



Englewood Schools

Belong and Thrive

ARAPAHOE COUNTY SCHOOL DISTRICT NO. 1

ENGLEWOOD SCHOOLS

ENGLEWOOD, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30, 2016



**ARAPAHOE COUNTY SCHOOL DISTRICT NO. 1  
ENGLEWOOD SCHOOLS  
ENGLEWOOD, COLORADO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2016**

**Prepared by: Finance Department**

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**ENGLEWOOD SCHOOLS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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## **INTRODUCTORY SECTION**

Sosan Schaller  
Chief Financial Officer  
303-806-2014

November 2, 2016

Board of Education and Citizens  
Arapahoe County School District Number One  
Englewood, Colorado

The Comprehensive Annual Financial Report of Arapahoe County School District Number One (Englewood Schools or District) as of June 30, 2016 and for the fiscal year then ended is hereby submitted. Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the District. The data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's activities have been included.

The Comprehensive Annual Financial Report is presented in conformity with Statement No. 34 of the Governmental Accounting Standards Board, titled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities and business-type activities into a single total column for governmental-wide activities. Statement 34 also requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction.

The financial section includes; the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the basic financial statements, and the combining and individual fund financial statements and schedules. The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

## **Profile of the District**

Arapahoe County School District Number One (Englewood Schools) was formed in 1916. Nine schools provide instruction and related services to approximately 3,000 students from pre-kindergarten through twelfth grade. The enrollment within the District has been declining for several years. The District encompasses approximately 6.89 square miles, which is located within the City of Englewood, directly south of Denver, Colorado.

The District is governed by a five-member Board of Education whose members are elected by the qualified electors within the District's boundaries. The general duties of the Board of Education members include the power to employ all personnel necessary to maintain the operations and carry out the educational programs of the District and pay their compensation; to fix attendance boundaries; to establish annual budgets; to determine the educational programs to be carried on in the schools of the District; to prescribe the textbooks of any course of instruction or study in such educational programs; and to levy a property tax on properties located within its boundaries.

## **District Strategic Plan 2016-2020**

The District's strategic plan was developed in 2016 through the collaborative work of parents, teachers, and administrators at each of our school sites. The strategic plan, our vision and mission are reflective of the ideals of the community of Englewood as a whole.

The District's Board of Education approved the strategic plan at the June 7, 2016 Board Meeting.

### **Vision**

Graduating the leaders, thinkers, and explorers of tomorrow

### **Mission**

Preparing all students for future success through learning, leading, engagement and action

### **Core Values**

- High Expectation
- Accountability
- Integrity
- Respect
- Community

## **Factors Affecting Financial Condition**

**State and Local Economy.** An economic condition in the state of Colorado continues as one of the most favorable in the country. Colorado has maintained its economic momentum, making it among the best performing economies in the nation. The state's economic performance can be attributed to a high level of human capital and solid growth in most of its major industries. However, Colorado's economy can still be adversely affected by several outside factors, including potential further slowing in the national economy. The economy also continues to be vulnerable to uncertainties in the European Union, unrest in the Middle East and the potential for adverse consequences from federal fiscal and monetary policies.

**Long-term Financial Planning.** The State’s K-12 funding continues to be uncertain. Each year the state budget is released by the Governor in January, which determines annual budget amount allocated to school districts. Over 80% of the Englewood Schools General Operating Fund is received through state budget, property taxes, and Specific Ownership. As a result, the state economic outlook is very important to the fiscal health of the District. The District continuously updates long-range financial projections and adjusts the working budget accordingly, which are reviewed by the Board of Education.

In 2015-16 the base per pupil funding was increased by 2.8% for K-12 throughout the state. However, the reduction to statewide total program funding to school district, also known as “Negative Factor” as calculated in School Finance Act was over \$2.8 million for the District, which is in excess of 10% of the revenue budget. Reduction is state funding coupled with declining enrollment as created on-going budget challenges for the past five years. The District maintains a number of budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Also, the District’s strategic plan intended to address long-term goals in all facets of operation including fiscal.

The District’s strategic plan outlines the overarching END areas:

1. Learning: Whole Child, Whole Adult
2. People: Assets and Partners
3. Systems: Big Picture Thinking

Big Picture Thinking - comprised of 6 ENDS. ENDS 4 states “demonstrate fiscal responsibility and stewardship in all facets of district financial management”.

The Board of Education is committed to achieve and maintain a balanced budget by 2018-19.

**Budget Process.** Development of the District’s budget is an on-going, year-round process. Fall enrollment assists in updating enrollment projections for the upcoming years. Budget priorities are gathered from the community. Revenue projections are developed and expenditure adjustments are discussed based on assumptions about funding from the State of Colorado, salary negotiations, employee benefit changes, utility and other expenditure increases. Public budget workshops are held in order to gather additional community input. A preliminary budget is presented to the Board of Education in May of each year followed by a budget hearing and adoption in June.

