

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, 2019

Independent Auditor

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

Attorney

Dennis McKeever
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
Attorneys at Law
238 St. Paul Street
Westfield, NJ 07090

Official Depository

TD Bank
1000 MacArthur Boulevard
Mahwah, NJ 07430

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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees or 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, 2019 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, 2019, 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, pension information and other postemployment benefits 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 and individual nonmajor 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 December 16, 2019 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
December 16, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

ENGLEWOOD BOARD OF EDUCATION

Management Discussion and Analysis Year Ended June 30, 2019

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 (2018-2019) and the prior year (2017-2018) 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 as well as the postretirement health benefits plan 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, 2019

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 2019?" 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 2019 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, 2019

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 2019 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 \$45,272,712 (net position). The District's unrestricted net position was in a deficit position of \$9,309,584.
- The District's total net position increased \$2,904,528.
- General revenues accounted for \$61,240,298 in revenue or 68 percent of all revenues. Program specific revenues in the form of charges for services and operating and capital grants and contributions accounted for \$29,318,758 or 32 percent to total revenues of \$90,559,056.
- The School District had \$86,669,876 in expenses for governmental activities; only \$27,346,974 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$61,240,298 were adequate to provide for these programs.
- The District reported a special item of \$929,468 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 \$5,855,660.
- The General Fund had \$75,959,881 in revenues and other financing sources and \$75,666,441 in expenditures. The General Fund's balance increased \$293,440 from the previous year to \$5,627,209 at June 30, 2019.
- The General Fund budgetary fund balance at the close of the current fiscal year was \$7,486,899 which represented an increase of \$518,439 from the previous year. Unassigned budgetary fund balance increased \$62,751 from the previous year to \$1,857,045 at June 30, 2019.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2019

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 2019 and 2018:

**Net Position
As of June 30, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets						
Current Assets	\$ 9,056,288	\$ 8,035,246	\$ 300,632	\$ 255,211	\$ 9,356,920	\$ 8,290,457
Capital Assets	<u>60,879,393</u>	<u>61,911,220</u>	<u>266,931</u>	<u>285,707</u>	<u>61,146,324</u>	<u>62,196,927</u>
Total Assets	<u>69,935,681</u>	<u>69,946,466</u>	<u>567,563</u>	<u>540,918</u>	<u>70,503,244</u>	<u>70,487,384</u>
Deferred Outflows of Resources	<u>1,772,213</u>	<u>2,723,126</u>	<u>-</u>	<u>-</u>	<u>1,772,213</u>	<u>2,723,126</u>
Total Assets and Deferred Outflows of Resources	<u>71,707,894</u>	<u>72,669,592</u>	<u>567,563</u>	<u>540,918</u>	<u>72,275,457</u>	<u>73,210,510</u>
Liabilities						
Long-Term Liabilities	19,267,425	23,361,308			19,267,425	23,361,308
Other Liabilities	<u>3,331,807</u>	<u>2,647,464</u>	<u>38,399</u>	<u>69,069</u>	<u>3,370,206</u>	<u>2,716,533</u>
Total Liabilities	<u>22,599,232</u>	<u>26,008,772</u>	<u>38,399</u>	<u>69,069</u>	<u>22,637,631</u>	<u>26,077,841</u>
Deferred Inflows of Resources	<u>4,365,114</u>	<u>4,764,136</u>	<u>-</u>	<u>349</u>	<u>4,365,114</u>	<u>4,764,485</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,964,346</u>	<u>30,772,908</u>	<u>38,399</u>	<u>69,418</u>	<u>27,002,745</u>	<u>30,842,326</u>
Net Position						
Net investment in capital assets	51,865,522	51,463,414	266,931	285,707	52,132,453	51,749,121
Restricted	2,449,843	1,886,772			2,449,843	1,886,772
Unrestricted	<u>(9,571,817)</u>	<u>(11,453,502)</u>	<u>262,233</u>	<u>185,793</u>	<u>(9,309,584)</u>	<u>(11,267,709)</u>
Total Net Position	<u>\$ 44,743,548</u>	<u>\$ 41,896,684</u>	<u>\$ 529,164</u>	<u>\$ 471,500</u>	<u>\$ 45,272,712</u>	<u>\$ 42,368,184</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, 2019

THE SCHOOL DISTRICT AS A WHOLE (Continued)

The following shows the changes in Net Position for fiscal years 2019 and 2018:

**Change in Net Position
For The Fiscal Years Ended June 30, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,452,576	\$ 1,429,241	\$ 299,490	\$ 281,316	\$ 1,752,066	\$ 1,710,557
Operating Grants and Contributions	25,885,527	30,243,730	1,672,294	1,568,284	27,557,821	31,812,014
Capital Grants and Contributions	8,871				8,871	-
General Revenues						
Property Taxes	55,634,089	53,608,089			55,634,089	53,608,089
State Aid - Unrestricted	5,448,130	6,116,069			5,448,130	6,116,069
Other	158,079	258,786	-	-	158,079	258,786
Total Revenues	88,587,272	91,655,915	1,971,784	1,849,600	90,559,056	93,505,515
Expenses						
Instruction						
Regular	32,982,724	38,807,796			32,982,724	38,807,796
Special Education	16,079,747	17,421,418			16,079,747	17,421,418
Other Instruction	4,017,584	4,539,034			4,017,584	4,539,034
School Sponsored Activities and Athletics	988,776	998,517			988,776	998,517
Support Services						
Student and Instruction Related Services	12,663,126	13,785,387			12,663,126	13,785,387
General Administrative Services	1,742,238	1,487,430			1,742,238	1,487,430
School Administrative Services	4,511,873	5,674,070			4,511,873	5,674,070
Central Services	1,653,774	1,703,945			1,653,774	1,703,945
Plant Operations and Maintenance	7,117,329	7,222,916			7,117,329	7,222,916
Student Transportation	4,552,643	4,208,372			4,552,643	4,208,372
Interest on Debt	360,062	400,829			360,062	400,829
Food Services			1,914,120	1,991,727	1,914,120	1,991,727
Day Care Programs	-	-	-	321	-	321
Total Expenses	86,669,876	96,249,714	1,914,120	1,992,048	88,583,996	98,241,762
Increase (Decrease) in Net Position Before Special Items	1,917,396	(4,593,799)	57,664	(142,448)	1,975,060	(4,736,247)
Special Items	929,468	611,070	-	-	929,468	611,070
Increase/(Decrease) in Net Position	2,846,864	(3,982,729)	57,664	(142,448)	2,904,528	(4,125,177)
Net Position, Beginning of Year	41,896,684	45,879,413	471,500	613,948	42,368,184	46,493,361
Net Position, End of Year	\$ 44,743,548	\$ 41,896,684	\$ 529,164	\$ 471,500	\$ 45,272,712	\$ 42,368,184

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2019

Governmental Activities. The unique nature of property taxes in New Jersey creates the need to routinely review the School District operations. Property taxes of \$55,634,089 and \$53,608,089 made up 63% and 58% of the revenues for governmental activities for the Englewood Board of Education for fiscal years ended June 30, 2019 and 2018, respectively. The District's total revenues were \$88,587,272 and \$91,655,915 for the fiscal years ended June 30, 2019 and 2018. Federal, state and local aid and grants accounted for another \$31,342,528 and \$36,359,799 or 35% and 40% of total governmental activities revenues for the fiscal years ended June 30, 2019 and 2018, respectively.

The total cost of all programs and services were \$86,669,876 and \$96,249,714 for the fiscal years ended June 30, 2019 and 2018. Instruction comprised \$54,068,831 (62%) and \$61,766,765 (64%) of District expenses for the fiscal years ended June 30, 2019 and 2018, respectively. Support services comprised \$32,240,983 (37%) and \$34,082,120 (35%) of the District expenses for the fiscal years ended June 30, 2019 and 2018, respectively.

Total governmental activities revenues and special items exceeded expenses, increasing net position \$2,846,864 for the fiscal year ended June 30, 2019. For fiscal year 2018, the governmental activities expenses exceeded revenues and special items decreasing net position \$3,982,729.

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, 2019 and 2018**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	\$ 32,982,724	\$ 38,807,796	\$ 22,388,220	\$ 25,151,368
Special Education	16,079,747	17,421,418	9,852,782	10,970,600
Other Instruction	4,017,584	4,539,034	2,153,427	2,582,764
School Sponsored Activities and Athletics	988,776	998,517	965,426	945,610
Support Services				
Student and Instruction Related Services	12,663,126	13,785,387	8,284,936	8,738,952
General Administrative Services	1,742,238	1,487,430	1,727,046	1,450,870
School Administrative Services	4,511,873	5,674,070	3,286,032	3,783,209
Central Services	1,653,774	1,703,945	1,597,935	1,581,764
Plant Operations and Maintenance	7,117,329	7,222,916	5,348,840	5,817,049
Student Transportation	4,552,643	4,208,372	3,358,196	3,153,728
Interest on Debt	360,062	400,829	360,062	400,829
Total	\$ 86,669,876	\$ 96,249,714	\$ 59,322,902	\$ 64,576,743

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2019

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 \$57,664, for the fiscal year ended June 30, 2019. Business-Type activity expenses exceeded revenues by \$142,448 for the previous fiscal year ended June 30, 2018.
- Charges for services represent \$299,490 (15%) and \$281,316 (15%) of revenue for the fiscal years ended June 30, 2019 and 2018, 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 \$297,815 and operating revenues for Day Care program operations were \$1,675 for the fiscal year ending June 30, 2019.
- Federal and state reimbursements for food service meals, including payments for free and reduced lunches and donated commodities were \$1,672,294 (85%) and \$1,568,284 (85%) for the fiscal years ended June 30, 2019 and 2018, respectively.
- Total expenses were \$1,914,120 and \$1,992,048 for the fiscal years ended June 30, 2019 and 2018. Expenses for Food Services were \$1,914,120 and expenses for Day Care programs were \$0 for the fiscal year ended June 30, 2019.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2019

THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds is included in the fiscal year 2019 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 \$82,695,329 and \$79,645,774 and expenditures of \$82,805,834 and \$85,729,328 for the fiscal years ended June 30, 2019 and 2018, respectively. As the District completed the year, its governmental funds reported a *combined* fund balance of \$5,855,660, an increase of \$306,328 from last year's fund balance of \$5,549,332.

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, 2019 and 2018, and the amount and percentage of increases or decreases in relation to prior-year revenues.

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2019</u>	<u>2018</u>	<u>Increase</u> <u>(Decrease)</u>	
Local Sources				
Property Taxes	\$ 53,814,733	\$ 51,794,332	\$ 2,020,401	4%
Other	1,610,615	1,536,569	74,046	5%
State Sources	19,976,857	19,009,732	967,125	5%
Federal Sources	<u>140,843</u>	<u>196,235</u>	<u>(55,392)</u>	-28%
Total General Fund Revenues	<u>\$ 75,543,048</u>	<u>\$ 72,536,868</u>	<u>\$ 3,006,180</u>	4%

Overall General Fund revenues increased \$3,006,180 or 4% from the previous year. The increase in Local Sources is attributable to a 4% increase in the property tax levy to fund increased operating expenses of the current year. Miscellaneous revenue realized by the District from local sources increased by \$74,046 or 5% as a result of increased miscellaneous revenue realized. State revenues increased \$967,125 or 5% primarily attributable to on-behalf pension contributions made by the State for the District's teaching professionals.

Revenues from Federal sources decreased by \$55,392 which was primarily due to the decrease in Medicaid assistance aid.

ENGLEWOOD BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2019

THE SCHOOL DISTRICT'S FUNDS (Continued)

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2019 and 2018:

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2019</u>	<u>2018</u>	<u>Increase</u> <u>(Decrease)</u>	
Instruction	\$ 46,831,588	\$ 49,915,062	\$ (3,083,474)	-6%
Support Services	26,380,216	26,627,639	(247,423)	-1%
Debt Service	1,051,963	1,061,959	(9,996)	-1%
Capital Outlay	<u>1,402,674</u>	<u>208,786</u>	<u>1,193,888</u>	572%
Total Expenditures	<u>\$ 75,666,441</u>	<u>\$ 77,813,446</u>	<u>\$ (2,147,005)</u>	-3%

Overall General Fund expenditures decreased 3% when compared to the previous year. The increase in Capital Outlay is attributed to an increase in current year capital asset construction projects from the previous year. The decrease in Instruction is due to the acquisition of computers and network equipment which were acquired in 2018 through a lease purchase agreement in the amount of \$3,643,000.

The total General Fund balance at June 30, 2019 was \$5,627,209. After deducting, 1) restricted - \$4,917,834 and 2) assigned - \$712,020, the unassigned fund balance decreased from a balance of \$159,603 at June 30, 2018 to a deficit balance of \$2,645 at June 30, 2019.

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 2018/2019 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, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS

While the District's final 2018/2019 budget for the General Fund anticipated that revenues and expenditures would roughly equal with the use of \$3,052,980 in fund balance, the actual results for the year ended June 30, 2019 was an increase of \$518,439 in budgetary fund balance compared to a decrease of \$1,116,244 in budgetary fund balance in 2018. The total unassigned budgetary fund balance (budgetary basis) at June 30, 2019 was \$1,857,045 compared to \$1,794,294 at June 30, 2018.

CAPITAL ASSETS

At the end of the fiscal years 2019 and 2018, the School District had \$61,146,324 and \$62,196,927 invested in land, land improvements, construction in progress, buildings, furniture, equipment and vehicles. Depreciation charges for the fiscal years 2019 and 2018 were \$2,278,568 and \$2,550,669 for governmental activities, respectively, and \$46,183 and \$43,442 for business-type activities, respectively. The following is a comparison of the June 30, 2019 and 2018 capital asset balances.

Capital Assets
at June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 513,200	\$ 513,200			\$ 513,200	\$ 513,200
Construction in Progress		64,194			-	64,194
Land Improvements	3,926,850	3,919,314			3,926,850	3,919,314
Buildings and Building Improvements	85,653,184	84,588,993			85,653,184	84,588,993
Machinery and Equipment	<u>6,437,388</u>	<u>6,360,697</u>	<u>\$ 803,820</u>	<u>\$ 776,413</u>	<u>7,241,208</u>	<u>7,137,110</u>
	96,530,622	95,446,398	803,820	776,413	97,334,442	96,222,811
Less Accumulated Depreciation	<u>(35,651,229)</u>	<u>(33,535,178)</u>	<u>(536,889)</u>	<u>(490,706)</u>	<u>(36,188,118)</u>	<u>(34,025,884)</u>
Total	<u>\$ 60,879,393</u>	<u>\$ 61,911,220</u>	<u>\$ 266,931</u>	<u>\$ 285,707</u>	<u>\$ 61,146,324</u>	<u>\$ 62,196,927</u>

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, 2019

LONG-TERM LIABILITIES

At June 30, 2019, the School District had \$19,267,425 as outstanding long-term liabilities consisting of \$8,649,079 of bonds (net), \$856,418 of capital leases, \$2,608,006 of lease purchase agreements, \$1,144,397 for compensated absences and \$6,009,525 for net pension liability. The following is a comparison of the June 30, 2019 and 2018 balances:

**Outstanding Long-Term Liabilities
At June 30, 2019 and 2018**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Serial Bonds (Including Unamortized Premium)	\$ 8,649,079	\$ 10,246,106
Capital Leases	856,418	815,967
Lease Purchase Agreements	2,608,006	3,374,791
Compensated Absences	1,144,397	1,250,104
Net Pension Liability	<u>6,009,525</u>	<u>7,674,340</u>
Total	<u>\$ 19,267,425</u>	<u>\$ 23,361,308</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 2019-2020 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 2019-2020. Budgeted expenditures in the General Fund increased less than 1% in fiscal year 2019-2020.

