

**ENGLEWOOD BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Englewood Board of Education for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 17, 2015.

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

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

Respectfully submitted,

Lerch, Vinci & Higgins, LLP

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 17, 2015

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Official Bonds

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

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

Tuition Charges

A comparison of tentative tuition charges was made.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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

- **Finding** – Certain payrolls tested were not approved by the Superintendent and were not certified by the President of the Board and the Board Secretary.

Recommendation –Payrolls be approved by the Superintendent and certified by the President of the Board and the Board Secretary prior to payment.

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

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

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

- **Finding (CAFR Finding 2015-001)** – Our audit of outstanding purchase orders revealed the following:
 - Prior year cancelled and reclassified purchase orders remained open in the computer system.
 - Certain purchase order balances classified as accounts payable were deemed overstated or invalid at year end.
 - Certain purchase orders classified as encumbrances were determined to be accounts payable
 - Certain unrecorded balances for June services deemed to be accounts payable were noted in the General Fund.

Recommendation - Purchase orders be reviewed at year end to determine that the appropriate amounts are outstanding, are properly classified as an accounts payable or reserved for encumbrances, or otherwise cancelled.

Classification of Expenditures

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

Board Secretary's Records

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

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

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

- **Finding (CAFR Finding 2015-002)** – Our review of the Capital Projects Fund revealed certain project costs were not funded by the District at June 30, 2015 in the amount of \$454,795.

Recommendation – Appropriate action be taken to provide funding for the unfunded project costs that exist at year end in the Capital Projects Fund.

- **Finding** – It was noted that the General Fund modified budget as reported in the District's financial records was not in agreement with the total of the original budget and reappropriation of prior year encumbrances by approximately \$330,000.

Recommendation – Internal control procedures be enhanced to ensure the General Fund modified budget appropriations as reported in the District's financial records are reconciled to and in agreement with supporting documentation.

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

- **Finding** – Our audit of the athletic scholarship account revealed the following:
 - A formal bank reconciliation was not completed.
 - Supporting documentation was not available for scholarship awards.
 - Checks contained only one authorized signature.
 - Scholarship checks are not approved in the minutes.

Recommendation – Internal control procedures be developed and implemented for the athletic scholarship account.

- **Finding** – Our audit revealed that certain liabilities have been accrued for unused vacation days for non-guide employees, for which there appears to be no approved Board policy or employment contracts.

Recommendation - The District approve a policy related to the accrual of unused vacation days for non-guide employees.

Treasurer's Records

The Treasurer did perform reconciliations for all required accounts.

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

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

Unemployment Compensation Insurance Trust Fund

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

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

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

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

Other Special Federal and/or State Projects

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

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

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

- **Finding (CAFR Finding 2015-004)** – Our audit of Extraordinary Aid revealed that the intensive related service reported for certain students on the application for State Extraordinary Aid was not included in the students Individual Education Plan (IEP).

Recommendation - Internal control procedures be reviewed and revised to ensure student IEP's specifically identify intensive related services reported on the application for State Extraordinary Aid.

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

T.P.A.F. Reimbursements

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

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

The amount of expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,300.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the board of education may establish that the bid threshold may be up to \$36,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has designated the Business Administrator as the qualified purchasing agent.

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

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

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

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

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

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

- **Finding (CAFR Finding 2015-003)** – Our audit of purchases and procedures related to compliance with the Public School Contracts Law revealed the following:
 - Purchasing requirements that apply to national cooperative contract awards were not in compliance with the Public School Contracts Law.
 - Professional service contract award was not subsequently advertised.
 - Certain contract awards in excess of the bid threshold were not approved in the minutes.
 - Certain contract information was not available to support purchases made through State and cooperative purchasing contracts.
 - Aggregate purchases in excess of the bid threshold for musical instruments and bleacher repairs were not publicly advertised for bids.

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

- **Finding** – Our audit revealed that amounts paid to certain vendors exceeded the original amounts approved by resolution.