The District’s financial policies also drive the budget process. The District must balance its ongoing expenditures with current revenues and use its reserves wisely. The District has a policy to maintain an emergency reserve of 15% of its revenue in addition to the 3% reserve required by the State Constitution.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Englewood School District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this document would not have been possible without the dedicated efforts and expertise of the Business Services staff, not only during the reporting process, but also throughout the year. Appreciation and recognition is also extended to our independent audit firm, Plutt Rogers & Company PC, and its professional audit staff for the assistance and analysis provided throughout the year.

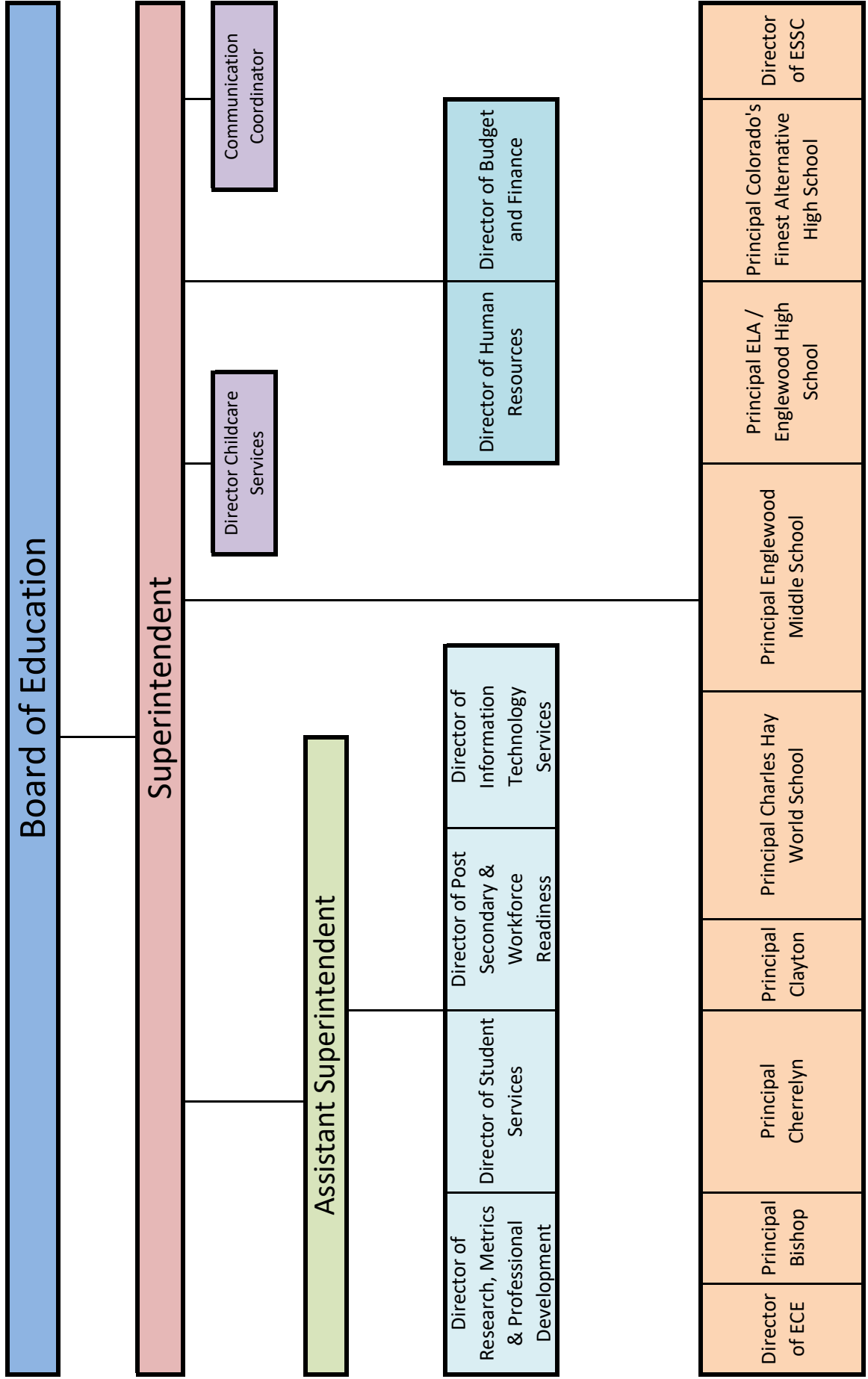
Finally, a big thank you to the Englewood Board of Education and Superintendent Dr. Wendy Rubin for your leadership, support, and dedication.