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, 2019**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,103,705	\$ 104,839	\$ 2,208,544
Accounts Receivable	6,802,487	323,764	7,126,251
Internal Balances	150,096	(150,096)	
Inventories		22,125	22,125
Capital Assets, Not Being Depreciated	513,200		513,200
Capital Assets, Being Depreciated, Net	<u>60,366,193</u>	<u>266,931</u>	<u>60,633,124</u>
Total Assets	<u>69,935,681</u>	<u>567,563</u>	<u>70,503,244</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	355,651		355,651
Deferred Amounts on Net Pension Liability	<u>1,416,562</u>	<u>-</u>	<u>1,416,562</u>
Total Deferred Outflows of Resources	<u>1,772,213</u>	<u>-</u>	<u>1,772,213</u>
Total Assets and Deferred Outflows of Resources	<u>71,707,894</u>	<u>567,563</u>	<u>72,275,457</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,446,830	33,769	2,480,599
Accrued Interest Payable	131,179		131,179
Payable to Other Governments	94,139		94,139
Unearned Revenue	659,659	4,630	664,289
Noncurrent Liabilities			
Due within one year	2,482,679		2,482,679
Due beyond one year	<u>16,784,746</u>	<u>-</u>	<u>16,784,746</u>
Total Liabilities	<u>22,599,232</u>	<u>38,399</u>	<u>22,637,631</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>4,365,114</u>	<u>-</u>	<u>4,365,114</u>
Total Deferred Inflows of Resources	<u>4,365,114</u>	<u>-</u>	<u>4,365,114</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,964,346</u>	<u>38,399</u>	<u>27,002,745</u>
NET POSITION			
Net Investment in Capital Assets	51,865,522	266,931	52,132,453
Restricted for			
Capital Projects	1,847,195		1,847,195
Plant Maintenance	602,647		602,647
Other Purposes	1		1
Unrestricted	<u>(9,571,817)</u>	<u>262,233</u>	<u>(9,309,584)</u>
Total Position	<u>\$ 44,743,548</u>	<u>\$ 529,164</u>	<u>\$ 45,272,712</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, 2019**

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	\$ 32,982,724	\$ 657,847	\$ 9,936,657		\$ (22,388,220)		\$ (22,388,220)
Special Education Instruction	16,079,747		6,226,965		(9,852,782)		(9,852,782)
Other Instruction	4,017,584		1,864,157		(2,153,427)		(2,153,427)
School Sponsored Activities and Athletics	988,776		23,350		(965,426)		(965,426)
Support Services							
Student & Instruction Related Services	12,663,126		4,378,190		(8,284,936)		(8,284,936)
General Administration	1,742,238		15,192		(1,727,046)		(1,727,046)
School Administration	4,511,873		1,225,841		(3,286,032)		(3,286,032)
Central Services	1,653,774		55,839		(1,597,935)		(1,597,935)
Plant Operations & Maintenance	7,117,329	511,243	1,248,375	\$ 8,871	(5,348,840)		(5,348,840)
Student Transportation	4,552,643	283,486	910,961		(3,358,196)		(3,358,196)
Interest on Long-Term Debt	360,062	-	-	-	(360,062)	-	(360,062)
Total Governmental Activities	<u>86,669,876</u>	<u>1,452,576</u>	<u>25,885,527</u>	<u>8,871</u>	<u>(59,322,902)</u>	<u>-</u>	<u>(59,322,902)</u>
Business-Type Activities							
Food Service	1,914,120	297,815	1,672,294		\$ 55,989		55,989
Day Care Programs	-	1,675	-	-	-	1,675	1,675
Total Business-Type Activities	<u>1,914,120</u>	<u>299,490</u>	<u>1,672,294</u>	<u>-</u>	<u>-</u>	<u>57,664</u>	<u>57,664</u>
Total Primary Government	<u>\$ 88,583,996</u>	<u>\$ 1,752,066</u>	<u>\$ 27,557,821</u>	<u>\$ 8,871</u>	<u>(59,322,902)</u>	<u>57,664</u>	<u>(59,265,238)</u>
General Revenues							
Taxes:							
Property Taxes, levied for general purposes, net					53,814,733		53,814,733
Property Taxes, levied for debt service, net					1,819,356		1,819,356
Unrestricted State Aid					5,448,130		5,448,130
Investment Earnings					52,174		52,174
Miscellaneous Income					105,905		105,905
Special Items							
Change in Net Pension Liability					929,468	-	929,468
Total General Revenues and Special Items					<u>62,169,766</u>	<u>-</u>	<u>62,169,766</u>
Change in Net Position					2,846,864	57,664	2,904,528
Net Position, Beginning of Year					<u>41,896,684</u>	<u>471,500</u>	<u>42,368,184</u>
Net Position, End of Year					<u>\$ 44,743,548</u>	<u>\$ 529,164</u>	<u>\$ 45,272,712</u>

FUND FINANCIAL STATEMENTS

**ENGLEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

	<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	\$ 1,572,481	\$ 531,223		\$ 1	\$ 2,103,705
Accounts Receivable:					
Intergovernmental	5,205,350	655,427	\$ 854,951		6,715,728
Other	86,459	300			86,759
Due from Other Funds	<u>776,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>776,597</u>
 Total Assets	 <u>\$ 7,640,887</u>	 <u>\$ 1,186,950</u>	 <u>\$ 854,951</u>	 <u>\$ 1</u>	 <u>\$ 9,682,789</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,961,704	\$ 285,345			\$ 2,247,049
Other Liabilities		147,807			147,807
Due to Other Funds	51,974		\$ 626,501		678,475
Intergovernmental Accounts Payable:					
State		70,439			70,439
Federal		23,700			23,700
Unearned Revenue	<u>-</u>	<u>659,659</u>	<u>-</u>	<u>-</u>	<u>659,659</u>
 Total Liabilities	 <u>2,013,678</u>	 <u>1,186,950</u>	 <u>626,501</u>	 <u>-</u>	 <u>3,827,129</u>
Fund Balances (Deficits)					
Restricted					
Excess Surplus	1,286,552				1,286,552
Excess Surplus - Designated for					
Subsequent Year's Expenditures	583,854				583,854
Capital Reserve	954,720				954,720
Capital Reserve - Designated for Subsequent					
Year Expenditures	800,000				800,000
Maintenance Reserve	352,647				352,647
Maintenance Reserve - Designated for Subsequent					
Year Expenditures	250,000				250,000
Emergency Reserve	86,061				86,061
Emergency Reserve - Designated for Subsequent					
Year Expenditures	604,000				604,000
Capital Projects			228,450		228,450
Debt Service				\$ 1	1
Assigned					
Year End Encumbrances	297,765				297,765
Designated for Subsequent Year Expenditures	414,255				414,255
Unassigned (Deficit)	<u>(2,645)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,645)</u>
 Total Fund Balances (Deficits)	 <u>5,627,209</u>	 <u>-</u>	 <u>228,450</u>	 <u>1</u>	 <u>5,855,660</u>
 Total Liabilities and Fund Balances	 <u>\$ 7,640,887</u>	 <u>\$ 1,186,950</u>	 <u>\$ 854,951</u>	 <u>\$ 1</u>	 <u>\$ 9,682,789</u>

**ENGLEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

Total Fund Balances (Exhibit B-1)		\$ 5,855,660
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</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 \$96,530,622 and the accumulated depreciation is \$35,651,229.		60,879,393
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.		355,651
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.		
Deferred Outflows of Resources	\$ 1,416,562	
Deferred Inflows of Resources	<u>(4,365,114)</u>	(2,948,552)
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:		(131,179)
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		
Serial Bonds (Including Unamortized Premium)	\$ 8,649,079	
Capital Leases	856,418	
Lease Purchase Agreements	2,608,006	
Compensated Absences	1,144,397	
Net Pension Liability	<u>6,009,525</u>	<u>(19,267,425)</u>
Net Position of Governmental Activities		<u>\$ 44,743,548</u>

**ENGLEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 53,814,733			\$ 1,819,356	\$ 55,634,089
Tuition	657,847				657,847
Transportation Fees	283,486				283,486
Interest	52,134		\$ 40		52,174
Rentals	511,243				511,243
Miscellaneous	105,905	\$ 43,073	-	-	148,978
Total - Local Sources	55,425,348	43,073	40	1,819,356	57,287,817
Intergovernmental					
State Sources	19,976,857	3,063,152			23,040,009
Federal Sources	140,843	2,226,660	-	-	2,367,503
Total Revenues	75,543,048	5,332,885	40	1,819,356	82,695,329
EXPENDITURES					
Current					
Instruction					
Regular Instruction	28,356,485	1,459,042			29,815,527
Special Education Instruction	14,648,687	467,552			15,116,239
Other Instruction	2,832,209	790,230			3,622,439
School Sponsored Activities and Athletics	994,207				994,207
Support Services					
Student & Instruction Related Services	9,521,609	2,493,468			12,015,077
General Administration	1,745,772				1,745,772
School Administration	3,861,723				3,861,723
Central Services	1,666,761				1,666,761
Plant Operations & Maintenance	5,055,498	23,719			5,079,217
Student Transportation	4,528,853				4,528,853
Debt Service					
Principal	1,003,993		2,547	1,420,000	2,426,540
Interest	47,970			399,356	447,326
Capital Outlay	1,402,674	8,871	74,608	-	1,486,153
Total Expenditures	75,666,441	5,242,882	77,155	1,819,356	82,805,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,393)	90,003	(77,115)	-	(110,505)
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds	416,833	-	-	-	416,833
Total Other Financing Sources and Uses	416,833	-	-	-	416,833
Net Change in Fund Balances	293,440	90,003	(77,115)	-	306,328
Fund Balance (Deficit), Beginning of Year	5,333,769	(90,003)	305,565	1	5,549,332
Fund Balance (Deficit), End of Year	\$ 5,627,209	\$ -	\$ 228,450	\$ 1	\$ 5,855,660

**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, 2019**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 306,328

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	\$ 1,486,153	
Depreciation Expense	<u>(2,278,568)</u>	(792,415)

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

Loss on Disposal of Capital Assets		(102,785)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also governmental funds report the effect of premiums and other such items related to the refunding bonds when they are issued, whereas these amounts are expensed and or deferred and amortized in the statement of activities.

Debt Issued:		
Capital Lease Agreements	\$ (416,833)	
Principal Repayments:		
Serial Bonds	1,420,000	
Capital Leases Payable	239,755	
Lease Purchase Agreements Payable	766,785	
Amortization of Deferred Amounts on Refunding	(120,134)	
Amortization of Bond Premium	<u>177,027</u>	2,066,600

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		30,371
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In the statement of activities, certain operating expenses e.g. compensated absences and pension expenses are measured by the amounts accrued during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). The amount presented is the net change.

Decrease in Compensated Absences	\$ 105,707	
Decrease in Pension Expense	303,590	
Decrease in Net Pension Liability	<u>929,468</u>	1,338,765

Change in net position of governmental activities (Exhibit A-2)	\$	<u>2,846,864</u>
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**ENGLEWOOD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Non-Major Enterprise Fund After School Day Care Program</u>	<u>Totals</u>
ASSETS			
Cash and Cash Equivalents		\$ 104,839	\$ 104,839
Accounts Receivable - Intergovernmental	\$ 321,429		321,429
Other Accounts Receivable	2,335		2,335
Inventories	22,125	-	22,125
Total Current Assets	<u>345,889</u>	<u>104,839</u>	<u>450,728</u>
Capital Assets:			
Equipment	803,820		803,820
Accumulated Depreciation	(536,889)	-	(536,889)
Total Capital Assets, Net of Accumulated Depreciation	<u>266,931</u>	<u>-</u>	<u>266,931</u>
Total Assets	<u>612,820</u>	<u>104,839</u>	<u>717,659</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	33,769		33,769
Due to Other Funds	150,096		150,096
Unearned Revenues	4,630	-	4,630
Total Liabilities	<u>188,495</u>	<u>-</u>	<u>188,495</u>
NET POSITION			
Investment in Capital Assets	266,931	-	266,931
Unrestricted	157,394	104,839	262,233
Total Net Position	<u>\$ 424,325</u>	<u>\$ 104,839</u>	<u>\$ 529,164</u>

**ENGLEWOOD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Business-Type Activities - Enterprise Fund

	Food Service	Non-Major Enterprise Fund After School Day Care Program	Totals
OPERATING REVENUES			
Local Sources			
Daily Food Sales - reimbursable programs	\$ 157,613		\$ 157,613
Daily Food Sales - non-reimbursable programs	139,064		139,064
Program Fees		\$ 1,675	1,675
Miscellaneous	1,138	-	1,138
Total Operating Revenues	<u>297,815</u>	<u>1,675</u>	<u>299,490</u>
OPERATING EXPENSES			
Salaries and Employee Benefits	659,049		659,049
Cost of Sales - reimbursable programs	835,604		835,604
Cost of Sales - non-reimbursable programs	56,142		56,142
Purchased Management Services	109,595		109,595
Other Purchased Services	125,841		125,841
Supplies and Materials	67,798		67,798
Miscellaneous	13,908		13,908
Depreciation	46,183	-	46,183
Total Operating Expenses	<u>1,914,120</u>	<u>-</u>	<u>1,914,120</u>
Operating Income/(Loss)	<u>(1,616,305)</u>	<u>1,675</u>	<u>(1,614,630)</u>
NONOPERATING REVENUES			
State Sources:			
School Lunch Program	18,814		18,814
Federal Sources			
School Breakfast Program	315,234		315,234
School Lunch Program	1,046,074		1,046,074
Food Distribution Program	140,724		140,724
Snack Program	126,423		126,423
National School Lunch Equipment Program	25,025	-	25,025
Total Nonoperating Revenues	<u>1,672,294</u>	<u>-</u>	<u>1,672,294</u>
Change in Net Position	55,989	1,675	57,664
Net Position Beginning of Year	<u>368,336</u>	<u>103,164</u>	<u>471,500</u>
Net Position End of Year	<u>\$ 424,325</u>	<u>\$ 104,839</u>	<u>\$ 529,164</u>

**ENGLEWOOD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Non-Major Enterprise Fund After School Day Care Program</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 299,285	\$ 1,675	\$ 300,960
Cash Payments for Employee Salaries and Benefits	(659,049)	-	(659,049)
Cash Payments to Suppliers for Goods and Services	(1,106,253)	-	(1,106,253)
Net Cash Provided by (Used for) Operating Activities	(1,466,017)	1,675	(1,464,342)
Cash Flows from Noncapital Financing Activities			
Cash Received from Other Funds	150,096		150,096
Cash Received from State and Federal Sources	1,331,588	-	1,331,588
Net Cash Provided by Noncapital Financing Activities	1,481,684	-	1,481,684
Cash Flows from Capital Financing Activities			
Purchases of Capital Assets	(27,407)	-	(27,407)
Net Cash (Used for) Capital Financing Activities	(27,407)	-	(27,407)
Net Increase (Decrease) in Cash and Cash Equivalents	(11,740)	1,675	(10,065)
Cash and Cash Equivalents, Beginning of Year	11,740	103,164	114,904
Cash and Cash Equivalents, End of Year	\$ -	\$ 104,839	\$ 104,839
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (1,616,305)	\$ 1,675	\$ (1,614,630)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	46,183		46,183
Non-Cash Federal Assistance - Food Distribution Program	140,724		140,724
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Inventory	(7,973)		(7,973)
Increase/(Decrease) in Accounts Payable	(29,767)		(29,767)
Increase/(Decrease) in Unearned Revenue	(903)	-	(903)
(Increase)/Decrease in Other Accounts Receivable	2,373		2,373
Increase/(Decrease) in Deferred Commodities Revenue	(349)	-	(349)
Total Adjustments	150,288	-	150,288
Net Cash (Used for) Operating Activities	\$ (1,466,017)	\$ 1,675	\$ (1,464,342)
Noncash Investing, Capital and Financing Activities			
Value Received Food Distribution Program	\$ 140,375		

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, 2019**

	Unemployment Compensation <u>Trust Fund</u>	Scholarship Trust Fund	Agency <u>Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 233,630	\$ 14,399	\$ 307,663
Due from Other Funds	<u>10,800</u>	<u>42,491</u>	<u>9,483</u>
Total Assets	<u>244,430</u>	<u>56,890</u>	<u>\$ 317,146</u>
LIABILITIES			
Accrued Salaries and Payroll Deductions Payable			\$ 183,092
Payable to State Governments	13,334		
Due to Student Groups			123,254
Due to Other Funds	<u>-</u>	<u>-</u>	<u>10,800</u>
Total Liabilities	<u>13,334</u>	<u>-</u>	<u>\$ 317,146</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 231,096</u>	<u>\$ 56,890</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, 2019**

	Unemployment Compensation <u>Trust Fund</u>	Scholarship <u>Trust Fund</u>
ADDITIONS		
Contributions		
Employee Contributions	\$ 40,000	
Board Contribution	<u>325,000</u>	<u>-</u>
Total Contributions	<u>365,000</u>	<u>-</u>
Investment Earnings		
Interest	<u>172</u>	<u>\$ 100</u>
Total Additions	<u>365,172</u>	<u>100</u>
DEDUCTIONS		
Claims and Contributions	160,873	
Scholarships Awarded	<u>-</u>	<u>300</u>
Total Deductions	<u>160,873</u>	<u>300</u>
Change in Net Positon	204,299	(200)
Net Position, Beginning of Year	<u>26,797</u>	<u>57,090</u>
Net Position, End of Year	<u>\$ 231,096</u>	<u>\$ 56,890</u>

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, 2019**

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 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 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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

- 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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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.