Recommendation –Additional services and change orders to original contract awards be approved by Board resolution.

Food Service Fund

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

Cash receipts and bank records were reviewed for timely deposit.

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

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

Applications for free and reduced price meals were reviewed for completeness and accuracy. The free and reduced price meal policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

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

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

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Food Service Fund (Continued)

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

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

- **Finding** – Sales per the Food Service Management Company’s operating statements exceeded sales per the District’s records by approximately \$108,000 for the current year.

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

- **Finding** – We noted accounts receivable balances in the amount of \$112,451 due from students in the Food Service Fund at June 30, 2015.

Recommendation – A review be made of the student accounts receivable in the Food Service Fund and uncollectible amounts be cleared of record.

The Department of Agriculture, Division of Food and Nutrition, conducted a review of the food service programs at Dismuss Middle School and Quarles Elementary School.

The findings noted in the report were as follows:

- Free and reduced price meal applications were incomplete or incorrectly approved or denied.
- Confirmation review of meal applications was not conducted.
- Verification process of meal applications was not completed by November 15.
- Meal counting system did not provide accurate counts at point of service (or an approved alternate).

The District approved a corrective action plan to address the findings noted in the State’s Food Service monitoring report. The District must continue to monitor the approved corrective action plan to ensure each finding has been properly addressed.

After School and Summer Child Care Programs

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

- **Finding** – Our audit of the After School and Summer Child Care Programs revealed the following:
 - Summer program registration forms were not made available for audit. Monthly reports of amounts collected were not prepared by program personnel and filed with the Business Office.
 - Detailed rosters by fee category for the After School Program and class type for the Summer Program were not available for audit.

Recommendation – Although improvements were noted, continued efforts be made over the implementation of revenue collection and reporting procedures in the After School and Summer Child Care Programs.

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Student Body Activities

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

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

Finding – Our audit of the student activity accounts revealed the following:

- Athletic Account
 - A cash receipts and cash disbursements journal was not maintained.
 - Formal bank reconciliations were not prepared.
 - Game summary worksheets reconciling tickets sold were not in agreement in two instances with amounts deposited.
 - Deposits were not made in a timely manner.
 - Payment authorization forms are not utilized.
 - Supporting documentation was not available for certain disbursements.

- McCloud Elementary
 - Pre-numbered receipts were not issued for monies collected.

Recommendation –The District develop and implement standardized financial reporting and internal control procedures related to the financial transactions of the athletic account. In addition, prenumbered receipts be issued for monies collected in the McCloud Elementary School.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and limited English proficient. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Facilities and Capital Assets

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

**ENGLEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Management Suggestion

- The prior year deferred state aid revenue in the General Fund in the amount of \$127,252 should be anticipated in the 2016/2017 budget.
- Old outstanding checks in the General Fund and Trust and Agency Funds be reviewed and cleared of record.
- In accordance with NJAC 6A:23A-5.2(a)(3), the District should approve a resolution or memorandum to acknowledge that the District exceeds 130% of the statewide average for legal costs and to implement specific internal controls for the reduction of costs or to provide evidence that such procedures would not result in a reduction of costs.

Follow-up Prior Year Findings

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

**ENGLEWOOD BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch (Regular Rate)	Paid	101,079	44,995	44,995	
	Reduced	42,280	18,899	18,899	
	Free	<u>251,474</u>	<u>113,480</u>		<u>113,480</u>
		<u>394,833</u>	<u>177,374</u>	<u>63,894</u>	<u>113,480</u>
National School Breakfast (Regular Rate)	Paid	16,502	7,936	7,936	
	Reduced	11,286	5,197	5,197	
	Free	<u>108,768</u>	<u>46,718</u>		<u>46,718</u>
		<u>136,556</u>	<u>59,851</u>	<u>13,133</u>	<u>46,718</u>
School Snacks (Regular Rate)	Free	<u>91,145</u>	<u>43,784</u>		<u>43,784</u>
		<u>91,145</u>	<u>43,784</u>	<u>-</u>	<u>43,784</u>
		<u>622,534</u>	<u>281,009</u>	<u>77,027</u>	<u>203,982</u>