This report provides financial and other related information for the fiscal year 2015-2016 and has been prepared in a manner that is intended to assist management decision makers for the current and future budget years.

Respectfully submitted,

Sosan Schaller  
Chief Financial Officer

# ORGANIZATIONAL CHART - ENGLEWOOD SCHOOLS



**ENGLEWOOD SCHOOL DISTRICT  
ENGLEWOOD, COLORADO**

**ROSTER OF SCHOOL OFFICIALS**

**June 30, 2016**

**BOARD OF EDUCATION**

Tena Prange - President

Sharon Scheminske - 1st Vice President

Kevin Ebert - 2nd Vice President

Dagan Thomas - Secretary

Jason Sakry - Treasurer

**OFFICIALS**

Dr. Wendy Rubin - Superintendent

Patty Hanrahan - Assistant Superintendent of Learning Services

Phillip Bedford - Director of Human Resources

Callan Clark - Director of Student Services

Sosan Schaller - Director of Budget and Finance

Matthew Kuhn - Director of Information Technology Services

Joanna Polzin - Director of Assessment and Analytics

Diana Zakhem - Director Post Secondary and Workforce Readiness

Julie McGinley - Communications Coordinator



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Englewood School District  
Number One Arapahoe County  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Englewood Schools  
Englewood, Colorado

**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 Englewood Schools (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, each major fund and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position for the 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 on pages 4-11, the budgetary comparison information on pages 47-50, the Schedule of the Proportionate Share of the Net Pension Liability on page 51 and the Schedule of Employer Contributions on page 52 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 District's basic financial statements. The introductory section, the supplementary information, the statistical section and the Colorado Department of Education Auditor's Integrity Report, as listed in the table of contents, are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, the schedule of expenditures of federal awards and the auditor's integrity report 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 supplementary information, the schedule of expenditures of federal awards and the auditor's integrity report are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2016, on our consideration of the District'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 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 District's internal control over financial reporting and compliance.

*Plutt Rogers & Company PC*

November 2, 2016

## **Management's Discussion and Analysis**

As management of the Arapahoe County School District No. 1 (Englewood Schools or District), we offer readers of Englewood Schools' financial statements this narrative overview and analysis of the financial activities of Englewood Schools for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v - viii of this report.

### **Financial Highlights**

The liabilities of Englewood Schools exceeded its assets at the close of the most recent fiscal year by \$(42,281,581) (net position), a change of \$(3,737,812) from \$(38,543,769) the previous fiscal year. 2015 saw the implementation of GASB 68 which includes a Net Pension Liability of \$64,568,746. (See Note 7 for additional information).

As a result of the implementation of GASB 68, Englewood Schools' net position decreased by \$3,953,004 in 2015. GASB 68 revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).

Among other requirements, the District is required to report its proportionate share of the total PERA net pension liability (NPL) in its government-wide financial statements. The District's share of the PERA NPL is \$70,215,676 as of June 30, 2016. Inclusion of this figure in the government-wide financial statements does not indicate that the District has a liability to pay the amount shown. The District's liability is limited to the annually required contributions established by the State Legislature. Fund level statements, including the General Fund statements, are not impacted by GASB 68 reporting.

At the close of the fiscal year, Englewood Schools' governmental funds reported a combined ending fund balance of \$15,956,788 an increase of \$929,143 from the prior year balance of \$15,027,645.

The general fund ending fund balance was \$9,264,538, an increase of \$222,816 from the prior year balance of \$9,041,722.

### **Overview of Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of Englewood Schools' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Englewood Schools' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Englewood Schools is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and

expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguished functions of Englewood Schools that are principally supported by taxes (governmental activities). The governmental activities of Englewood Schools include instruction and support services of the District. In 2015, Englewood Schools switched the 2 business-type activities funds (the food services fund and the tuition programs fund) to special revenue funds, which now fall under the governmental activities functions.

### **New Accounting Pronouncements**

The GASB issued Statement No. 72, Fair Value Measurement and Application in February 2015. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provide guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective with fiscal year 2015-2016. This Statement increases disclosure of investments in the Notes to Basic Financial Statements.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Englewood Schools, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Englewood Schools can now be divided into just two categories: governmental funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Englewood Schools maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, the grants fund, the food service fund, the tuition fund, the bond redemption fund, the capital reserve fund, the technology fund, and the building fund.

Englewood Schools adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Englewood Schools' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the District. The District adopts an annual appropriated budget for all funds. Budgetary comparison schedules have been provided for the General Fund, the Grants Fund, the Food Service Fund and the Tuition Fund to demonstrate compliance with this budget. Additionally, two schedules are presented which present certain information on the net pension liability and the District's employer contributions to the PERA retirement plan.

**Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents budget to actual schedules for the District's other funds and certain reports required by the Single Audit Act of 1984 (as amended in 1986).