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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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 the food service enterprise fund 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.

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

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

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

The *after school day care program fund* accounts for the activities of the District's after school and summer programs which provides daycare and recreational services for elementary school students of the district.

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

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.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 inventory at year-end is reported as deferred inflows of resources.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at 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

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources

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 future periods 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 amount 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.

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

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

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

ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported 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.

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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 2019/2020 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 2019/2020 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).

Emergency Reserve – Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service 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.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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 2017-2018 and 2018-2019 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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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.

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 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$3,160,182. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$2,645 in the General Fund as of June 30, 2019 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 2018/2019 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does 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 deficit in the GAAP (fund) financial statements of \$2,645 in the General Fund is less than the delayed state aid payments at June 30, 2019.

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, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, June 30, 2018		\$	955,088
Increased by:			
Unspent Balance on Completed Project	\$	444,632	
Interest Earnings		5,000	
Deposits Approved by Board Resolution		<u>1,000,000</u>	
			<u>1,449,632</u>
			2,404,720
Decreased by:			
Withdrawals Approved in District Budget			<u>(650,000)</u>
Balance, June 30, 2019		\$	<u>1,754,720</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. \$800,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, June 30, 2018		\$	764,600
Increased by:			
Unspent Balance on Completed Project	\$	83,047	
Interest Earnings		<u>5,000</u>	
			<u>88,047</u>
			852,647
Decreased by:			
Withdrawals Approved in District Budget			<u>(250,000)</u>
Balance, June 30, 2019		\$	<u>602,647</u>

The June 30, 2019 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. \$250,000 of the maintenance reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

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.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, June 30, 2018		\$	606,000
Increased by:			
Unspent Balance of 2018/2019 Appropriation	\$	604,000	
Deposits Approved by Board Resolution		<u>84,061</u>	
			<u>688,061</u>
			1,294,061
Decreased by:			
Withdrawal Approved in District Budget			<u>(604,000)</u>
Balance, June 30, 2019		\$	<u>690,061</u>

\$604,000 of the emergency reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

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, 2019 is \$1,870,406. Of this amount, \$583,854 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$1,286,552 will be appropriated in the 2020/2021 original budget certified for taxes.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 and NCUSIF.

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, 2019, the book value of the Board's deposits were \$2,764,236 and bank and brokerage firm balances of the Board's deposits amounted to \$5,497,889. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 5,493,344
Uninsured and Collateralized	<u>4,545</u>
	<u>\$ 5,497,889</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, 2019 the Board's bank balance of \$4,545 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department not in the Board's name	<u>\$ 4,545</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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2019, 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.

B. Receivables

Receivables as of June 30, 2019 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>Total</u>
Receivables:					
Intergovernmental:					
Local	\$ 4,937,271				\$ 4,937,271
State	268,079	\$ 1,893	\$ 854,951	\$ 3,888	1,128,811
Federal		653,534		317,541	971,075
Other Accounts	<u>86,459</u>	<u>300</u>	<u>-</u>	<u>2,335</u>	<u>89,094</u>
Gross Receivables	5,291,809	655,727	854,951	323,764	7,126,251
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 5,291,809</u>	<u>\$ 655,727</u>	<u>\$ 854,951</u>	<u>\$ 323,764</u>	<u>\$ 7,126,251</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	\$ 518,230
Grant Drawdowns Reserved for Encumbrances	<u>141,429</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 659,659</u>

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 513,200			\$ 513,200
Construction in Progress	64,194	-	\$ (64,194)	-
Total Capital Assets, Not Being Depreciated	<u>577,394</u>	<u>-</u>	<u>(64,194)</u>	<u>513,200</u>
Capital assets, Being Depreciated:				
Land Improvements	3,919,314	\$ 7,536		3,926,850
Buildings and Building Improvements	84,588,993	1,064,191		85,653,184
Machinery and Equipment	<u>6,360,697</u>	<u>478,620</u>	<u>(401,929)</u>	<u>6,437,388</u>
Total Capital Assets Being Depreciated	<u>94,869,004</u>	<u>1,550,347</u>	<u>(401,929)</u>	<u>96,017,422</u>
Less Accumulated Depreciation for:				
Land Improvements	(2,012,434)	(147,687)		(2,160,121)
Building and Building Improvements	(26,151,780)	(1,876,196)		(28,027,976)
Machinery and Equipment	<u>(5,370,964)</u>	<u>(254,685)</u>	<u>162,517</u>	<u>(5,463,132)</u>
Total Accumulated Depreciation	<u>(33,535,178)</u>	<u>(2,278,568)</u>	<u>162,517</u>	<u>(35,651,229)</u>
Total Capital Assets, Being Depreciated, Net	<u>61,333,826</u>	<u>(728,221)</u>	<u>(239,412)</u>	<u>60,366,193</u>
Government Activities Capital Assets, Net	<u>\$ 61,911,220</u>	<u>\$ (728,221)</u>	<u>\$ (303,606)</u>	<u>\$ 60,879,393</u>

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 776,413	\$ 27,407	-	\$ 803,820
Total Capital Assets Being Depreciated	<u>776,413</u>	<u>27,407</u>	<u>-</u>	<u>803,820</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(490,706)	(46,183)	-	(536,889)
Total Accumulated Depreciation	<u>(490,706)</u>	<u>(46,183)</u>	<u>-</u>	<u>(536,889)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 285,707</u>	<u>\$ (18,776)</u>	<u>\$ -</u>	<u>\$ 266,931</u>

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

Governmental activities:

Instruction		
Regular		\$ 81,943
Special Education		<u>3,285</u>
Total Instruction		<u>85,228</u>
Support Services		
Student and Instruction Related Services		22,262
School Administrative Services		96,324
Plant Operations and Maintenance		2,048,497
Student Transportation		<u>26,257</u>
Total Support Services		<u>2,193,340</u>
Total Governmental Activities		<u>\$ 2,278,568</u>
Business-Type Activities:		
Food Service Fund		<u>\$ 46,183</u>
Total Depreciation Expense-Business-Type Activities		<u>\$ 46,183</u>

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 626,501
General Fund	Food Service Fund	150,096
Payroll Agency Fund	General Fund	9,483
Unemployment Trust Fund	Payroll Agency Fund	10,800
Scholarship Trust Fund	General Fund	<u>42,491</u>
		<u>\$ 839,371</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.

F. Leases

Capital Leases

The District is leasing copiers and district wide technology upgrades totaling \$1,241,027 under capital leases. The leases are for terms of 5 years. In addition, the district is leasing curriculum software, reading software and computers (supplies) totaling \$4,281,281 under lease purchase agreements for terms of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ 416,833
Buildings and Building Improvements	<u>824,194</u>
Total	<u>\$ 1,241,027</u>

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending <u>June 30</u>	Governmental <u>Activities</u>
2020	\$ 1,036,084
2021	903,420
2022	903,420
2023	677,178
2024	<u>31,160</u>
Total minimum lease payments	3,551,262
Less: amount representing interest	<u>86,838</u>
Present value of minimum lease payments	<u>\$ 3,464,424</u>
Balances at June 30, 2019	
Capital Lease Obligations	\$ 856,418
Lease Purchase Agreements	<u>2,608,006</u>
	<u>\$ 3,464,424</u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. 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, 2019 are comprised of the following issues:

\$14,970,000, 2013 Refunding Bonds, due in annual installments of \$1,485,000 to \$1,765,000 through April, 2024, interest at 2.13% to 5.00%	<u>\$8,125,000</u>
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**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,705,000	110,156	1,815,156
2024	<u>1,765,000</u>	<u>52,925</u>	<u>1,817,925</u>
	<u>\$ 8,125,000</u>	<u>\$ 951,499</u>	<u>\$ 9,076,499</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 197,415,995
Less: Net Debt Issued	<u>8,125,000</u>
Remaining Borrowing Power	<u>\$ 189,290,995</u>

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, was as follows:

	Balance, <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2019</u>	Due Within <u>One Year</u>
Governmental activities:					
Serial Bonds	\$ 9,545,000		\$ 1,420,000	\$ 8,125,000	\$ 1,485,000
Deferred Amounts					
Add: Original Issue Premium	<u>701,106</u>	<u>-</u>	<u>177,027</u>	<u>524,079</u>	<u>-</u>
Total Bonds Payable	10,246,106	-	1,597,027	8,649,079	1,485,000
Capital Leases	815,967	\$ 416,833	376,382	856,418	229,279
Lease Purchase Agreements	3,374,791		766,785	2,608,006	768,400
Compensated Absences	1,250,104		105,707	1,144,397	
Net Pension Liability	<u>7,674,340</u>	<u>-</u>	<u>1,664,815</u>	<u>6,009,525</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 23,361,308</u>	<u>\$ 416,833</u>	<u>\$ 4,510,716</u>	<u>\$ 19,267,425</u>	<u>\$ 2,482,679</u>

For the governmental activities, the liabilities for capital leases, lease purchase agreements, compensated absences 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 worker's compensation claims.

The relationship between the Board and the insurance Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the 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, 2019**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 325,000	\$ 40,000	\$ 160,873	\$ 231,096
2018	50,000	45,189	321,922	26,797
2017	None	47,594	90,746	252,874

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees’ Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers’ Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems 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 (“Division”), 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.

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 303,590	\$ 5,237,208	\$ 8,097
2018	305,410	3,898,312	5,717
2017	287,913	2,948,308	10,130

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,496, \$4,267 and \$1,837, respectively for PERS and the State contributed \$6,682, \$7,965 and \$9,962, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). 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 \$1,814,954 during the fiscal year ended June 30, 2019 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. 85.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$6,009,525 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was .03052 percent, which was a decrease of .00245 percent from its proportionate share measured as of June 30, 2017 of .03297 percent.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

For the fiscal year ended June 30, 2019, 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 \$929,468 as a result of the decrease in the net pension liability net of the related change in deferred outflows and inflows. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, 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	\$ 114,603	\$ 30,987
Changes of Assumptions	990,270	1,921,527
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		56,370
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>311,689</u>	<u>2,356,230</u>
Total	<u>\$ 1,416,562</u>	<u>\$ 4,365,114</u>

At June 30, 2019, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ (1,212,199)
2021	(604,778)
2022	(498,823)
2023	(455,691)
2024	<u>(177,061)</u>
	<u>\$ (2,948,552)</u>

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.66%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease 4.66%	Current Discount Rate 5.66%	1% Increase 6.66%
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,556,285</u>	<u>\$ 6,009,525</u>	<u>\$ 4,711,892</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$9,584,864 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$164,415,769. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .25844 percent, which was a decrease of .00368 percent from its proportionate share measured as of June 30, 2017 of .26212 percent.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S.Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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:

Fiscal Year	Measurement Date	Discount Rate
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$194,336,317</u>	<u>\$ 164,415,769</u>	<u>\$ 139,612,364</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>362,181</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$2,375,589, \$2,517,837 and \$2,456,611, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**ENGLEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,919,876. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$76,743,952. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .16643 percent, which was a decrease of .00182 percent from its proportionate share measured as of June 30, 2017 of .16825 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ 90,251,423
Changes Recognized for the Fiscal Year:	
Service Cost	3,786,109
Interest on the Total OPEB Liability	3,331,392
Differences Between Expected and Actual Experience	(9,837,037)
Changes of Assumptions	(8,806,753)
Gross Benefit Payments	(2,052,106)
Contributions from the Member	70,924
Net Changes	\$ (13,507,471)
Balance, June 30, 2018 Measurement Date	\$ 76,743,952

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**ENGLEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 90,726,974</u>	<u>\$ 76,743,952</u>	<u>\$ 65,628,894</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	<u>\$ 63,433,346</u>	<u>\$ 76,743,952</u>	<u>\$ 94,347,738</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

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, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 53,814,733		\$ 53,814,733	\$ 53,814,733	
Tuition from Other LEA's Within State	1,058,520		1,058,520	657,847	\$ (400,673)
Transportation Fees from Other LEA's	240,000		240,000	283,486	43,486
Interest	10,000		10,000	52,134	42,134
Rentals	350,000		350,000	511,243	161,243
Unrestricted Miscellaneous	150,000	-	150,000	105,905	(44,095)
Total Local Sources	55,623,253	-	55,623,253	55,425,348	(197,905)
State Sources					
School Choice Aid	4,881,888		4,881,888	4,881,888	-
Special Education Aid	2,192,419		2,192,419	2,192,419	-
Security Aid	1,201,342		1,201,342	1,201,342	-
Transportation Aid	830,412		830,412	830,412	-
Adjustment Aid	539,750	\$ (4,129)	535,621	535,621	-
Extraordinary Aid	585,000		585,000	1,042,023	457,023
Nonpublic School Transportation Aid				83,718	83,718
On-behalf TPAF Pension Contributions (Non-Budget)					
Pension Benefit Contribution				5,129,827	5,129,827
NCGI Premium				107,381	107,381
On-behalf TPAF Post Retirement					
Medical Benefits Contributions (Non-Budget)				2,375,589	2,375,589
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				6,682	6,682
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,814,954	1,814,954
Total State Sources	10,230,811	(4,129)	10,226,682	20,201,856	9,975,174
Federal Sources:					
Medicaid Assistance Program	99,022	-	99,022	140,843	41,821
Total Federal Sources	99,022	-	99,022	140,843	41,821
Total Revenues	65,953,086	(4,129)	65,948,957	75,768,047	9,819,090
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	879,034	253,887	1,132,921	1,132,606	315
Grades 1-5	4,134,975	(475,787)	3,659,188	3,659,188	-
Grades 6-8	2,136,604	397,041	2,533,645	2,533,645	-
Grades 9-12	6,477,398	(512,615)	5,964,783	5,919,373	45,410
Regular Program - Home Instruction					
Salaries of Teachers	65,000	5,934	70,934	70,934	-
Purchased Professional-Educational Services	15,000	(9,500)	5,500	2,768	2,732
General Supplies	1,000	(1,000)			-
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	5,000	708,231	713,231	712,507	724
Other Purchased Services	759,000	464,714	1,223,714	1,216,160	7,554
General Supplies	559,500	(124,443)	435,057	431,153	3,904
Textbooks	269,287	(183,500)	85,787	84,264	1,523
Other Objects	3,000	9,000	12,000	11,500	500
Total Regular Programs	15,304,798	531,962	15,836,760	15,774,098	62,662

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 1,496,707	\$ (133,674)	\$ 1,363,033	\$ 1,298,430	\$ 64,603
Purchased - Professional Educational Services	30,000	(7,000)	23,000	20,175	2,825
Other Purchased Services	350,000	-	350,000	343,643	6,357
Total Learning and/or Language Disabilities	<u>1,876,707</u>	<u>(140,674)</u>	<u>1,736,033</u>	<u>1,662,248</u>	<u>73,785</u>
Behavior Disabilities					
Salaries of Teachers		33,340	33,340	29,204	4,136
General Supplies	-	1,766	1,766	-	1,766
Total Behavior Disabilities	<u>-</u>	<u>35,106</u>	<u>35,106</u>	<u>29,204</u>	<u>5,902</u>
Multiple Disabilities					
Salaries of Teachers	930,676	(52,539)	878,137	841,872	36,265
Other Purchased Services	1,300,000	-	1,300,000	1,287,457	12,543
Total Multiple Disabilities	<u>2,230,676</u>	<u>(52,539)</u>	<u>2,178,137</u>	<u>2,129,329</u>	<u>48,808</u>
Resource Room/Resource Center					
Salaries of Teachers	1,668,537	38,891	1,707,428	1,663,269	44,159
Other Purchased Services	300,000	1,600	301,600	301,536	64
Total Resource Room/Resource Center	<u>1,968,537</u>	<u>40,491</u>	<u>2,009,028</u>	<u>1,964,805</u>	<u>44,223</u>
Autism					
Salaries of Teachers	72,998	(72,998)	-	-	-
Total Autism	<u>72,998</u>	<u>(72,998)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	514,746	(31,364)	483,382	451,619	31,763
Other Purchased Services	325,000	(250,000)	75,000	3,980	71,020
Total Preschool Disabilities - Full-Time	<u>839,746</u>	<u>(281,364)</u>	<u>558,382</u>	<u>455,599</u>	<u>102,783</u>
Total Special Education	<u>6,988,664</u>	<u>(471,978)</u>	<u>6,516,686</u>	<u>6,241,185</u>	<u>275,501</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	74,538	(20,241)	54,297	1,952	52,345
Total Basic Skills/Remedial - Instruction	<u>74,538</u>	<u>(20,241)</u>	<u>54,297</u>	<u>1,952</u>	<u>52,345</u>
Bilingual Education					
Salaries of Teachers	1,907,687	(251,648)	1,656,039	1,550,990	105,049
Other Purchased Services	200,000	9,800	209,800	186,599	23,201
Total Bilingual Education	<u>2,107,687</u>	<u>(241,848)</u>	<u>1,865,839</u>	<u>1,737,589</u>	<u>128,250</u>