ENGLEWOOD BOARD OF EDUCATION

NET CASH RESOURCE SCHEDULE

Net cash resources did not exceed three months of expenditures
 Proprietary Funds - Food Service
 FYE 2015

		Food Service B - 4/5		
<u>Net Cash Resources:</u>				
CAFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$ 94,584	
B-4		Due from Other Gov'ts	280,934	
B-4		Accounts Receivable		
CAFR		Current Liabilities		
B-4		Less Accounts Payable	(93,103)	
B-4		Less Due to Other Funds		
B-4		Less Deferred Revenue	(9,614)	
		Net Cash Resources	\$ 272,801	(A)
<u>Net Adj. Total Operating Expense:</u>				
B-5		Tot. Operating Exp.	1,804,114	
B-5		Less Depreciation	(32,435)	
		Adj. Tot. Oper. Exp.	\$ 1,771,679	(B)
<u>Average Monthly Operating Expense:</u>				
		B / 10	\$ 177,168	(C)
<u>Three times monthly Average:</u>				
		3 X C	\$ 531,504	(D)

TOTAL IN BOX A	\$ 272,801
LESS TOTAL IN BOX D	\$ (531,504)
NET	\$ (258,703)

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

SOURCE - USDA resource management comprehensive review form

**ENGLEWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014
SCHEDULE OF AUDITED ENROLLMENTS**

	2015-2016 Application for State School Aid						Sample for Verification						Private Schools for Disabled						
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on	Reported on	Sample				
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as	Private	Private	for	Sample	Sample	
	On Roll	On Roll	On Roll	On Roll	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private	Private	Verifi-	Sample	Sample
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	Schools	cation	Verified	Errors	
Full Day Preschool 3 Years Old	2		2		-			2		2		-		-		-	-	-	-
Full Day Preschool 4 Years Old	176		176		-			176		176		-		-		-	-	-	-
Full Day Kindergarten	191		191		-			191		191		-		-		-	-	-	-
Grade 1	181		181		-			181		181		-		-		-	-	-	-
Grade 2	179		179		-			179		179		-		-		-	-	-	-
Grade 3	166		166		-			166		166		-		-		-	-	-	-
Grade 4	158		158		-			158		158		-		-		-	-	-	-
Grade 5	145		145		-			145		145		-		-		-	-	-	-
Grade 6	174		174		-			174		174		-		-		-	-	-	-
Grade 7	177		177		-			177		177		-		-		-	-	-	-
Grade 8	176		176		-			176		176		-		-		-	-	-	-
Grade 9	257		257		-			257		257		-		-		-	-	-	-
Grade 10	252	4	252	4	-			252	4	252	4	-		-		-	-	-	-
Grade 11	242		242		-			242		242		-		-		-	-	-	-
Grade 12	234		234		-			234		234		-		-		-	-	-	-
Post- Graduate					-	-						-	-	-		-	-	-	-
Adult High School (15+ Credits)					-	-						-	-	-		-	-	-	-
Adult High School (1-14 Credits)					-	-						-	-	-		-	-	-	-
Subtotal	2,710	4	2,710	4	-	-		2,710	4	2,710	4	-	-	-		-	-	-	-
Sp Ed - Elementary	205		205		-			205		205		-		4	4	3	3	-	-
Sp Ed - Middle School	74		74		-			74		74		-		7	7	6	6	-	-
Sp Ed - High School	119		119		-			119		119		-		13	13	12	12	-	-
Subtotal	398	-	398	-	-	-		398	-	398	-	-	-	24	24	21	21	-	-
County Vocational - Regular					-	-						-	-	-		-	-	-	-
County Vocational - F.T. Post-Second					-	-						-	-	-		-	-	-	-
Subtotal	-	-	-	-	-	-		-	-	-	-	-	-	-		-	-	-	-
Totals	3,108	4	3,108	4	-	-		3,108	4	3,108	4	-	-	24	24	21	21	-	-
Percentage Error					0.00%	0.00%						0.00%						0.00%	

**ENGLEWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014
SCHEDULE OF AUDITED ENROLLMENTS**

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Full Day Preschool 3 Years Old			-			-			-			-
Full Day Preschool 4 Years Old			-			-			-			-
Full Day Kindergarten		149	-	6	6	-	28	28	-	7	7	-
Grade 1	149	149	-	6	6	-	35	35	-	9	9	-
Grade 2	163	163	-	6	6	-	30	30	-	7	7	-
Grade 3	146	146	-	6	6	-	35	35	-	9	9	-
Grade 4	139	139	-	5	5	-	14	14	-	3	3	-
Grade 5	134	134	-	5	5	-	13	13	-	3	3	-
Grade 6	124	124	-	5	5	-	10	10	-	2	2	-
Grade 7	131	131	-	5	5	-	10	10	-	2	2	-
Grade 8	123	123	-	5	5	-	8	8	-	2	2	-
Grade 9	111	111	-	4	4	-	6	6	-	1	1	-
Grade 10	112	112	-	2	2	-	10	10	-	3	3	-
Grade 11	84	84	-	3	3	-	7	7	-	2	2	-
Grade 12	93	93	-	4	4	-	8	8	-	2	2	-
Post- Graduate			-			-			-			-
Adult High School (15+ Credits)			-			-			-			-
Adult High School (1-14 Credits)			-			-			-			-
Subtotal	1,663.0	1,663	-	62	62	-	214	214	-	52	52	-
Sp Ed - Elementary	72	72	-	3	3	-	4	4	-	1	1	-
Sp Ed - Middle School	23	23	-	1	1	-	3	3	-	1	1	-
Sp Ed - High School	86	86	-	4	4	-	2	2	-	1	1	-
Subtotal	181.0	181.0	-	8	8	-	9	9	-	3	3	-
County Vocational - Regular			-			-			-			-
County Vocational - F.T. Post-Second			-			-			-			-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,844.0	1,844.0	-	70.0	70.0	-	223	223	-	55	55	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	301	301	-	10	10	-
Regular - Special Ed	134	134	-	4	4	-
Transported - Non Public	391	391	-	12	12	-
Special Needs	55	55	-	2	2	-
Subtotal	881	881	-	28	28	-

Percentage Error 0.0% 0.0%

**ENGLEWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Errors
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Full Day Kindergarten	19.0	19.0	-	10.0	10.0	-
Grade 1	10.0	10.0	-	4.0	4.0	-
Grade 2	7.0	7.0	-	4.0	4.0	-
Grade 3	5.0	5.0	-	3.0	3.0	-
Grade 4	7.0	7.0	-	3.0	3.0	-
Grade 5	5.0	5.0	-	3.0	3.0	-
Grade 6	7.0	7.0	-	3.0	3.0	-
Grade 7	6.0	6.0	-	3.0	3.0	-
Grade 8	2.0	2.0	-	1.0	1.0	-
Grade 9	6.0	6.0	-	3.0	3.0	-
Grade 10	8.0	8.0	-	4.0	4.0	-
Grade 11	7.0	7.0	-	3.0	3.0	-
Grade 12	4.0	4.0	-	2.0	2.0	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	93.0	93.0	-	46.0	46.0	-
Sp Ed - Elementary	1.0	1.0	-	1.0	1.0	-
Sp Ed - Middle School	1.0	1.0	-	1.0	1.0	-
Sp Ed - High School	1.0	1.0	-	1.0	1.0	-
Subtotal	3.0	3.0	-	3.0	3.0	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	96.0	96.0	-	49.0	49.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**ENGLEWOOD BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SECTION 1A