**Other Information.** The individual fund statements are presented after the notes to the financial statements.

## Government-wide Financial Analysis

As noted earlier, net position used to serve as a potential indicator of a government's financial position. However, with the introduction of \$70,215,676 in 2016 and \$64,568,746 in 2015 of Net Pension Liabilities, liabilities exceeded assets by \$(42,281,581) in 2016 and \$(38,543,769) in 2015.

The table below presents a two-year condensed statement of the District's net position.

### Englewood Schools' Net Position

	Governmental Activities		Change
	2015	2016	
Current and Other Assets	\$ 18,395,803	\$ 19,536,667	\$ 1,140,864
Capital Assets	70,080,427	68,415,237	(1,665,190)
Total Assets	88,476,230	87,951,904	(524,326)
Deferred Outflows of Resources	3,321,383	7,976,287	4,654,904
Long-term Liabilities	58,895,687	60,251,401	1,355,714
Other Liabilities	6,800,681	6,975,481	174,800
Net Pension Liability	64,568,746	70,215,676	5,646,930
Total Liabilities	130,265,114	137,442,558	7,177,444
Deferred Inflows of Resources	76,268	767,214	690,946
Net Position			
Net Investment in Capital Assets	8,165,022	4,986,120	(3,178,902)
Restricted for:			
Emergencies	880,645	913,000	32,355
Debt Service	4,545,079	5,004,140	459,061
Capital Purposes	200,000	200,000	-
Technology	120,835	-	(120,835)
Preschool	32,302	141,569	109,267
Unrestricted	(52,487,652)	(53,526,410)	(1,038,758)
Total Net Position	\$ (38,543,769)	\$ (42,281,581)	\$ (3,737,812)

The largest portion of the Englewood Schools' assets (78 percent) is Capital Assets, due to the recent construction projects. The majority of the remaining assets are held in cash and investments. At the end of the current fiscal year Englewood Schools reports a negative balance for governmental activities net position, again this is a result of implementing GASB 68 and the requirements of reporting the net pension liability.

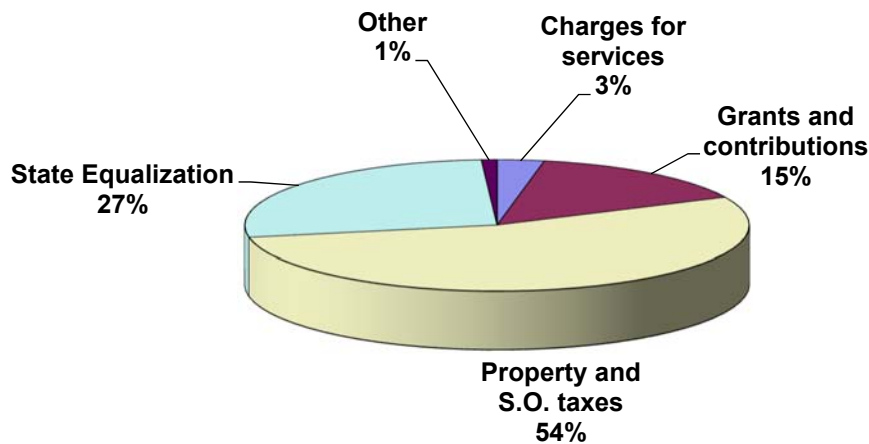
**Governmental Activities.** As previously reported, Governmental activities net position changed over the prior year, a decrease of \$3,737,812, in 2016 compared to a decrease of \$3,953,004, in 2015 this is a result of the net pension liability reporting. Revenues increased \$1,267,056 over the prior year with a slight increase of property taxes. Revenues increased 3.3% over the prior year, expenses increased by just over 2.5%.



## Englewood Schools' Change in Net Position

	<b>Governmental Activities</b>		<b>Change</b>
	<b>2015</b>	<b>2016</b>	
Program revenues			
Charges for services	\$ 1,095,984	\$ 934,623	\$ (161,361)
Capital grants and contributions	1,631	419,878	418,247
Operating grants and contributions	5,759,702	6,001,918	242,216
General revenues			
Property taxes	18,871,234	20,274,187	1,402,953
Specific Ownership taxes	1,439,746	1,523,542	83,796
State Equalization	10,304,676	9,562,116	(742,560)
Other	447,596	471,361	23,765
<b>Total revenues</b>	<b>37,920,569</b>	<b>39,187,625</b>	<b>1,267,056</b>
Expenses			
Instruction	22,485,723	20,067,010	(2,418,713)
Supporting Services	17,110,664	16,527,157	(583,507)
Interest Expense	2,277,186	6,331,270	4,054,084
<b>Total Expenses</b>	<b>41,873,573</b>	<b>42,925,437</b>	<b>1,051,864</b>
Change in net position	(3,953,004)	(3,737,812)	215,192
Net position – beginning	(34,590,765)	(38,543,769)	(3,953,004)
Net position – ending	<u>\$ (38,543,769)</u>	<u>\$ (42,281,581)</u>	<u>\$ (3,737,812)</u>