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra-Curricular Activities					
Salaries	\$ 113,500	\$ 50,143	\$ 163,643	\$ 163,643	-
Purchased Services	38,000	-	38,000	27,593	\$ 10,407
Supplies and Materials	26,000	(5,000)	21,000	20,879	121
Total School Sponsored Co/Extra-Curricular Activities	177,500	45,143	222,643	212,115	10,528
School Sponsored Athletics - Instruction					
Salaries	472,000	(85,243)	386,757	294,123	92,634
Purchased Services	262,900	(23,400)	239,500	217,767	21,733
Supplies and Materials	120,000	-	120,000	93,509	26,491
Total School Sponsored Athletics - Instruction	854,900	(108,643)	746,257	605,399	140,858
Total Instruction	25,508,087	(265,605)	25,242,482	24,572,338	670,144
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	53,000	60,000	113,000	109,427	3,573
Tuition to Other LEAs Within the State-Special	857,703	250,000	1,107,703	828,626	279,077
Tuition to County Voc. School Dist. - Regular	400,000	-	400,000	315,938	84,062
Tuition to County Voc. School Dist. - Special	594,000	-	594,000	593,550	450
Tuition to CSSD & Reg. Day Schools	2,676,080	(425,000)	2,251,080	2,083,799	167,281
Tuition to APSSD Within the State	3,137,832	(745,299)	2,392,533	2,023,097	369,436
Tuition to APSSD & Other LEAs-Special - Out of State	98,000	98,000	98,000	98,000	-
Tuition - State Facilities	49,784	-	49,784	45,284	4,500
Tuition - Other	55,000	-	55,000	22,916	32,084
Total Undistributed Expenditures - Instruction	7,823,399	(762,299)	7,061,100	6,120,637	940,463
Attendance and Social Work					
Salaries	149,781	(46,120)	103,661	79,458	24,203
Salaries of Family Support Team	83,702	54,550	138,252	136,075	2,177
Salaries of Family Liaisons	159,862	1,424	161,286	142,455	18,831
Other Purchased Services	-	20,000	20,000	10,000	10,000
Total Attendance and Social Work	393,345	29,854	423,199	367,988	55,211
Health Services					
Salaries	417,884	39,971	457,855	450,748	7,107
Purchased Professional and Technical Services	150,000	140,832	290,832	290,508	324
Other Purchased Services	500	437	937	936	1
Supplies and Materials	7,500	1,343	8,843	8,490	353
Other Objects	3,000	(2,500)	500	393	107
Total Health Services	578,884	180,083	758,967	751,075	7,892
Speech, OT, PT and Related Services					
Salaries	786,766	4,667	791,433	791,433	-
Purchased Professional-Educational Services	850,000	215	850,215	844,565	5,650
Supplies and Materials	9,000	(3,598)	5,402	5,128	274
Total Speech, OT, PT and Related Services	1,645,766	1,284	1,647,050	1,641,126	5,924
Other Supp. Serv. Students - Extra Serv.					
Purchased Professional-Educational Services	10,000	(10,000)	-	-	-
Total Other Supp. Serv. Students - Extra Serv.	10,000	(10,000)	-	-	-

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 906,272	\$ (155,445)	\$ 750,827	\$ 740,573	\$ 10,254
Purchased Professional-Educational Services	2,500	-	2,500	2,500	-
Other Purchased Services	110,600	94,522	205,122	172,220	32,902
Supplies and Materials	16,000	(11,500)	4,500	4,171	329
Other Objects	26,000	(2,000)	24,000	24,000	-
Total Guidance	1,061,372	(74,423)	986,949	940,964	45,985
Child Study Team					
Salaries of Other Professional Staff	1,244,133	(48,870)	1,195,263	1,195,262	1
Salaries of Secretarial and Clerical Assistants	64,200	6,368	70,568	70,381	187
Purchased Professional - Educational Services	150,000	11,688	161,688	137,637	24,051
Other Purchased Services	41,200	2,342	43,542	43,541	1
Supplies and Materials	8,000	5,550	13,550	13,508	42
Other Objects	500	(350)	150	88	62
Total Child Study Team	1,508,033	(23,272)	1,484,761	1,460,417	24,344
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	502,749	46,409	549,158	549,158	-
Other Purchased Services	80,000	45,000	125,000	124,455	545
Supplies and Materials	11,000	(10,539)	461	367	94
Total Improvement of Inst. Serv.	593,749	80,870	674,619	673,980	639
Edu. Media Serv./Sch. Library					
Salaries	522,800	-	522,800	508,321	14,479
Other Purchased Services	1,370,350	(91,000)	1,279,350	1,268,774	10,576
Supplies and Materials	60,000	13,800	73,800	67,400	6,400
Total Edu. Media Serv./Sch. Library	1,953,150	(77,200)	1,875,950	1,844,495	31,455
Instructional Staff Training Services					
Salaries of Other Professional Staff	20,000	(183)	19,817	5,917	13,900
Purchased Professional/Educational Services	188,000	(27,300)	160,700	157,115	3,585
Other Purchased Services	8,500	4,300	12,800	5,700	7,100
Total Instructional Staff Training Services	216,500	(23,183)	193,317	168,732	24,585
Support Services General Administration					
Salaries	288,432	9,406	297,838	297,836	2
Legal Services	180,000	619,952	799,952	682,846	117,106
Audit Fees	53,000	61,237	114,237	61,205	53,032
Other Purchased Professional Services	40,000	(5,238)	34,762	32,546	2,216
Communications/Telephone	213,000	(154,158)	58,842	58,841	1
BOE Other Purchased Services	6,000	6,167	12,167	12,130	37
Miscellaneous Purchased Services	24,500	(5,900)	18,600	18,559	41
General Supplies	5,000	2,100	7,100	6,810	290
Judgements Against the School District	125,000	103,700	228,700	228,008	692
Miscellaneous Expenditures	27,010	(4,049)	22,961	22,027	934
BOE Membership Dues and Fees	28,000	(2,501)	25,499	25,231	268
Total Support Services General Administration	989,942	630,716	1,620,658	1,446,039	174,619
Support Services School Administration					
Salaries of Principal/Asst. Principals/Program Directors	1,899,171	226,701	2,125,872	2,047,403	78,469
Other Purchased Services	475,300	2,404	477,704	474,119	3,585
Supplies and Materials	28,700	896	29,596	25,603	3,993
Other Objects	400	-	400	-	400
Total Support Services School Administration	2,403,571	230,001	2,633,572	2,547,125	86,447

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 831,293	\$ 14,174	\$ 845,467	\$ 845,467	-
Purchased Professional Services	44,000	1,000	45,000	44,680	\$ 320
Purchased Technical Services	96,575	(14,143)	82,432	72,079	10,353
Misc. Purchased Services	7,100	-	7,100	6,601	499
Supplies and Materials	21,000	-	21,000	17,596	3,404
Miscellaneous Expenditures	25,000	(13,865)	11,135	8,117	3,018
Total Central Services	1,024,968	(12,834)	1,012,134	994,540	17,594
Admin. Info Technology					
Salaries	249,230	-	249,230	249,230	-
Other Purchased Services	500	-	500	450	50
Total Admin. Info. Technology	249,730	-	249,730	249,680	50
Required Maintenance for School Facilities					
Salaries		73,565	73,565	73,565	-
Cleaning, Repair and Maintenance	562,600	(99,730)	462,870	349,196	113,674
Total Required Maintenance for School Facilities	562,600	(26,165)	536,435	422,761	113,674
Custodial Services					
Salaries	132,629	-	132,629	132,629	-
Cleaning, Repair and Maint. Serv.	1,458,300	237,700	1,696,000	1,694,404	1,596
Other Purchased Property Services	252,000	(56,200)	195,800	194,910	890
Insurance	428,300	(37,069)	391,231	390,969	262
Miscellaneous Purchased Services	65,100	(13,900)	51,200	40,868	10,332
General Supplies	279,000	(108,208)	170,792	162,719	8,073
Energy (Electricity)	950,000	197,000	1,147,000	1,065,935	81,065
Other Objects	29,000	(20,520)	8,480	8,438	42
Total Custodial Services	3,594,329	198,803	3,793,132	3,690,872	102,260
Care and Upkeep of Grounds					
Cleaning, Repair and Maint. Serv.	42,000	-	42,000	20,230	21,770
General Supplies	9,700	-	9,700	1,495	8,205
Total Care and Upkeeping Grounds	51,700	-	51,700	21,725	29,975
Security					
Salaries	570,089	99,114	669,203	669,203	-
Purchased Professional and Technical Services	6,700	(1,800)	4,900	4,900	-
Cleaning, Repair and Maint. Serv.	9,000	-	9,000	8,835	165
General Supplies	10,000	(446)	9,554	3,231	6,323
Total Security	595,789	96,868	692,657	681,269	11,388
Student Transportation Services					
Sal. For Pupil Trans. (Bet Home & School)-Reg.	114,581	(4,513)	110,068	110,068	-
Sal. For Pupil Trans. (Other than Bet Home & School)	75,000	22,934	97,934	97,934	-
Cleaning, Repair & Maint. Services	40,000	-	40,000	31,479	8,521
Contracted Services					
(Between Home and School) - Vendors	1,570,000	134,980	1,704,980	1,696,949	8,031
Contracted Services					
(Other than Between Home and School) - Vendors	64,800	(10,500)	54,300	38,815	15,485
Contracted Services (Spl. Ed. Students)-Vendors	365,000	(51,946)	313,054	309,834	3,220
Contracted Services (Between Home and School)-Joint Agreements	255,000	23,000	278,000	277,898	102
Contracted Services (Spl. Ed. Students)-Joint Agreements	775,000	455,164	1,230,164	1,229,643	521
Contracted Serv.-Aid in Lieu of Payments - Non-Public Schools	250,000	15,802	265,802	254,117	11,685
Miscellaneous Purchased Services - Transportation	400,000	-	400,000	400,000	-
Transportation Supplies	3,000	-	3,000	1,000	2,000
Other Objects	1,500	(60)	1,440	830	610
Total Student Transportation Services	3,913,881	584,861	4,498,742	4,448,567	50,175

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 425,000	\$ (33,300)	\$ 391,700	\$ 305,140	\$ 86,560
Other Retirement Contributions -PERS	300,000	6,386	306,386	306,379	7
Unemployment Compensation	325,000	-	325,000	325,000	-
Workmen's Compensation	244,000	21,000	265,000	261,584	3,416
Health Benefits	8,032,000	(686,202)	7,345,798	7,061,352	284,446
Tuition Reimbursement	19,225	19,225	19,225	19,224	1
Other Employee Benefits	150,000	(88,200)	61,800	56,030	5,770
Total Unallocated Benefits - Employee Benefits	9,476,000	(761,091)	8,714,909	8,334,709	380,200
Interest Earned on Maintenance Reserve	5,000	(5,000)	-	-	-
	5,000	(5,000)	-	-	-
On-behalf TPAF Pension Contributions (Non-Budget)					
Pension Benefit Contribution				5,129,827	(5,129,827)
NCGI Premium				107,381	(107,381)
On-behalf TPAF Post Retirement					
Medical Benefits Contributions (Non-Budget)				2,375,589	(2,375,589)
On-behalf TPAF Long-Term Disability Insurance(Non-Budget)				6,682	(6,682)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,814,954	(1,814,954)
Total On-Behalf Payments	-	-	-	9,434,433	(9,434,433)
Total Undistributed Expenditures	38,651,708	257,873	38,909,581	46,241,134	(7,331,553)
Total Expenditures - Current Expenditures	64,159,795	(7,732)	64,152,063	70,813,472	(6,661,409)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures:					
Instruction		63,961	63,961	40,128	23,833
Non-Inst. Equip.		39,266	39,266	34,297	4,969
Security	604,000	-	604,000	-	604,000
	604,000	103,227	707,227	74,425	632,802
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	60,000	112,167	172,167	152,742	19,425
Construction Services	590,000	613,306	1,203,306	758,674	444,632
Other Objects	184,772	34	184,806	184,772	34
Total Facilities Acquisition and Construction Services	834,772	725,507	1,560,279	1,096,188	464,091
Interest - Deposit to Capital Reserve	5,000	(5,000)	-	-	-
Assets Acquired Under Capital Leases (Non-Budget)					
Equipment					
School Administration	-	-	-	416,833	(416,833)
Total Assets Acquired Under Capital Leases (Non-Budget)	-	-	-	416,833	(416,833)
Total Capital Outlay	1,443,772	823,734	2,267,506	1,587,446	680,060
Transfer of Funds to Charter Schools	3,402,499	(104,487)	3,298,012	3,265,523	32,489
Total Expenditures	69,006,066	711,515	69,717,581	75,666,441	(5,948,860)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(3,052,980)	(715,644)	(3,768,624)	101,606	3,870,230

**ENGLEWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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)					
Capital Lease Proceeds	-	-	-	\$ 416,833	\$ 416,833
Total Other Financing Sources (Uses)	-	-	-	416,833	416,833
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	\$ (3,052,980)	\$ (715,644)	\$ (3,768,624)	518,439	4,287,063
Fund Balance, Beginning of Year	6,968,460	-	6,968,460	6,968,460	-
Fund Balance, End of Year	\$ 3,915,480	\$ (715,644)	\$ 3,199,836	\$ 7,486,899	\$ 4,287,063
Recapitulation of Fund Balance					
Restricted Fund Balance					
Excess Surplus				\$ 1,286,552	
Excess Surplus - Designated for Subsequent Year's Expenditures				583,854	
Capital Reserve				954,720	
Capital Reserve - Designated for Subsequent Year's Expenditures				800,000	
Maintenance Reserve				352,647	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				250,000	
Emergency Reserve				86,061	
Emergency Reserve - Designated for Subsequent Year's Expenditures				604,000	
Assigned Fund Balance					
Year End Encumbrances				297,765	
Designated For Subsequent Year's Expenditures				414,255	
Unassigned Fund Balance				<u>1,857,045</u>	
Reconciliation to Governmental Funds Statements (GAAP):				7,486,899	
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(1,859,690)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 5,627,209</u>	

**ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Local Sources		\$ 289,305	\$ 289,305	\$ 42,756	\$ (246,549)
State Sources	\$ 3,356,507	241,225	3,597,732	3,113,134	(484,598)
Federal Sources	1,357,048	1,918,137	3,275,185	2,216,955	(1,058,230)
Total Revenues	<u>4,713,555</u>	<u>2,448,667</u>	<u>7,162,222</u>	<u>5,372,845</u>	<u>(1,789,377)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	990,491	195,279	1,185,770	1,004,146	181,624
Other Purchased Services	1,190,062	43,577	1,233,639	1,116,885	116,754
General Supplies	328,877	42,916	371,793	303,712	68,081
Textbooks	772,860	(681,119)	91,741	79,900	11,841
Other Objects	-	7,285	7,285	7,085	200
Total Instruction	<u>3,282,290</u>	<u>(392,062)</u>	<u>2,890,228</u>	<u>2,511,728</u>	<u>378,500</u>
Support Services					
Salaries	388,776	5,151	393,927	312,716	81,211
Salaries of Other Professionals	67,850	86,490	154,340	154,340	-
Professional Educational Services-Contracted PreK		442,525	442,525	442,450	75
Other Purchased Professional Services	80,000	2,136,012	2,216,012	849,564	1,366,448
Cleaning, Repair & Maintenance		30,000	30,000	30,000	-
Cont. Trans. Serv. (Bet. Home & Sch)		170,710	170,710	170,000	710
Travel	160,000	(126,907)	33,093	100	32,993
Other Purchased Services		291,527	291,527	226,629	64,898
Supplies and Materials		19,569	19,569	18,999	570
Other Objects	92,093	395,608	487,701	267,426	220,275
Total Support Services	<u>788,719</u>	<u>3,450,685</u>	<u>4,239,404</u>	<u>2,472,224</u>	<u>1,767,180</u>
Unallocated Employed Benefits	<u>642,546</u>	<u>(642,546)</u>	<u>-</u>	<u>356,303</u>	<u>(356,303)</u>
Capital Outlay					
Non-Instructional Equipment		15,195	15,195	15,195	-
Instructional Equipment	-	17,395	17,395	17,395	-
Total Capital Outlay	<u>-</u>	<u>32,590</u>	<u>32,590</u>	<u>32,590</u>	<u>-</u>
Total Expenditures	<u>4,713,555</u>	<u>2,448,667</u>	<u>7,162,222</u>	<u>5,372,845</u>	<u>1,789,377</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, 2019**

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	\$ 75,768,047	\$ 5,372,845
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, 2018		11,466
Encumbrances, June 30, 2019		(141,429)
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2017/2018 State Aid)	1,634,691	90,003
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2018/2019 State Aid)	<u>(1,859,690)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 75,543,048</u>	<u>\$ 5,332,885</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 75,666,441	\$ 5,372,845
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, 2018		11,466
Encumbrances, June 30, 2019	<u>-</u>	<u>(141,429)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 75,666,441</u>	<u>\$ 5,242,882</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS 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 Six Fiscal Years ***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03052 %	0.03297 %	0.03241 %	0.03230 %	0.02842 %	0.07294 %
District's Proportionate Share of the Net Pension Liability (Asset)	6,009,525	7,674,340	9,598,485	7,251,085	5,321,629	13,940,689
District's Covered Payroll	2,081,548	2,466,906	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 Payroll	289%	311%	405%	308%	243%	632%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	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 Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 303,590	\$ 305,410	\$ 287,913	\$ 277,708	\$ 234,056	\$ 549,604
Contributions in Relation to the Contractually Required Contributions	<u>303,590</u>	<u>305,410</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	2,081,548	2,466,906	2,371,158	2,354,341	2,192,991	2,206,933
Contributions as a Percentage of Covered Payroll	14.58%	12.38%	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 Six Fiscal Years ***

	<u>2019</u>	<u>2018</u>	<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 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 164,415,769</u>	<u>\$ 176,729,163</u>	<u>\$ 198,967,050</u>	<u>\$ 149,021,394</u>	<u>\$ 130,115,851</u>	<u>\$ 120,746,323</u>
Total	<u>\$ 164,415,769</u>	<u>\$ 176,729,163</u>	<u>\$ 198,967,050</u>	<u>\$ 149,021,394</u>	<u>\$ 130,115,851</u>	<u>\$ 120,746,323</u>
District's Covered Payroll	26,841,397	26,762,968	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 Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	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, 2019

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 4D.

**ENGLEWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 3,786,109	\$ 4,576,151
Interest on Total OPEB Liability	3,331,392	2,857,083
Changes of Benefit Terms		
Differences Between Expected and Actual Experience	(9,837,037)	
Changes of Assumptions	(8,806,753)	(11,923,519)
Gross Benefit Payments	(2,052,106)	(2,579,431)
Contribution from the Member	70,924	94,981
Net Change in Total OPEB Liability	(13,507,471)	(6,974,735)
Total OPEB Liability - Beginning	90,251,423	97,226,158
Total OPEB Liability - Ending	<u>\$ 76,743,952</u>	<u>\$ 90,251,423</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	76,743,952	90,251,423
Total OPEB Liability - Ending	<u>\$ 76,743,952</u>	<u>\$ 90,251,423</u>
District's Covered Payroll	<u>\$ 28,922,945</u>	<u>\$ 29,229,874</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

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, 2019**

	IDEA Part B								
	Basic	Preschool	Title I	Title I SIA	Title I Realloc	Title IIA	Title III	Title III	To
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	Immigrant	Exhibit
								2018/19	E-1A
REVENUES									
Intergovernmental									
State									
Federal	\$ 1,022,947	\$ 38,247	\$ 854,853	\$ 92,393	\$ 4,632	\$ 117,481	\$ 51,056	\$ 22,680	\$ 2,204,289
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 1,022,947</u>	<u>\$ 38,247</u>	<u>\$ 854,853</u>	<u>\$ 92,393</u>	<u>\$ 4,632</u>	<u>\$ 117,481</u>	<u>\$ 51,056</u>	<u>\$ 22,680</u>	<u>\$ 2,204,289</u>
EXPENDITURES									
Instruction									
Salaries of teachers	\$ 74,330		\$ 159,470	\$ 71,072			\$ 10,192		\$ 315,064
Other purchased services	375,220						25,000		400,220
General Supplies			71,962		\$ 4,632		14,586	\$ 22,680	113,860
Textbooks									-
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	<u>449,550</u>	<u>-</u>	<u>231,432</u>	<u>71,072</u>	<u>4,632</u>	<u>-</u>	<u>49,778</u>	<u>22,680</u>	<u>829,144</u>
Support Services									
Salaries			312,716						312,716
Salaries of Other Professional Staff									-
Personal Services-Employee Benefits	51,837		127,086	5,346			780		185,049
Purchased Educational Svcs - Contracted PreK									-
Other Purchased Professional Services	521,560	\$ 38,247				\$ 95,998			655,805
Cleaning, Repair & Maintenance									-
Cont. Trans. Serv. (Bet. Home & Sch)									-
Travel									-
Other Purchased Services			181,250	15,975		21,483	419		219,127
Supplies & Materials						-	79		79
Other Objects	-	-	2,369	-	-	-	-	-	2,369
Total Support Services	<u>573,397</u>	<u>38,247</u>	<u>623,421</u>	<u>21,321</u>	<u>-</u>	<u>117,481</u>	<u>1,278</u>	<u>-</u>	<u>1,375,145</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>	<u>-</u>
Total Expenditures	<u>\$ 1,022,947</u>	<u>\$ 38,247</u>	<u>\$ 854,853</u>	<u>\$ 92,393</u>	<u>\$ 4,632</u>	<u>\$ 117,481</u>	<u>\$ 51,056</u>	<u>\$ 22,680</u>	<u>\$ 2,204,289</u>

**ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Exhibit E-1 Subtotal</u>	<u>Preschool Education Aid</u>	<u>Perkins Grant 2018/19</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		\$ 2,167,533		\$ 273,422	\$ 56,850	\$ 79,900	\$ 193,759	\$ 2,771,464
Federal	\$ 2,204,289		\$ 12,666					2,216,955
Other	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 2,204,289</u>	<u>\$ 2,167,533</u>	<u>\$ 12,666</u>	<u>\$ 273,422</u>	<u>\$ 56,850</u>	<u>\$ 79,900</u>	<u>\$ 193,759</u>	<u>\$ 4,988,419</u>
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 315,064	\$ 688,373						\$ 1,003,437
Other purchased services	400,220	369,995						770,215
General Supplies	113,860	134,445			\$ 48,326			296,631
Textbooks	-	-	-	-	-	\$ 79,900		79,900
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	<u>829,144</u>	<u>1,192,813</u>	<u>-</u>	<u>-</u>	<u>48,326</u>	<u>79,900</u>	<u>-</u>	<u>2,150,183</u>
Support Services								
Salaries	312,716							312,716
Salaries of Other Professional Staff	-	154,340						154,340
Personal Services-Employee Benefits	185,049	171,200						356,249
Purchased Educational Svcs - Contracted PreK	-	442,450						442,450
Other Purchased Professional Services	655,805						\$ 193,759	849,564
Cleaning, Repair & Maintenance		30,000						30,000
Cont. Trans. Serv. (Bet. Home & Sch)	-	170,000						170,000
Travel	-		\$ 100					100
Other Purchased Services	219,127		3,695					222,822
Supplies & Materials	79							79
Other Objects	2,369	6,730	-	\$ 258,227	-	-	-	267,326
Total Support Services	<u>1,375,145</u>	<u>974,720</u>	<u>3,795</u>	<u>258,227</u>	<u>-</u>	<u>-</u>	<u>193,759</u>	<u>2,805,646</u>
Capital Outlay								
Non-Instructional Equipment				15,195				15,195
Instructional Equipment	-	-	8,871	-	8,524	-	-	17,395
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>8,871</u>	<u>15,195</u>	<u>8,524</u>	<u>-</u>	<u>-</u>	<u>32,590</u>
Total Expenditures	<u>\$ 2,204,289</u>	<u>\$ 2,167,533</u>	<u>\$ 12,666</u>	<u>\$ 273,422</u>	<u>\$ 56,850</u>	<u>\$ 79,900</u>	<u>\$ 193,759</u>	<u>\$ 4,988,419</u>

**ENGLEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Exhibit E-1A Subtotal	Chapter 192				Chapter 193		Other Programs	Grand Total
		Nonpublic Home Inst.	Compensatory Education	ESL	Exam and Classification	Corrective Speech	Supplementary Instruction		
REVENUES									
Intergovernmental									
State	\$ 2,771,464	\$ 1,893	\$ 10,660	\$ 6,816	\$ 130,869	\$ 93,655	\$ 97,777		\$ 3,113,134
Federal	2,216,955								2,216,955
Other	-	-	-	-	-	-	-	\$ 42,756	42,756
Total Revenues	\$ 4,988,419	\$ 1,893	\$ 10,660	\$ 6,816	\$ 130,869	\$ 93,655	\$ 97,777	\$ 42,756	\$ 5,372,845
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 1,003,437							\$ 709	\$ 1,004,146
Other Purchased Services	770,215	\$ 1,893	\$ 10,660	\$ 6,816	\$ 130,869	\$ 93,655	\$ 97,777	5,000	1,116,885
General Supplies	296,631							7,081	303,712
Textbooks	79,900								79,900
Other Objects	-	-	-	-	-	-	-	7,085	7,085
Total Instruction	2,150,183	1,893	10,660	6,816	130,869	93,655	97,777	19,875	2,511,728
Support Services									
Salaries	312,716								312,716
Salaries of Other Professional Staff	154,340								154,340
Personal Services-Employee Benefits	356,249							54	356,303
Purchased Educational Svcs - Contracted PreK	442,450								442,450
Other Purchased Professional Services	849,564								849,564
Cleaning, Repair & Maintenance	30,000								30,000
Cont. Trans. Serv. (Bet. Home & Sch)	170,000								170,000
Travel	100								100
Other Purchased Services	222,822							3,807	226,629
Supplies & Material	79							18,920	18,999
Other Objects	267,326	-	-	-	-	-	-	100	267,426
Total Support Services	2,805,646	-	-	-	-	-	-	22,881	2,828,527
Capital Outlay									
Non-Instructional Equipment	15,195								15,195
Instructional Equipment	17,395								17,395
Total Capital Outlay	32,590	-	-	-	-	-	-	-	32,590
Total Expenditures	\$ 4,988,419	\$ 1,893	\$ 10,660	\$ 6,816	\$ 130,869	\$ 93,655	\$ 97,777	\$ 42,756	\$ 5,372,845

**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, 2019**

Districtwide	Final Budget	Actual	Variance
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 743,960	\$ 688,373	\$ 55,587
Other Purchased Services	379,290	369,995	9,295
General Supplies	<u>150,000</u>	<u>134,445</u>	<u>15,555</u>
Total Instruction	<u>1,273,250</u>	<u>1,192,813</u>	<u>80,437</u>
Support Services			
Salaries of Other Professional Staff	154,340	154,340	
Personnel Services - Employee Benefits	225,387	171,200	54,187
Purchased Education Services - Contracted PreK	699,960	442,450	257,510
Cleaning, Repair & Maintenance	30,000	30,000	
Contr. Trans. Serv. (Bet. Home & Sch)	170,710	170,000	710
Travel	10,000		10,000
Other Objects	<u>20,000</u>	<u>6,730</u>	<u>13,270</u>
Total Support Services	<u>1,310,397</u>	<u>974,720</u>	<u>335,677</u>
Total Expenditures	<u>\$ 2,583,647</u>	<u>\$ 2,167,533</u>	<u>\$ 416,114</u>
Total 2018-2019 ECPA Allocation			\$ 2,458,647
Add: Actual Preschool Aid Carryover (June 30, 2018)			152,206
Budgeted Transfer from General Fund			
Cancelled Prior Year Accounts Payable			<u>455</u>
Total Preschool Aid Funds Available for 2018-2019 Budget			2,611,308
Less: 2018-2019 Budgeted Preschool Aid (Including Prior Year			
Budgeted Carryover)			<u>2,583,647</u>
Available & Unbudgeted Preschool Aid Funds as of June 30, 2019			27,661
Add: June 30, 2019 Unexpended Preschool Aid			<u>416,114</u>
2018-2019 Actual Carryover - Preschool Aid			<u>\$ 443,775</u>
2018-2019 Preschool Aid Carryover Budgeted in 2019-2020			<u>\$ 100,000</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, 2019**

<u>Project</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2019</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	2,687,356	\$ 74,608	20,239
Durie Park Elementary School - Light Dimmers Capital Lease	199,488	198,462		1,026
DMHS North Building Steam Heating Sys. Rep. - Phase 2	2,444,989	2,415,825		29,164
Technology Upgrade	<u>825,748</u>	<u>823,201</u>	<u>2,547</u>	<u>-</u>
	<u>\$ 53,064,573</u>	<u>\$ 52,758,968</u>	<u>\$ 77,155</u>	<u>\$ 228,450</u>
<u>Reconciliation to GAAP</u>				
				<u>\$ 228,450</u>
				<u>\$ 228,450</u>
<u>Recapitulation of Fund Balance</u>				
				<u>\$ 228,450</u>
				<u>\$ 228,450</u>
				<u>\$ 228,450</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, 2019**

Revenues and Other Financing Sources

Revenues:

Interest Earned	\$ <u>40</u>
 Total Revenues	 <u>40</u>

Expenditures and Other Financing Uses

Expenditures:

Construction Services	74,608
Other Financing Uses	
Payment of Lease Principal By Fiscal Agent	<u>2,547</u>
 Total Expenditures and Other Financing Uses	 <u>77,155</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(77,115)
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Fund Balance- Beginning of Year	<u>305,565</u>
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Fund Balance- End of Year	<u>\$ 228,450</u>
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Reconciliation to GAAP

Fund Balance - June 30, 2019 - Budgetary Basis	\$ <u>228,450</u>
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Fund Balance, June 30, 2019 - GAAP Basis	<u>\$ 228,450</u>
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**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, 2019**

	<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	<u>3,900,000</u>	<u>-</u>	<u>3,900,000</u>	<u>3,900,000</u>
Total Revenues and Other Financing Sources	<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	<u>470,301</u>	<u>-</u>	<u>470,301</u>	<u>470,301</u>
Total Expenditures and Other Financing Uses	<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, 2019

	<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>
Total Revenues and Other Financing Sources				
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>
Total Expenditures and Other Financing Uses				
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 5,628</u>	<u>\$ -</u>	<u>\$ 5,628</u>	<u>\$ -</u>

Additional project information:

Project Number	1370-040-04-2000
Grant Date	December 29, 2004
Bond Authorization Date	April 1, 2003
Bonds Authorized	3,142,411
Bonds Issued	3,142,411
Original Authorized Cost	5,311,361
Additional Authorized Cost	
Reduced Authorized Costs	(1,481,778)
Revised Authorized Cost	3,829,583

Percentage Increase(Decrease) Over Original

Authorized Cost	-27.90%
Percentage Completion	100.00%
Original Target Completion Date	December 31, 2005
Revised Target Completion Date	June 30, 2015

**ENGLEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
DURIE PARK ELEMENTARY SCHOOL CONSTRUCTION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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, 2019**

	<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, 2019**

	<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	1,685,528	-	1,685,528	1,685,528
	<u>2,782,203</u>	<u>-</u>	<u>2,782,203</u>	<u>2,782,203</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	181,095		181,095	200,000
Construction Services	2,445,571	\$ 74,608	2,520,179	2,521,513
Equipment	60,690	-	60,690	60,690
	<u>2,687,356</u>	<u>74,608</u>	<u>2,761,964</u>	<u>2,782,203</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 94,847</u>	<u>\$ (74,608)</u>	<u>\$ 20,239</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	1,685,528			
Reduced Authorized Costs				
Revised Authorized Cost	2,782,203			
Percentage Increase(Decrease) Over Original				
Authorized Cost	60.58%			
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, 2019**

	<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 NORTH BUILDING - PHASE 2
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	77,123		77,123	77,123
Construction Services	<u>2,338,702</u>	<u>-</u>	<u>2,338,702</u>	<u>2,367,866</u>
Total Expenditures and Other Financing Uses	<u>2,415,825</u>	<u>-</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>\$ 29,164</u>	<u>\$ -</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, 2019**