2014-2015 Total General Fund Expenditures per the CAFR	\$	66,129,943
Increased by:		
Transfer from Capital Outlay to Capital Projects		2,494,420
Decreased by:		
On-Behalf TPAF Pension & Social Security		(5,295,339)
Assets Acquired Under Capital Leases		<u>-</u>
Adjusted 2014-2015 General Fund Expenditures	\$	<u>63,329,024</u>
2% of Adjusted 2014-2015 General Fund Expenditures	\$	<u>1,266,580</u>
Enter Greater of 2% of Adjusted 2014-2015 General Fund Expenditures or \$250,000		1,266,580
Increased by: Allowable Adjustments		<u>114,683</u>
Maximum Unreserved/Undesignated Fund Balance		<u>\$ 1,381,263</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2015 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	11,863,573
Decreased by:		
Year End Encumbrances		525,361
Excess Surplus - Designated for Subsequent Year's Expenditures		2,215,066
Capital Reserve		3,429,800
Maintenance Reserve		1,003,800
Emergency Reserve		600,000
Tuition Adjustments-Designated for Subsequent Expenditures		350,000
Tuition Adjustments		350,000
SEMI/ARRA		<u>39,298</u>
Total Unassigned Fund Balance		<u>\$ 3,350,248</u>

SECTION 3

Reserved Fund Balance - Excess Surplus \$ 1,968,985

Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$	2,215,066
Reserved Excess Surplus		<u>1,968,985</u>
Total Excess Surplus		<u>\$ 4,184,051</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$	71,992
Non Public Transportation		<u>42,691</u>
		<u>\$ 114,683</u>

**ENGLEWOOD BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Payrolls be approved by the Superintendent and certified by the President of the Board and Board Secretary prior to payment.
- * 2. Purchase orders be reviewed at year end to determine that the appropriate amount is outstanding are properly classified as accounts payable or reserved for encumbrances, or otherwise cancelled.
3. Appropriate action be taken to provide funding for the unfunded project costs that exist at year end in the Capital Projects Fund.
4. Internal control procedures be enhanced to ensure the General Fund modified budget appropriations as reported in the District's financial records are reconciled to and in agreement with supporting documentation.
- * 5. Internal control procedures be developed and implemented for the athletic scholarship account.
6. The District approve a policy related to the accrual of unused vacation days for non-guide employees.
7. Internal control procedures be reviewed and revised to ensure student IEP's specifically identify intensive related services reported on the application for State Extraordinary Aid.

III. School Purchasing Program

It is recommended that:

- * 1. Continued efforts be made to ensure purchases and contract awards in excess of the bid threshold are made in accordance with the Local Public School Contracts Law.
2. Additional services and change orders to original contract awards be approved by Board resolution.

IV. School Food Services

It is recommended that:

1. Sales reported by the Food Service Management Company be reconciled with the District's records on a monthly basis.
2. A review be made of the student accounts receivable in the Food Service Fund and uncollectable amount be cleared of record.

V. After School Day Care and Summer Programs

- * It is recommended that although improvements were noted, continued efforts be made over the implementation of revenue collection and reporting procedures in the After School and Summer Child Care Programs.

**ENGLEWOOD BOARD OF EDUCATION
RECOMMENDATIONS**

VI. Student Body Activities

- * It is recommended that the District develop and implement standardized financial reporting and internal control procedures related to the financial transactions of the athletic accounts. In addition, prenumbered receipts be issued for monies collected in the McCloud Elementary School.

VII. Application for State School Aid

There are none.

VIII. Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

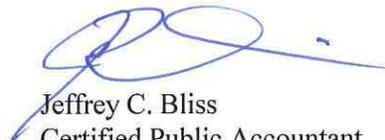
A review was performed on all prior years' recommendations and corrective action was taken on all prior year findings, however, further action is required for the recommendations denoted with an asterisk (*).

ACKNOWLEDGEMENT

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

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Jeffrey C. Bliss
Certified Public Accountant
Public School Accountant