### Sources of Revenues for Fiscal Year 2016



## **Financial Analysis of the District's Fund**

As noted earlier, Englewood Schools uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Englewood Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Englewood Schools' financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year Englewood Schools' governmental funds reported a combined ending fund balances of \$15,956,788, an increase of \$929,143 from \$15,027,645 at June 30, 2015. The general fund balance increased \$222,816, while the majority of the increase \$564,117, was in the Bond Redemption Fund. State Equalization was down slightly due to state formula in the per pupil allocation, with Property taxes and Specific Ownership taxes increased slightly.

The general fund is the major operating fund of Englewood Schools. At the end of the current fiscal year, fund balance increased \$222,816 to \$9,264,722 from \$9,041,722 in 2015. The Building Fund had a zero-fund balance. The District's bond redemption fund had an ending fund balance of \$5,315,482 an increase of \$564,117 from the prior year of \$4,751,365, as the District continues to set Mills to adequately pay the District's debt. The Technology Fund expended the beginning fund balance of \$120,835, which is in-line with the multi-year spend down plan. The grants fund balance did not change. The Capital Reserve fund had an ending fund balance of \$1,347,432 an increase of \$402,492 as the District used the final proceeds from the sale of the Flood property on capital needs throughout the district and transferred in an additional \$400,000 for future activities.

The Food Services program finished the 2016 fiscal year with a net position of \$7,350, a decrease of \$135,614. The District ended its 5-year contract with a food service management program in 2015, and will manage this program in-house.

The District uses the Tuition program fund to record tuition-based early childhood and before & after school programs. Net position for this fund totaled \$21,986 at fiscal year-end, a decrease of \$3,833 in 2016.

## **General Fund Budgetary Highlights**

The District approves a budget in June based on enrollment projections for the following year. In October after enrollment stabilizes, adjustments are made to the budget. The District projected declining enrollment and reduced both revenue and expense budget items. The District is strategically using fund balance to maintain programs, while also looking at opportunities for more efficiency and means to cut costs and increase revenues.

## Capital Assets and Long-Term Debt

**Capital Assets.** Englewood Schools' investment in capital assets for governmental as of June 30, 2016 amounts to \$68,415,237 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses and playground, office and instructional equipment. Additional information can be found in Note 4 in the Notes to Financial Statements section.

Governmental Activities			
	2015	2016	Change
Land & Improvements	\$2,045,111	\$2,045,111	\$-
Site Improvements	36,498	74,561	38,063
Buildings	92,785,324	93,242,768	457,444
Machinery & equipment	2,005,827	2,111,721	105,894
Accumulated depreciation	<u>(26,792,333)</u>	<u>(29,058,924)</u>	<u>(2,266,591)</u>
Total	\$70,080,427	\$68,415,237	\$(1,665,190)

### Long-Term Debt.

As of June 30, 2016, the District had outstanding debt of \$63,896,465. Of this amount, \$55,742,746 is general obligation bonded debt, which is backed by the full faith and credit of the District. In 2011 the District passed a \$50 million bond election. In 2016 the District refunded \$23,885,000 by issuing \$24,835,000 in refunding bonds. Total debt service on the 2016 refunding bonds will be \$38,469,538 through December 1, 2031. This refunding decreases total debt service and will result in a savings to taxpayers of \$1,172,962 over the life of the new debt and an economic gain on a net present value basis of \$1,089,202. Additional information can be found in Note 5 in the Notes to the Financial Statements section.

	2015	2016	Change
General Obligation Bonds	\$57,903,661	\$55,742,746	(\$2,160,915)
Deferred Premium	4,102,941	7,747,169	3,644,228
Compensated Absences	500,532	406,550	(93,982)
Totals	\$62,507,134	\$63,896,465	(\$3,290,567)

### Economic Factors Bearing on the District's Future

**State Education Funding** - In November 2000 voters in Colorado approved a provision to the Colorado constitution providing that K-12 funding would increase at pupil growth plus inflation plus one percent for 10 years and thereafter, growth plus inflation. In November 2005, the voters of the State of Colorado passed Referendum C which essentially suspends the "ratchet" effect of the Taxpayers Bill of Rights (TABOR) for five years thus allowing funding at the state level to be closer to pre-recession levels. In 2007, the Colorado Legislature passed a measure freezing public school districts' mill levies at current levels. The majority of Colorado districts opted out of TABOR spending limitations in general elections (the District opted out in November 1999) and the legislature considered those ballot issues to also encompass taxation matters. The economic down turn in 2008-09 brought reduced funding to public education. The State has introduced a negative factor which lessens the amount allocated per the Public-

School Finance Act of 1994. In 2015-16 Englewood Schools, Negative Factor was over \$2.8 million. Projected negative factor for 2016-17 is estimated to be nearly \$2.7 million, 11.5%.