	<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	1,514	\$ 40	1,554	1,554
	<u>825,708</u>	<u>40</u>	<u>825,748</u>	<u>825,748</u>
Expenditures and Other Financing Uses				
Equipment	823,201	-	823,201	823,201
Other Financing Uses				
Payment of Principal on Lease Purchase by Fiscal Agent	-	2,547	2,547	2,547
	<u>823,201</u>	<u>2,547</u>	<u>825,748</u>	<u>825,748</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 2,507</u>	<u>\$ (2,507)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number				
Lease Date	April 27, 2017			
Lease Proceeds	824,194			
Original Authorized Cost	824,194			
Additional Authorized Cost - Interest	1,554			
Revised Authorized Cost	825,748			
Percentage Increase(Decrease) Over Original				
Authorized Cost	0.19%			
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 FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

**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, 2019**

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

EXHIBIT G-3

**ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

FIDUCIARY FUNDS
AGENCY FUNDS

**ENGLEWOOD BOARD OF EDUCATION
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 123,254	\$ 184,409	\$ 307,663
Due from Other Funds	<u>-</u>	<u>9,483</u>	<u>9,483</u>
Total Assets	<u>\$ 123,254</u>	<u>\$ 193,892</u>	<u>\$ 317,146</u>
LIABILITIES			
Accrued Salaries & Payroll Deductions Payable		\$ 183,092	\$ 183,092
Due to Student Groups	\$ 123,254		123,254
Due to Other Funds	<u>-</u>	<u>10,800</u>	<u>10,800</u>
Total Liabilities	<u>\$ 123,254</u>	<u>\$ 193,892</u>	<u>\$ 317,146</u>

**ENGLEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECIPITS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
High School and Academies at Englewood	\$ 102,256	\$ 102,590	\$ 106,321	\$ 98,525
Dismus Middle School	12,111	48,349	45,525	14,935
McCloud Elementary School	3,674	26,945	25,955	4,664
Eagle Academy	1,518			1,518
Life Alternative School	1,500			1,500
Latino Heritage	1,855	14	280	1,589
Athletic Account	5,514	46,694	51,685	523
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 128,428</u>	<u>\$ 224,592</u>	<u>\$ 229,766</u>	<u>\$ 123,254</u>

**ENGLEWOOD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2019</u>
Due from Other Funds	\$ (10,495)	\$ 1,652	\$ 640	\$ (9,483)
Accrued Salaries & Payroll Deductions Payable	537,006	32,536,893	32,890,807	183,092
Due to Other Funds	<u>10,800</u>	<u>-</u>	<u>-</u>	<u>10,800</u>
 Total	 <u>\$ 537,311</u>	 <u>\$ 32,538,545</u>	 <u>\$ 32,891,447</u>	 <u>\$ 184,409</u>

LONG-TERM DEBT

**ENGLEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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, 2018</u>	<u>Matured</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Refunding of School Bonds	8/14/2013	\$ 14,970,000	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>\$ 9,545,000</u>	<u>\$ 1,420,000</u>	<u>\$ 8,125,000</u>
						<u>\$ 9,545,000</u>	<u>\$ 1,420,000</u>	<u>\$ 8,125,000</u>
						Paid by Budget	<u>\$ 1,420,000</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, 2019**

<u>Capital Leases</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2018</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2019</u>
Savin Copiers - 6	\$ 59,914	5.34%	\$ 5,624		\$ 5,624	
Savin Copiers - 22	342,015	0.37%	157,632		157,632	
District Wide Technology Project	824,194	3.88%	652,711		156,535	\$ 496,176
Savin Copiers - 29	416,833	0.38%	-	\$ 416,833	56,591	360,242
			<u>815,967</u>	<u>416,833</u>	<u>376,382</u>	<u>856,418</u>
 <u>Lease Purchase Agreements</u>						
Curriculum Software	429,000	N/A	286,000		143,000	143,000
Computers and Network Equipment	3,643,491	N/A	2,918,491		583,698	2,334,793
Early Learning Reading Software	208,790	4.03%	170,300	-	40,087	130,213
			<u>3,374,791</u>	<u>-</u>	<u>766,785</u>	<u>2,608,006</u>
			<u>\$ 4,190,758</u>	<u>\$ 416,833</u>	<u>\$ 1,143,167</u>	<u>\$ 3,464,424</u>
					Paid by District	\$ 1,006,540
					Paid by Lessor	<u>136,627</u>
						<u>\$ 1,143,167</u>

**ENGLEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 1,819,356	-	\$ 1,819,356	\$ 1,819,356	-
Total Revenues	<u>1,819,356</u>	<u>-</u>	<u>1,819,356</u>	<u>1,819,356</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal on Bonds	1,420,000		1,420,000	1,420,000	
Interest on Bonds	<u>399,356</u>	-	<u>399,356</u>	<u>399,356</u>	\$ -
Total Expenditures	<u>1,819,356</u>	<u>-</u>	<u>1,819,356</u>	<u>1,819,356</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>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 43,208,702	\$ 43,933,457	\$ 44,046,945	\$ 43,964,694	\$ 44,417,088	\$ 45,759,867	\$ 49,130,322	\$ 52,091,654	\$ 51,463,414	\$ 51,865,522
Restricted	3,484,828	2,856,647	3,556,073	4,454,698	5,344,700	7,657,255	5,554,837	3,128,771	1,886,772	2,449,843
Unrestricted	3,235,785	4,541,220	3,219,893	6,582,791	(6,792,845)	(9,079,347)	(7,492,055)	(9,341,012)	(11,453,502)	(9,571,817)
Total governmental activities net position	<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>	<u>\$ 41,896,684</u>	<u>\$ 44,743,548</u>
Business-type activities										
Net investment in capital assets	\$ 187,557	\$ 406,418	\$ 371,442	\$ 343,208	\$ 316,668	\$ 287,014	\$ 265,682	\$ 304,313	\$ 285,707	\$ 266,931
Restricted										
Unrestricted	463,010	281,368	305,072	360,059	377,746	429,584	291,649	309,635	185,793	262,233
Total business-type activities net position	<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>	<u>\$ 471,500</u>	<u>\$ 529,164</u>
District-wide										
Net investment in capital assets	\$ 43,396,259	\$ 44,339,875	\$ 44,418,387	\$ 44,307,902	\$ 44,733,756	\$ 46,046,881	\$ 49,396,004	\$ 52,395,967	\$ 51,749,121	\$ 52,132,453
Restricted	3,484,828	2,856,647	3,556,073	4,454,698	5,344,700	7,657,255	5,554,837	3,128,771	1,886,772	2,449,843
Unrestricted	3,698,795	4,822,588	3,524,965	6,942,850	(6,415,099)	(8,649,763)	(7,200,406)	(9,031,377)	(11,267,709)	(9,309,584)
Total district net position	<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>	<u>\$ 42,368,184</u>	<u>\$ 45,272,712</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)**

	2010		2011		2012		2013		Fiscal Year Ended June 30,		2014		2015		2016		2017		2018		2019			
Expenses																								
Governmental activities																								
Instruction																								
Regular	\$	24,971,944	\$	24,602,798	\$	26,664,291	\$	26,491,866	\$	27,010,613	\$	31,555,621	\$	31,719,415	\$	36,035,396	\$	38,807,796	\$	38,807,796	\$	32,982,724	\$	32,982,724
Special education		9,000,641		9,352,301		9,442,151		9,332,744		10,734,174		12,130,980		15,035,765		17,164,703		17,421,418		17,421,418		16,079,747		16,079,747
Other instruction		2,855,352		2,794,491		2,825,646		2,613,007		2,285,360		3,229,078		4,121,522		4,370,164		4,539,034		4,539,034		4,017,584		4,017,584
School Sponsored Activities and Athletics		865,349		850,977		1,018,015		824,663		700,748		785,555		830,923		828,671		998,517		998,517		988,776		988,776
Support Services:																								
Student & instruction related services		10,247,343		9,902,460		9,435,150		9,036,130		9,458,239		10,624,960		9,679,904		10,658,722		13,785,387		13,785,387		12,663,126		12,663,126
General and business administrative services		1,365,106		1,672,468		1,996,679		1,733,224		1,746,285		1,478,589		1,487,569		1,802,680		1,487,430		1,487,430		1,742,238		1,742,238
School administrative services		2,513,812		2,678,738		3,277,947		3,114,263		2,723,280		4,005,534		4,335,052		5,641,252		5,674,070		5,674,070		4,511,873		4,511,873
Central Services		1,298,110		1,173,719		1,226,371		1,333,236		1,265,611		1,223,740		1,443,526		1,566,815		1,703,945		1,703,945		1,653,774		1,653,774
Administrative Information Technology		46,148		34,827																				
Plant operations and maintenance		7,058,751		7,603,088		7,951,854		7,121,340		7,900,369		7,964,055		7,901,477		7,937,351		7,222,916		7,222,916		7,117,329		7,117,329
Pupil transportation		3,307,184		3,208,835		2,998,695		2,901,836		2,909,844		3,121,273		3,875,295		3,909,006		4,208,372		4,208,372		4,552,643		4,552,643
Interest on long-term debt		1,079,522		1,043,463		976,817		390,267		561,397		603,301		502,731		456,212		400,829		400,829		360,062		360,062
Total governmental activities expenses		<u>64,609,262</u>		<u>64,918,165</u>		<u>67,813,616</u>		<u>64,892,576</u>		<u>67,295,920</u>		<u>76,722,686</u>		<u>80,933,179</u>		<u>90,370,972</u>		<u>96,249,714</u>		<u>96,249,714</u>		<u>86,669,876</u>		<u>86,669,876</u>
Business-type activities:																								
Food service		1,590,750		1,625,727		1,741,241		1,723,320		1,768,692		1,804,114		1,975,659		1,962,412		1,991,727		1,991,727		1,914,120		1,914,120
After school program		125,052		85,530		128,315		117,883		327,001		379,828		522,536		448,440		321		321		-		-
Total business-type activities expense		<u>1,715,802</u>		<u>1,711,257</u>		<u>1,869,556</u>		<u>1,841,203</u>		<u>2,095,693</u>		<u>2,183,942</u>		<u>2,498,195</u>		<u>2,410,852</u>		<u>1,992,048</u>		<u>1,992,048</u>		<u>1,914,120</u>		<u>1,914,120</u>
Total district expenses		<u>\$ 66,325,064</u>		<u>\$ 66,629,422</u>		<u>\$ 69,683,172</u>		<u>\$ 66,733,779</u>		<u>\$ 69,391,613</u>		<u>\$ 78,906,628</u>		<u>\$ 83,431,374</u>		<u>\$ 92,781,824</u>		<u>\$ 98,241,762</u>		<u>\$ 98,241,762</u>		<u>\$ 88,583,996</u>		<u>\$ 88,583,996</u>
Program Revenues																								
Governmental activities:																								
Charges for services:																								
Instruction	\$	100,241	\$	75,348	\$	7,563	\$	182,373	\$	123,452	\$	160,956	\$	243,932	\$	797,879	\$	846,633	\$	846,633	\$	657,847	\$	657,847
Plant Operations				228,067		203,215		193,691		320,918		429,985		302,845		369,475		330,858		330,858		511,243		511,243
Student Transportation				143,708		187,292		132,634		201,761		183,692		164,290		212,403		251,750		251,750		283,486		283,486
Operating grants and contributions		11,931,729		12,115,343		12,133,277		12,442,119		11,730,915		19,258,709		21,723,896		27,357,365		30,243,730		30,243,730		25,885,527		25,885,527
Capital grants and contributions		28,691		32,845		2,649		48,823		-		162,511		1,029,044		471,392		-		-		8,871		8,871
Total governmental activities program revenues		<u>12,060,661</u>		<u>12,595,311</u>		<u>12,533,996</u>		<u>12,999,620</u>		<u>12,377,046</u>		<u>20,195,853</u>		<u>23,464,007</u>		<u>29,208,514</u>		<u>31,672,971</u>		<u>31,672,971</u>		<u>27,346,974</u>		<u>27,346,974</u>
Business-type activities:																								
Charges for services:																								
Food service	\$	508,067	\$	455,250	\$	479,580	\$	463,425	\$	336,019	\$	336,615	\$	333,934	\$	341,712	\$	280,107	\$	280,107	\$	297,815	\$	297,815
After School Program		130,962		102,568		122,647		108,398		386,140		452,928		455,315		477,903		1,209		1,209		1,675		1,675
Operating grants and contributions		1,135,020		1,190,658		1,256,057		1,296,133		1,364,681		1,416,583		1,549,679		1,647,854		1,568,284		1,568,284		1,672,294		1,672,294
Total business type activities program revenues		<u>1,774,049</u>		<u>1,748,476</u>		<u>1,858,284</u>		<u>1,867,956</u>		<u>2,086,840</u>		<u>2,206,126</u>		<u>2,338,928</u>		<u>2,467,469</u>		<u>1,849,600</u>		<u>1,849,600</u>		<u>1,971,784</u>		<u>1,971,784</u>
Total district program revenues		<u>\$ 13,834,710</u>		<u>\$ 14,343,787</u>		<u>\$ 14,392,280</u>		<u>\$ 14,867,596</u>		<u>\$ 14,463,886</u>		<u>\$ 22,401,979</u>		<u>\$ 25,802,935</u>		<u>\$ 31,675,983</u>		<u>\$ 33,522,571</u>		<u>\$ 33,522,571</u>		<u>\$ 29,318,758</u>		<u>\$ 29,318,758</u>
Net (Expense)/Revenue																								
Governmental activities		(52,548,601)		(52,322,854)		(55,279,620)		(51,892,936)		(54,918,874)		(56,526,833)		(57,469,172)		(61,162,458)		(64,576,743)		(64,576,743)		(59,322,902)		(59,322,902)
Business-type activities		58,247		37,219		(11,272)		26,753		(8,853)		22,184		(159,267)		56,617		(142,448)		(142,448)		57,664		57,664
Total district-wide net expense		<u>\$ (52,490,354)</u>		<u>\$ (52,285,635)</u>		<u>\$ (55,290,892)</u>		<u>\$ (51,866,183)</u>		<u>\$ (54,927,727)</u>		<u>\$ (56,504,649)</u>		<u>\$ (57,628,439)</u>		<u>\$ (61,105,841)</u>		<u>\$ (64,719,191)</u>		<u>\$ (64,719,191)</u>		<u>\$ (59,265,238)</u>		<u>\$ (59,265,238)</u>

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 45,828,226	\$ 46,492,456	\$ 46,492,456	\$ 46,957,381	\$ 47,896,529	\$ 48,854,459	\$ 49,783,095	\$ 50,778,757	\$ 51,794,332	\$ 53,814,733
Property taxes levied for debt service, net	2,354,446	2,182,108	2,355,195	2,387,904	2,185,306	2,087,378	2,085,700	1,816,157	1,813,757	1,819,356
Unrestricted grants and aid	6,743,399	4,672,573	5,512,607	5,964,934	6,266,111	5,735,385	7,290,877	6,301,480	6,116,069	5,448,130
Investment earnings	91,173	93,456	38,416	79,826	99,199	58,909	55,114	34,036	40,410	52,174
Miscellaneous income	332,656	321,419	372,533	682,163	379,178	120,568	364,785	647,888	218,376	105,905
Gain/(Loss) on Disposal of Capital Assets							29,948			
Transfers										
Special Item - Change in Net Pension Liability						1,038,966	714,982	270,449	611,070	929,468
Total governmental activities	\$ 55,349,900	\$ 53,762,012	\$ 54,771,207	\$ 56,072,208	\$ 56,826,323	\$ 57,895,665	\$ 60,324,501	\$ 59,848,767	\$ 60,594,014	\$ 62,169,766
Business-type activities:										
Prior Year Receivables Cancelled										
Loss on Disposal of Capital Assets										
Transfers										
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 55,349,900	\$ 53,762,012	\$ 54,771,207	\$ 56,072,208	\$ 56,826,323	\$ 57,895,665	\$ 60,324,501	\$ 59,848,767	\$ 60,594,014	\$ 62,169,766
Change in Net Position										
Governmental activities	\$ 2,801,299	\$ 1,439,158	\$ (508,413)	\$ 4,179,272	\$ 1,907,449	\$ 1,368,832	\$ 2,855,329	\$ (1,313,691)	\$ (3,982,729)	\$ 2,846,864
Business-type activities	58,247	37,219	(11,272)	26,753	(8,853)	22,184	(159,267)	56,617	(142,448)	57,664
Total district	\$ 2,859,546	\$ 1,476,377	\$ (519,685)	\$ 4,206,025	\$ 1,898,596	\$ 1,391,016	\$ 2,696,062	\$ (1,257,074)	\$ (4,125,177)	\$ 2,904,528