Student Enrollment – The number of full-time students enrolled in the district is the one of the major components of school funding. The District’s K-12 enrollment has been declining for the past few years. Englewood Schools Board of Education voted to close Flood Middle School for the 2007-08 school year and combine Sinclair Middle School and Flood Middle School student bodies to be housed in the Sinclair building and renamed Englewood Middle School. For the 2008-09 school year, the District consolidated five elementary schools into four and repurposed an elementary school to serve as a state-of-the-art early childhood center. The District is anticipating a slight decrease in student enrollment in 2016-17.

Public Employees Retirement Association of Colorado (PERA) - Employer contributions to PERA is the pension plan that covers all District employees. The contribution rate and increases was enacted by the state legislature and the PERA Board in order to meet future pension needs based on actuarial report. The current rate of 19.15% is scheduled to increase to 19.65% on January 2017 and to 20.15% on January 2018 (maximum at this time).

Healthcare – The District contributes an agreed monthly amount, based on Master Agreement, for each eligible employee enrolled in the Kaiser group insurance plan. Rising healthcare costs continue to be a concern and a budgetary challenge as the increases in benefit costs exceed the increase in Cost of Living Adjustment (COLA).

The Colorado and national economies are improving from one of the deepest recessions since the Great Depression. This had serious implications for school finance in Colorado. Just about half of Englewood Schools’ general fund revenue comes from the State in the form of Equalization funds. The District anticipated and has experienced cuts for the last three fiscal years and expects to see cuts at least two to three years beyond this. The District positions itself for this type of economic downturn by increasing general fund reserves when possible.

### **Requests for Information**

This financial report is designed to provide a general overview of Englewood Schools' finances for all those with an interest in the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Sosan G. Schaller, Chief Financial Officer  
Arapahoe County School District No. 1 (Englewood Schools)  
4101 S. Bannock Street  
Englewood, CO 80110

## **BASIC FINANCIAL STATEMENTS**

**ENGLEWOOD SCHOOLS**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Investments	\$ 11,867,500
Cash and Investments - Restricted	5,810,171
Accounts Receivable	23,245
Taxes Receivable	1,249,662
Grants Receivable	578,739
Inventories	7,350
Capital Assets Not Being Depreciated	2,045,111
Capital Assets, Net of Accumulated Depreciation	66,370,126
Total Assets	87,951,904
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refundings	60,798
Deferred Outflows of Resources Related to Pensions	7,915,489
Total Deferred Outflows of Resources	7,976,287
<b>Liabilities</b>	
Accounts Payable	101,378
Accrued Liabilities	825,991
Accrued Salaries and Benefits	1,636,169
Accrued Interest Payable	311,342
Unearned Revenues	455,537
Noncurrent Liabilities:	
Due Within One Year	3,645,064
Due in More Than One Year	60,251,401
Net Pension Liability	70,215,676
Total Liabilities	137,442,558
<b>Deferred Inflows of Resources</b>	
Deferred Inflows of Resources Related to Pensions	767,214
<b>Net Position</b>	
Net Investment in Capital Assets	4,986,120
Restricted for:	
Debt Service	5,004,140
Preschool	141,569
Capital Purposes	200,000
Emergencies	913,000
Unrestricted	(53,526,410)
Total Net Position	\$ (42,281,581)

The notes to the financial statements are an integral part of this statement.

**ENGLEWOOD SCHOOLS**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2016**

<b>Function/Program Activities</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Revenues and Changes In Net Position</b>
					<b>Governmental Activities</b>
<b>Governmental Activities:</b>					
Instruction	\$ 20,067,010	\$ 648,163	\$ 4,526,835	\$ -	\$ (14,892,012)
Supporting Services	16,527,157	286,460	1,475,083	419,878	(14,345,736)
Interest on Long-Term Debt	6,331,270	-	-	-	(6,331,270)
<b>Total Governmental Activities</b>	<b>\$ 42,925,437</b>	<b>\$ 934,623</b>	<b>\$ 6,001,918</b>	<b>\$ 419,878</b>	<b>(35,569,018)</b>
<b>General Revenues:</b>					
					20,274,187
					1,523,542
					9,562,116
					18,213
					453,148
					<u>31,831,206</u>
					<b>(3,737,812)</b>
					<u>(38,543,769)</u>
					<u>\$ (42,281,581)</u>

The notes to the financial statements are an integral part of this statement.

**ENGLEWOOD SCHOOLS**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2016**

	<u>General</u>	<u>Grants</u>	<u>Food Service</u>	<u>Tuition</u>
<b>Assets</b>				
Cash and Investments	\$ 10,648,121	\$ -	\$ 45,424	\$ 25,528
Cash and Investments - Restricted	-	440,778	-	-
Accounts Receivable	23,245	-	-	-
Taxes Receivable	953,706	-	-	-
Grants Receivable	-	559,696	19,043	-
Due from Other Funds	415,086	-	-	-
Inventory	-	-	7,350	-
Total Assets	<u>\$ 12,040,158</u>	<u>\$ 1,000,474</u>	<u>\$ 71,817</u>	<u>\$ 25,528</u>
<b>Liabilities</b>				
Accounts Payable	\$ 101,138	\$ -	\$ 240	\$ -
Accrued Liabilities	824,996	-	-	-
Accrued Salaries and Benefits	1,438,549	144,610	49,468	3,542
Unearned Revenues	-	440,778	14,759	-
Due to Other Funds	-	415,086	-	-
Total Liabilities	<u>2,364,683</u>	<u>1,000,474</u>	<u>64,467</u>	<u>3,542</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue - Property Taxes	<u>410,937</u>	-	-	-
<b>Fund Balances:</b>				
Nonspendable for:				
Inventory	-	-	7,350	-
Restricted:				
Colorado Preschool Program	141,569	-	-	-
Debt Service	-	-	-	-
Capital Purposes	-	-	-	-
Emergencies	913,000	-	-	-
Assigned:				
Subsequent Year's Expenditures	1,508,699	-	-	-
Capital Purposes	-	-	-	-
Tuition	-	-	-	21,986
Unassigned	<u>6,701,270</u>	-	-	-
Total Fund Balances	<u>9,264,538</u>	-	<u>7,350</u>	<u>21,986</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,040,158</u>	<u>\$ 1,000,474</u>	<u>\$ 71,817</u>	<u>\$ 25,528</u>

The notes to the financial statements are an integral part of this statement.



<b>Bond Redemption</b>	<b>Capital Reserve</b>	<b>Technology</b>	<b>Building</b>	<b>Total</b>
\$ -	\$ 1,148,427	\$ -	\$ -	\$ 11,867,500
5,169,393	200,000	-	-	5,810,171
-	-	-	-	23,245
295,956	-	-	-	1,249,662
-	-	-	-	578,739
-	-	-	-	415,086
-	-	-	-	7,350
<u>\$ 5,465,349</u>	<u>\$ 1,348,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,951,753</u>
\$ -	\$ -	\$ -	\$ -	\$ 101,378
-	995	-	-	825,991
-	-	-	-	1,636,169
-	-	-	-	455,537
-	-	-	-	415,086
<u>-</u>	<u>995</u>	<u>-</u>	<u>-</u>	<u>3,434,161</u>
<u>149,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,804</u>
-	-	-	-	7,350
-	-	-	-	141,569
5,315,482	-	-	-	5,315,482
-	200,000	-	-	200,000
-	-	-	-	913,000
-	-	-	-	1,508,699
-	1,147,432	-	-	1,147,432
-	-	-	-	21,986
-	-	-	-	6,701,270
<u>5,315,482</u>	<u>1,347,432</u>	<u>-</u>	<u>-</u>	<u>15,956,788</u>
<u>\$ 5,465,349</u>	<u>\$ 1,348,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,951,753</u>

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**ENGLEWOOD SCHOOLS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
June 30, 2016**

Total Fund Balances of Governmental Funds		\$ 15,956,788
Total net position reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital Assets Cost	\$ 97,474,161	
Accumulated Depreciation	<u>(29,058,924)</u>	68,415,237
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the funds.		
Property Taxes		560,804
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.		
Balances at June, 30, 2016 are:		
Bonds Payable	(55,742,746)	
Bond Premium (to be amortized as interest expense)	(7,747,169)	
Deferred Loss on Refunding (to be amortized as interest expense)	60,798	
Net Pension Liability	(70,215,676)	
Compensated Absences	(406,550)	
Accrued Interest Payable	<u>(311,342)</u>	(134,362,685)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Pension contributions from the measurement date to June 30, 2016	1,945,187	
Deferred outflows of resources related to pensions	5,970,302	
Deferred inflows of resources related to pensions	<u>(767,214)</u>	<u>7,148,275</u>
Total Net Position of Governmental Activities		<u>\$ (42,281,581)</u>

The notes to the financial statements are an integral part of this statement.