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

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
					2014	2015				
General Fund										
Reserved	\$ 8,827,408									
Unreserved	640,817									
Restricted		\$ 5,864,664	\$ 8,376,381	\$ 11,691,563	\$ 12,554,465	\$ 9,917,651	\$ 8,315,037	\$ 6,148,604	\$ 4,015,111	\$ 4,917,834
Committed				260,674	790,000	396,936	395,900		613,306	
Assigned		4,426,311	855,324	953,772	816,527	167,723	930,837	546,760	545,749	712,020
Unassigned		(14,322)	(44,439)	(177,768)	(115,837)	9,235	149,773	(159,880)	159,603	(2,645)
Total General Fund	\$ 9,468,225	\$ 10,276,653	\$ 9,187,266	\$ 12,728,241	\$ 14,045,155	\$ 10,491,545	\$ 9,791,547	\$ 6,535,484	\$ 5,333,769	\$ 5,627,209
All Other Governmental Funds										
Reserved	\$ 543,068									
Unreserved	1,501,231									
Restricted		\$ 940,982	\$ 656,161	\$ 818,561	\$ 652,182	\$ 2,662,630	\$ 1,424,107	\$ 1,127,252	\$ 305,566	\$ 228,451
Assigned										
Unassigned		(101,355)	(84,553)			(85,473)	(107,301)	(102,341)	(90,003)	
Total all other governmental funds	\$ 2,044,299	\$ 839,627	\$ 571,608	\$ 818,561	\$ 652,182	\$ 2,577,157	\$ 1,316,806	\$ 1,024,911	\$ 215,563	\$ 228,451

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property Tax levy	\$ 48,182,672	\$ 48,674,564	\$ 48,847,651	\$ 49,345,285	\$ 50,081,835	\$ 50,941,837	\$ 51,868,795	\$ 52,594,914	\$ 53,608,089	\$ 55,634,089
Tuition charges	100,241	75,348	7,563	182,373	123,452	160,956	243,932	797,879	699,061	657,847
Transportation Fees		143,708	187,292	132,634	201,761	183,692	164,290	212,403	251,750	283,486
Interest earnings	91,173	93,456	38,416	79,826	99,199	58,909	55,114	34,036	40,410	52,174
Rentals	92,460	228,067	203,215	193,691	320,918	429,985	302,845	369,475	330,858	511,243
Miscellaneous	344,980	347,357	406,330	737,853	402,770	158,630	439,307	686,550	338,619	148,978
State sources	15,368,595	13,667,258	14,831,219	16,566,614	16,398,328	17,034,512	20,576,879	20,083,271	22,084,571	23,040,009
Federal sources	3,230,440	3,127,565	2,783,517	1,833,572	1,575,106	2,357,276	2,318,335	2,007,007	2,292,416	2,367,503
Total revenue	67,410,561	66,357,323	67,305,203	69,071,848	69,203,369	71,325,797	75,969,497	76,785,535	79,645,774	82,695,329
Expenditures										
Instruction										
Regular Instruction	24,998,727	24,480,064	26,430,745	26,403,174	26,505,107	27,492,007	27,085,718	28,637,463	32,334,011	29,815,527
Special education instruction	9,022,277	9,319,776	9,389,873	9,339,686	10,724,164	11,382,338	13,785,767	14,990,423	15,480,392	15,116,239
Other instruction	2,865,085	2,787,564	2,817,251	2,617,808	2,282,624	2,869,680	3,583,771	3,494,841	3,677,151	3,622,439
School Sponsored Activities and Athletics	876,834	848,397	1,015,167	825,929	700,073	803,954	850,381	848,570	971,846	994,207
Support Services:										
Tuition										
Student & inst. related services	10,315,759	9,851,567	9,398,914	9,035,419	9,448,777	10,114,041	9,312,948	9,919,284	12,063,376	12,015,077
General and business admin. Services	1,378,158	1,667,908	1,968,586	1,441,404	1,745,089	1,507,069	1,517,897	1,825,709	1,469,000	1,745,772
School administrative services	2,502,549	2,642,472	3,238,946	3,083,084	2,677,005	3,519,150	3,735,813	4,377,576	4,503,030	3,861,723
Central Services	1,320,116	1,170,096	1,222,063	1,335,782	1,264,123	1,264,821	1,496,819	1,620,809	1,642,353	1,666,761
Administrative Information Technology	46,148	34,827								
Plant operations and maintenance	5,618,870	6,104,859	6,405,593	5,582,930	6,338,353	6,430,743	6,166,399	5,983,038	5,153,973	5,079,217
Pupil transportation	3,309,544	3,171,763	2,965,697	2,872,129	2,883,257	3,103,721	3,859,967	3,893,670	4,170,734	4,528,853
Other support services										
Capital outlay	2,186,447	2,059,035	1,689,227	428,026	2,256,823	1,744,612	4,180,445	3,638,726	1,062,747	1,486,153
Debt service:										
Principal	1,654,946	1,554,603	1,579,408	1,941,825	2,125,700	2,062,132	2,086,315	1,998,200	2,721,270	2,426,540
Interest and other charges	1,101,620	1,060,636	1,084,745	794,468	669,759	660,164	609,621	535,946	479,445	447,326
Total expenditures	67,197,080	66,753,567	69,206,215	65,701,664	69,620,854	72,954,432	78,271,861	81,764,255	85,729,328	82,805,834
Excess (Deficiency) of revenues over (under) expenditures	213,481	(396,244)	(1,901,012)	3,370,184	(417,485)	(1,628,635)	(2,302,364)	(4,978,720)	(6,083,554)	(110,505)
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			473,606	124,549	1,568,020		342,015	1,430,762	4,072,491	416,833
Transfers in	11,466	6,347	303,386		4,033	2,497,255	882,644	28,270	2,372	
Transfers out	(11,466)	(6,347)	(303,386)		(4,033)	(2,497,255)	(882,644)	(28,270)	(2,372)	
Total other financing sources (uses)	-	-	543,606	417,744	1,568,020	-	342,015	1,430,762	4,072,491	416,833
Net change in fund balances	\$ 213,481	\$ (396,244)	\$ (1,357,406)	\$ 3,787,928	\$ 1,150,535	\$ (1,628,635)	\$ (1,960,349)	\$ (3,547,958)	\$ (2,011,063)	\$ 306,328
Debt service as a percentage of noncapital expenditures	4.24%	4.04%	3.95%	4.19%	4.15%	3.82%	3.64%	3.24%	3.78%	3.53%

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>
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	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
2018	699,061	36,524	8,363	101,698		330,858		251,750	108,315	1,536,569
2019	657,847	52,134				511,243		283,486	105,905	1,610,615

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
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
2018	33,139,500	3,147,176,400	758,211,900	237,550,300	259,745,000	4,435,823,100		4,435,823,100	600,090,000	5,031,924,323	1.232
2019	38,783,300	3,150,605,200	750,175,300	240,664,800	259,224,100	4,439,452,700		4,439,452,700	625,562,600	5,079,359,282	1.265

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	Overlapping Rates			Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	City of Englewood	County of Bergen	
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
2018	1.232	1.214	0.276	2.722
2019	1.265	1.247	0.277	2.789

Source: County Abstract of Ratables

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

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
CPUS%Strategic Nat'l Prop.Tax.Adv.	\$ 90,000,000	2.03%		
Englewood Redevelopment			\$ 129,000,000	2.44%
Englewood Terrace LLC	42,300,000	0.95%	34,250,000	0.65%
SHG Englewood South I LLC	40,560,000	0.91%	34,461,200	0.65%
SHG Englewood South II LLC	27,339,700	0.62%	29,393,400	0.56%
SHG Englewood South III LLC	23,318,700	0.53%		
S Van Brunt Invest, LLC			20,616,400	0.39%
Mistral Realty Holdings II LLC	19,540,400	0.44%		
Rockwood Property Holding, LLC	14,500,000	0.33%	19,738,600	0.37%
Flatrock 3 LLC			17,989,800	0.34%
Treeco Palisades Court	15,342,500	0.35%		
Englewood Village LLC	15,000,000	0.34%	16,103,400	0.30%
SH729-744 LLC	14,250,000	0.32%		
Seol Shik Poom, Inc.			15,240,000	0.29%
Lackland Partners			14,413,900	0.27%
	<u>\$ 302,151,300</u>	<u>6.81%</u>	<u>\$ 331,206,700</u>	<u>6.26%</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	
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%	
2018	53,608,089	52,655,113	98.22%	952,976
2019	55,634,089	50,997,915	91.67%	4,636,174

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/Lease Purchase Agreements			
2010	\$ 21,678,000	\$ 540,007	\$ 22,218,007	27,135	\$ 819
2011	20,358,000	305,404	20,663,404	27,286	757
2012	19,059,000	568,602	19,627,602	27,669	709
2013	16,934,000	486,325	17,420,325	27,745	628
2014	15,399,000	1,463,645	16,862,645	28,087	600
2015	13,826,000	974,513	14,800,513	28,169	525
2016	12,215,000	736,975	12,951,975	28,136	460
2017	10,905,000	1,479,537	12,384,537	28,646	432
2018	9,545,000	4,190,758	13,735,758	28,624	480
2019	8,125,000	3,464,424	11,589,424	28,624 (E)	405

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			
2010	\$ 21,678,000		\$ 21,678,000	0.49%	\$ 799
2011	20,358,000		20,358,000	0.46%	746
2012	19,059,000		19,059,000	0.44%	689
2013	16,934,000	\$ 172,374	16,761,626	0.39%	604
2014	15,399,000	172,385	15,226,615	0.35%	542
2015	13,826,000	86,198	13,739,802	0.32%	488
2016	12,215,000		12,215,000	0.28%	434
2017	10,905,000		10,905,000	0.25%	381
2018	9,545,000		9,545,000	0.22%	333
2019	8,125,000		8,125,000	0.18%	284

Source: District records

ENGLEWOOD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
(Unaudited)

	<u>Total Debt</u>
Municipal Debt:	
City of Englewood	\$ 89,749,594
Englewood Board of Education (June 30, 2019)	<u>8,125,000</u>
	<u>97,874,594</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	40,717,907
Bergen County Utilities Authority - Wastewater (B)	<u>8,200,788</u>
	<u>48,918,695</u>
 Total Direct and Overlapping Debt	 <u>\$ 146,793,289</u>

Source:
Borough of Englewood's 2018 Annual Debt Statement
County of Bergen's 2018 Annual Debt Statement
Bergen County Utilities Authority's 2018 Annual Audit

(A) The debt for this entity was apportioned to Englewood by dividing the municipality's 2018 equalized value by the total 2018 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 2019

	Equalized valuation basis
2018	\$ 5,037,273,563
2017	4,961,470,397
2016	<u>4,807,455,643</u>
	<u>\$ 14,806,199,603</u>
Average equalized valuation of taxable property	\$ 4,935,399,868
Debt limit (4% of average equalization value)	197,415,995
Total Net Debt Applicable to Limit	<u>8,125,000</u>
Legal debt margin	<u>\$ 189,290,995</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 214,248,132	\$ 218,185,617	\$ 212,706,117	\$ 203,831,896	\$ 194,951,596	\$ 189,995,581	\$ 187,636,471	\$ 188,924,496	\$ 192,834,298	\$ 197,415,995
Total net debt applicable to limit	<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>	<u>9,545,000</u>	<u>8,125,000</u>
Legal debt margin	<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>	<u>\$ 183,289,298</u>	<u>\$ 189,290,995</u>
Total net debt applicable to the limit as a percentage of debt limit	9.24%	8.60%	8.31%	7.80%	7.54%	7.09%	6.51%	5.77%	4.95%	4.12%

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>
2010	27,135	\$ 65,992	8.2%
2011	27,286	68,865	9.0%
2012	27,669	71,789	9.4%
2013	27,745	71,100	7.6%
2014	28,087	73,637	5.8%
2015	28,169	76,821	5.1%
2016	28,136	77,901	4.5%
2017	28,646	81,203	4.3%
2018	28,624	81,203 (E)	4.3%
2019	28,624 (E)	81,203 (E)	3.7% (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>2019</u>		<u>2010</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)

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	301.0	216.0	216.0	225.0	251.0	256.0	262.0	257.0	252.0	241.0
Special Education	13.0	92.0	109.0	118.0	147.0	42.0	41.0	46.0	47.0	55.0
Support Services:										
Student & instruction related services	72.0	76.0	66.0	73.0	27.0	51.0	62.0	61.0	59.0	57.0
School administrative services	26.0	23.0	23.0	28.0	25.0	25.0	14.0	14.0	14.0	14.0
General and business administrative services	18.0	18.0	17.0	16.0	18.0	22.0	18.0	17.0	16.0	16.0
Plant operations and maintenance	17.0	17.0	18.0	19.0	2.0	2.0	2.0	2.0	2.0	2.0
Pupil transportation	12.0	17.0	16.0	17.0	5.0	5.0	5.0	5.0	5.0	5.0
Food Service										
Total	459.0	459.0	465.0	496.0	475.0	403.0	404.0	402.0	395.0	390.0

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
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%
2018	3,010	81,465,866	27,065	10.99%	299	1:10	1:8	1:11	3,008.9	2,823.8	-2.51%	93.85%
2019	3,021	78,445,815	25,967	-4.06%	299	1:9	1:10	1:10	2,994.9	2,812.8	-0.47%	93.92%

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
<u>Elementary</u>										
Quarles Elementary (1958)										
Square Feet	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	376	353	385	438	450	466	487	487	399	428
Cleveland/McCloud Elementary (1935)										
Square Feet	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	565	503	564	569	563	549	553	553	570	595
Lincoln/Grieco Elementary (1915)										
Square Feet	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	553	564	541	574	579	589	606	606	598	381
Liberty Elementary (1901)										
Square Feet	41,150	41,150	41,150	41,150	41,150	41,150	41,150			
Capacity (students)	60	60	60	60	60	60	60			
Enrollment	-	41	-	-	-	-	-			
<u>Middle School</u>										
Janis Dismus School (1968)										
Square Feet	94,680	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	380	377	404	388	386	412	422	422	361	574
<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	1,013	1,001	1,038	1,085	1,002	1,068	1,064	1,064	1,082	1,043
<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, 2019										
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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Quarles Elementary	\$ 94,151	\$ 103,039	\$ 75,683	\$ 50,776	\$ 58,390	\$ 54,854	\$ 54,356	\$ 59,558	\$ 47,749	\$ 40,137
McCloud Elementary	75,322	82,432	60,548	40,621	46,712	96,502	95,627	104,777	84,003	70,611
Grieco Elementary	103,567	113,343	83,252	55,853	64,228	92,440	91,601	100,365	80,466	67,638
Liberty School	84,736	92,735	68,115	45,698	52,550					-
Middle School	188,304	206,079	151,368	101,552	116,779	96,177	95,305	104,424	83,720	70,373
High School	395,437	432,765	279,404	187,451	212,616	192,232	196,788	219,004	179,590	150,960
Vince Lombardi Center	-	-	38,467	25,807	32,620	31,490	-	-	27,412	23,042
Total School Facilities	\$ 941,518	\$ 1,030,393	\$ 756,837	\$ 507,758	\$ 583,895	\$ 563,695	\$ 533,677	\$588,128	\$ 502,940	\$ 422,761

Source: District Records

**ENGLEWOOD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2019
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Blanket Real and Personal Property (All Locations)		
Limits of Liability per occurrence	\$ 500,000,000	\$ 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
PAUL J. LERCH, CPA, RMA, PSA
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JULIUS B. CONSONI, CPA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
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RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of 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, 2019 and the related notes to the financial statements, which collectively comprise the Englewood Board of Education’s basic financial statements and have issued our report thereon dated December 16, 2019

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Englewood Board 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Englewood Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 16, 2019.

Purpose of this Report

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

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 16, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of 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, 2019. 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, 2019.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, 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 Englewood Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 16, 2019, 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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 16, 2019

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018			Accounts Receivable Carryover Amount	Deferred Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments Accounts Receivable	Adjustments Deferred Revenues	Cancelled Prior Year Enc/AP	Refund of Prior Years' Balances	Balance, June 30, 2019			MEMO GAAP Receivable	
						(Accounts Receivable	Deferred Revenue	Due to Grantor									(Account Receivable)	Deferred Revenue	Due to Grantor		
U.S. Department of Agriculture Passed-through State Department of Education																					
National School Lunch Program	10.555		N/A																		
Cash Assistance		191N304N1099		7/1/18-6/30/19	\$ 1,023,335					\$ 825,874	\$ 1,023,335					\$ (197,461)				\$ (197,461)	
Cash Assistance		181N304N1099		7/1/17-6/30/18	973,346	\$ (79,229)				79,229											
Cash Assistance - PB Lunch		191N304N1099		7/1/18-6/30/19	22,739					18,426	22,739					(4,313)				(4,313)	
Cash Assistance - PB Lunch		181N304N1099		7/1/17-6/30/18	22,880	(1,839)				1,839											
Non-Cash Assistance (Food Distribution)		191N304N1099		7/1/18-6/30/19	140,375					140,375	140,375										
Non-Cash Assistance (Food Distribution)		181N304N1099		7/1/17-6/30/18	155,835		\$ 349			349											
School Breakfast program	10.553	191N304N1099		7/1/18-6/30/19	315,234					249,793	315,234					(65,441)				(65,441)	
School Breakfast program	10.553	181N304N1099		7/1/17-6/30/18	285,619	(23,231)				23,231											
After School Snack Program	10.558	191N304N1099		7/1/18-6/30/19	126,423					101,122	126,423					(25,301)				(25,301)	
After School Snack Program	10.558	181N304N1099		7/1/17-6/30/18	109,898	(15,495)				15,495											
School Meals Equipment	10.579	191N354N8103		4/1/19-9/30/21	31,176						25,025					(25,025)				(25,025)	
Total U.S. Department of Agriculture/Child Nutrition Cluster						(119,794)	349			1,455,384	1,653,480					(317,541)				(317,541)	
U.S. Department of Health and Human Services General Fund																					
Medicaid Assistance Program-	93.778	190SNJSMAP	N/A	7/1/18-6/30/19	140,843					140,843	140,843										
Medicaid Assistance Program	93.778	180SNJSMAP	N/A	7/1/17-6/30/18	196,235	(5,837)				5,837											
Total U.S. Department of Health and Human Services						(5,837)				146,680	140,843										
U.S. Department of Education Passed-through State Department of Education																					
Special Revenue Fund																					
LD.E.L.A Part B, Basic Regular	84.027	H027A180100	FT-3870-19	7/1/18-6/30/19	1,058,454			\$ (673,886)	\$ 673,886	753,209	1,022,947					(979,131)	\$ 709,393			(269,738)	
LD.E.L.A Part B, Basic Regular	84.027	H027A170100	FT-3870-18	7/1/17-6/30/18	1,021,744	(812,594)	673,886	673,886	(673,886)	138,708											
LD.E.L.A Part B, Basic Regular	84.027	H027A160100	FT-3870-17	7/1/16-6/30/17	1,046,436		\$ 4,720											\$ 4,720			
LD.E.L.A Preschool	84.173	H173A180114	PS-3870-19	7/1/18-6/30/19	40,247			(551)	551	38,247	38,247					(2,551)	2,551				
LD.E.L.A Preschool	84.173	H173A170114	PS-3870-18	7/1/17-6/30/18	38,769	(2,551)	551	551	(551)	2,000											
Special Education Cluster(IDEA)						(815,145)	674,437	4,720		932,164	1,061,194					(981,682)	711,944	4,720		(269,738)	
NCLB/ESEA																					
Title III	84.365	S365A180030	ESEA-3510-19	7/1/18-6/30/19	57,236			(34,970)	34,970	38,161	51,056					(54,045)	41,150			(12,895)	
Title III	84.365	S365A170030	ESEA-3510-18	7/1/17-6/30/18	50,186	(48,919)	34,970	34,970	(34,970)	13,949					\$ 162			162			
Title III	84.365	S365A160030	NCLB-3510-17	7/1/16-6/30/17	78,988														3		
Title III Immigrant	84.365	S365A180030	ESEA-3510-19	7/1/18-6/30/19	17,402			(16,329)	16,329	22,680						(33,731)	11,051			(22,680)	
Title III Immigrant	84.365	S365A170030	ESEA-3510-18	7/1/17-6/30/18	16,329	(18,329)	16,329	16,329	(16,329)	2,000											
Title III Cluster						(67,248)	51,299	3		54,110	73,736					(87,776)	52,201	165		(35,575)	
Title I	84.010	S010A180030	ESEA-3510-19	7/1/18-6/30/19	839,157			(125,038)	125,038	671,392	854,853					(292,803)	109,342			(183,461)	
Title I	84.010	S010A170030	ESEA-3510-18	7/1/17-6/30/18	833,589	(524,933)	125,038	125,038	(125,038)	399,895					10,206			10,206			
Title I	84.010	S010A160030	NCLB-3510-17	7/1/16-6/30/17	821,205															1,154	
Title I SIA	84.010	S2010A180030	ESEA-3510-19	7/1/18-6/30/19	32,800			(89,812)	89,812	31,766	92,393					(90,846)	30,219			(60,627)	
Title I SIA	84.010	S2010A170030	ESEA-3510-18	7/1/17-6/30/18	89,812	(89,812)	89,812	89,812	(89,812)												
Title I Reallocated	84.010	S2010A180030	ESEA-3510-19	7/1/18-6/30/19	42,304					4,632						(42,304)	37,672			(4,632)	
Title I Cluster						(614,745)	214,850	1,154		1,103,053	951,878					(425,953)	177,233	11,360		(248,720)	
Title II A	84.367A	S367A180029	NCLB-3510-19	7/1/18-6/30/19	174,200			(37,176)	37,176	51,866	117,481					(159,510)	93,895			(65,615)	
Title II A	84.367A	S367A170029	NCLB-3510-18	7/1/17-6/30/18	138,390	(53,711)	37,171	37,176	(37,176)	16,535											
Title II A	84.367A	S367A160029	NCLB-3510-17	7/1/16-6/30/17	161,087														352		
IDEA Basic -ARRA	84.391		ARRA-3510-10	9/1/09-8/31/11	1,206,507	(5,282)										(5,282)				(5,282)	
IDEA Preschool -ARRA	84.392		ARRA-3510-10	9/1/09-8/31/11	43,487	(482)										(482)				(482)	
Project Image	84.293B			9/1/11-8/31/12	269,870	(28,122)										(28,122)				(28,122)	
Perkins Grant	84.048A	V048A180030	PERK-3510-19	7/1/18-6/30/19	35,623					16,074	12,666								3,408		
Perkins Grant	84.048A	V048A170030	PERK-3510-18	7/1/17-6/30/18	31,990	(14,895)	4,993			9,902			\$ 4,993	(4,993)	3,695				3,695		
Total U.S. Department of Education						(1,599,630)	982,750	6,229		2,183,704	2,216,955	4,993	(4,988)	14,063		(1,688,807)	1,035,273	23,700		(633,534)	
Total Federal Awards						\$ (1,725,261)	\$ 983,099	\$ 6,229	\$ -	\$ -	\$ 3,785,768	\$ 4,011,278	\$ 4,993	\$ (4,988)	\$ 14,063	\$ -	\$ (2,006,348)	\$ 1,035,273	\$ 23,700	\$ -	\$ (971,075)

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

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018			Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Prior Year Enc/AP	Refund of Prior Years' Balances	Adjustments	Balance, June 30, 2019			Memo		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor							(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education																		
General Fund:																		
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	\$ 4,881,888					\$ 4,467,877	\$ 4,881,888				\$ (414,011)			*	\$ 4,881,888	
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	4,324,509	(356,228)				356,228								*	-	
Categorical Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	2,192,419					2,006,490	2,192,419				(185,929)			*	2,192,419	
Categorical Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	1,813,061	(149,350)				149,350								*	-	
Categorical Security Aid	19-495-034-5120-084	7/1/18-6/30/19	1,201,342					1,099,462	1,201,342				(101,880)			*	1,201,342	
Categorical Security Aid	18-495-034-5120-084	7/1/17-6/30/18	977,741	(80,541)				80,541								*	-	
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19	535,621					490,197	535,621				(45,424)			*	535,621	
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	1,097,129	(90,375)				90,375								*	-	
Additional Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	497,070	(40,946)				40,946								*	-	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	30,440	(2,507)				2,507								*	-	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	30,440	(2,507)				2,507								*	-	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	31,070	(2,559)				2,559								*	-	
Total State Aid Public Cluster				(725,013)				8,789,039	8,811,270				(747,244)			*	8,811,270	
Categorical Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	830,412					759,989	830,412				(70,423)			*	830,412	
Categorical Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	687,644	(56,644)				56,644								*	-	
Nonpublic School Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	83,718					83,718					(83,718)			*	\$ (83,718)	
Nonpublic School Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	93,467	(93,467)				93,467								*	83,718	
Total Transportation Aid Cluster				(150,111)				910,100	914,130				(154,141)			*	(83,718)	
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	1,042,023						1,042,023				(1,042,023)			*	1,042,023	
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	853,034	(853,034)				853,034								*	-	
Homeless Tuition Reimbursement	18-495-034-5120-005	7/1/17-6/30/18	147,572	(147,572)				147,572								*	-	
TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	1,814,954					1,637,601	1,814,954				(177,353)			*	(177,353)	
TPAF Social Security Contribution	18-495-034-5094-003	7/1/17-6/30/18	1,927,181	(190,532)				190,532								*	1,814,954	
On-Behalf TPAF Contributions																*	-	
Pension Benefit Contribution	19-495-034-5094-002	7/1/18-6/30/19	5,129,827					5,129,827	5,129,827							*	5,129,827	
Pension NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	107,381					107,381	107,381							*	107,381	
Post Retirement Medical Contribution	19-495-034-5094-001	7/1/18-6/30/19	2,375,589					2,375,589	2,375,589							*	2,375,589	
Long-Term Disability Insurance Contrib.	19-495-034-5094-004	7/1/18-6/30/19	6,682					6,682	6,682							*	6,682	
Total General Fund				(2,066,262)				20,147,357	20,201,856				(2,120,761)			*	(261,071)	
Special Revenue Fund																		
New Jersey Non-Public Aid																		
Auxiliary Services																		
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	14,382					14,382	10,660								*	10,660
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	22,589			\$ 4,606							\$ 4,606			*	-	
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	12,079					12,079	6,816							*	6,816	
English as a Second Language	18-100-034-5120-067	7/1/17-6/30/18	7,588			903							903			*	-	
Home Instruction	19-100-034-5120-067	7/1/18-6/30/19	1,893						1,893				(1,893)			*	(1,893)	
Total Non Public Aux. Service Aid (Chap. 192) Cluster						5,509		26,461	19,369				(1,893)			*	(1,893)	
Handicapped Services																*	-	
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	133,960					133,960	130,869							*	130,869	
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	119,225			1,824							1,824			*	-	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	101,422					101,422	93,655							*	93,655	
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	91,869			11,160							11,160			*	-	
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	105,147					105,147	97,777							*	97,777	
Supplementary Instruction	18-100-034-5120-066	7/1/17-6/30/18	98,803			6,661							6,661			*	-	
Total Non Public Hand. Service Aid (Chap. 193) Cluster						19,645		340,529	322,301							*	322,301	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	91,741					91,741	79,900							*	79,900	
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	96,961				18,765						18,765			*	-	
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	102,714				62						62			*	-	
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	104,151				1,296						1,296			*	-	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	193,806					193,806	193,759							*	193,759	
Nursing Services	18-100-034-5120-070	7/1/17-6/30/18	197,492			871							871			*	-	
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	181,080			217							217			*	-	
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	61,848					61,848	56,850							*	56,850	
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	65,490			3,021							3,021			*	-	
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	47,424										309			*	-	
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	299,700					299,700	273,422							*	273,422	
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	152,700			40,966							40,966			*	-	
Preschool Education Aid	19-495-034-5120-086	7/1/18-6/30/19	2,458,647					2,212,782	2,167,533	\$ 455			(245,865)	\$ 443,775		*	2,167,533	
Preschool Education Aid	18-495-034-5120-086	7/1/17-6/30/18	2,422,093	(242,209)	\$ 152,206			(152,206)	242,209							*	-	
Targeted At Risk Aid - 217	08	7/1/07-6/30/08	817,000													*	7,790	
Character ED	06-495-034-5120-053	7/1/05-6/30/08	26,494													*	26,494	
LEADS Grant		7/1/06-6/30/07	41,200													*	22,589	
Total Special Revenue Fund				(242,209)	209,079	90,661		3,469,076	3,113,134	455	90,599		(247,758)	500,648	70,439	*	(1,893)	

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

**ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018			Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Prior Year Enc/AP	Refund of Prior Years' Balances	Adjustments	Balance, June 30, 2019			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)	-	-	-	\$ 807,996	-	-	-	-	\$ (854,951)	-	-	\$ (854,951)	-
NJSDA - DMHS Steam Heating - Phase 2	1370-040-14-1001	3/17/14-6/30/16	807,996	(807,996)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Projects Fund/SDA Cluster				<u>(1,662,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(854,951)</u>	<u>-</u>	<u>-</u>	<u>(854,951)</u>	<u>-</u>
Enterprise Fund																	
National School Lunch (State Share)	19-100-010-3350-023	7/1/18-6/30/19	20,467	-	-	-	-	16,579	\$ 20,467	-	-	-	(3,888)	-	-	(3,888)	\$ 20,467
National School Lunch (State Share)	18-100-010-3350-023	7/1/17-6/30/18	20,541	(1,653)	-	-	-	-	-	-	\$ 1,653	-	-	-	-	-	-
Total Enterprise Fund				<u>(1,653)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,579</u>	<u>20,467</u>	<u>-</u>	<u>-</u>	<u>1,653</u>	<u>(3,888)</u>	<u>-</u>	<u>-</u>	<u>(3,888)</u>	<u>20,467</u>
Total State Financial Assistance Subject to Single Audit Determination				<u>(3,973,071)</u>	<u>\$ 209,079</u>	<u>\$ 90,661</u>	<u>-</u>	<u>24,441,008</u>	<u>23,335,457</u>	<u>\$ 455</u>	<u>\$ 90,599</u>	<u>\$ 1,653</u>	<u>(3,227,358)</u>	<u>\$ 500,648</u>	<u>\$ 70,439</u>	<u>(1,121,803)</u>	<u>23,335,457</u>
State Financial Assistance Not Subject to Single Audit Determination																	
General Fund																	
On-Behalf TPAF Contributions																	
Pension Benefit Contribution	19-495-034-5094-002	7/1/18-6/30/19	5,129,827	-	-	-	-	(5,129,827)	(5,129,827)	-	-	-	-	-	-	-	(5,129,827)
Pension NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	107,381	-	-	-	-	(107,381)	(107,381)	-	-	-	-	-	-	-	(107,381)
Post Retirement Medical Contribution	19-495-034-5094-001	7/1/18-6/30/19	2,375,589	-	-	-	-	(2,375,589)	(2,375,589)	-	-	-	-	-	-	-	(2,375,589)
Long-Term Disability Insurance Contrib.	19-495-034-5094-004	7/1/18-6/30/19	6,682	-	-	-	-	(6,682)	(6,682)	-	-	-	-	-	-	-	(6,682)
Total State Financial Assistance Utilized for Calculation to Determine Major Program				<u>\$ (3,973,071)</u>	<u>\$ 209,079</u>	<u>\$ 90,661</u>	<u>\$ -</u>	<u>\$ 16,821,529</u>	<u>\$ 15,715,978</u>	<u>\$ 455</u>	<u>\$ 90,599</u>	<u>\$ 1,653</u>	<u>\$ (3,227,358)</u>	<u>\$ 500,648</u>	<u>\$ 70,439</u>	<u>\$ (1,121,803)</u>	<u>\$ 15,715,978</u>

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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, 2019**

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 \$224,999 for the general fund and a decrease of \$39,960 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	\$ 140,843	\$ 19,976,857	\$ 20,117,700
Special Revenue Fund	2,226,660	3,063,152	5,289,812
Food Service Fund	<u>1,653,480</u>	<u>18,814</u>	<u>1,672,294</u>
Total Financial Assistance	<u>\$ 4,020,983</u>	<u>\$ 23,058,823</u>	<u>\$ 27,079,806</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, 2019****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 \$1,814,954 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$5,237,208, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,375,589 and TPAF Long-Term Disability Insurance in the amount of \$6,682 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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, 2019

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

- (1) Material weakness(es) identified? yes X no
- 2) Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A170100</u>	<u>IDEA Part B</u>
<u>84.173</u>	<u>H173A170114</u>	<u>IDEA Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
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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, 2019**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

ENGLEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 STATE AWARDS

There are none.

**ENGLEWOOD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 2018-001

Condition

- Purchases and contracts in excess of the bid threshold that were awarded through National Cooperative purchase agreements were not in accordance with the Local Public Contracts Law.
- Amounts charged per vendor invoices for the purchase of tools, hardware and supplies and for labor and material related to security and locksmith services were not verified to approved State contract and ED Data rates.
- The Office of State Comptroller was not notified of one contract awarded for District computers and networking equipment in the amount of \$3.6 million.

Current Status

Corrective action has been taken.

Finding 2018-002

Condition

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

Current Status

Corrective action has been taken.