**ENGLEWOOD SCHOOLS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

**For the Year Ended June 30, 2016**

	<u>General</u>	<u>Grants</u>	<u>Food Service</u>	<u>Tuition</u>
<b>Revenues</b>				
Local Sources	\$ 17,157,140	\$ 37,289	\$ -	\$ -
State Sources	11,699,355	334,740	22,260	-
Federal Sources	-	2,406,344	1,051,845	-
Charges for Services	-	-	186,053	271,704
<b>Total Revenues</b>	<u>28,856,495</u>	<u>2,778,373</u>	<u>1,260,158</u>	<u>271,704</u>
<b>Expenditures</b>				
Current:				
Instruction	16,373,668	1,277,382	-	223,720
Supporting Services	11,894,451	1,500,991	1,413,149	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<u>28,268,119</u>	<u>2,778,373</u>	<u>1,413,149</u>	<u>223,720</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>588,376</u>	<u>-</u>	<u>(152,991)</u>	<u>47,984</u>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Transfers In	51,817	-	17,377	-
Transfers Out	(417,377)	-	-	(51,817)
<b>Total Other Financing Sources (Uses)</b>	<u>(365,560)</u>	<u>-</u>	<u>17,377</u>	<u>(51,817)</u>
<b>Net Change in Fund Balances</b>	222,816	-	(135,614)	(3,833)
<b>Fund Balances, Beginning</b>	<u>9,041,722</u>	<u>-</u>	<u>142,964</u>	<u>25,819</u>
<b>Fund Balances, Ending</b>	<u>\$ 9,264,538</u>	<u>\$ -</u>	<u>\$ 7,350</u>	<u>\$ 21,986</u>

The notes to the financial statements are an integral part of this statement.

<b>Bond Redemption</b>	<b>Capital Reserve</b>	<b>Technology</b>	<b>Building</b>	<b>Total</b>
\$ 5,486,731	\$ 289,834	\$ 46	\$ 419,878	\$ 23,390,918
-	-	-	-	12,056,355
-	-	-	-	3,458,189
-	-	-	-	457,757
<u>5,486,731</u>	<u>289,834</u>	<u>46</u>	<u>419,878</u>	<u>39,363,219</u>
-	-	-	-	17,874,770
-	-	24,026	-	14,832,617
-	287,342	96,855	419,878	804,075
26,995,915	-	-	-	26,995,915
6,960,456	-	-	-	6,960,456
<u>33,956,371</u>	<u>287,342</u>	<u>120,881</u>	<u>419,878</u>	<u>67,467,833</u>
(28,469,640)	2,492	(120,835)	-	(28,104,614)
24,835,000	-	-	-	24,835,000
4,198,757	-	-	-	4,198,757
-	400,000	-	-	469,194
-	-	-	-	(469,194)
<u>29,033,757</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>29,033,757</u>
564,117	402,492	(120,835)	-	929,143
4,751,365	944,940	120,835	-	15,027,645
<u>\$ 5,315,482</u>	<u>\$ 1,347,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,956,788</u>

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**ENGLEWOOD SCHOOLS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016**

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds		\$ 929,143
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital Outlay	\$ 601,401	
Depreciation Expense	<u>(2,266,591)</u>	(1,665,190)
<p>Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.</p>		
Change in property taxes not available at year end.		(175,594)
<p>Governmental funds report District pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which costs of benefits earned net of employee contributions exceeded pension contributions from the measurement date (12/31/15) to June 30, 2016.</p>		
		(1,323,533)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Decrease in compensated absences liability		(93,982)
<p>The issuance of long-term debt and capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and capital leases consume current financial resources of governmental funds. These transactions, however, have no effect on net position.</p>		
Debt Issued or Incurred:		
General Obligation Bonds	(24,835,000)	
Plus Premium	(4,198,757)	
Repayments of General Obligation Bond Principal	<u>26,995,915</u>	(2,037,842)
<p>Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued interest, amortization of bond premiums and refunding losses.</p>		
Decrease in accrued interest on long-term debt	105,056	
Amortization of bond premium	554,529	
Amortization of deferred loss on refunding	<u>(30,399)</u>	<u>629,186</u>
Change in Net Position of Governmental Activities		<u>\$ (3,737,812)</u>

The notes to the financial statements are an integral part of this statement.

**ENGLEWOOD SCHOOLS**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2016**

	<b>Private Purpose Trust Fund</b>	<b>Agency Fund</b>
<b>Assets</b>		
Cash and Investments	\$ 68,354	\$ 212,340
<b>Total Assets</b>	68,354	\$ 212,340
<b>Liabilities</b>		
Accounts Payable	-	\$ 1,435
Due to Student Groups	-	210,905
<b>Total Liabilities</b>	-	\$ 212,340
<b>Net Position Held In Trust for Scholarships</b>	\$ 68,354	

The notes to the financial statements are an integral part of this statement.



**ENGLEWOOD SCHOOLS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Year Ended June 30, 2016**

	<b>Private Purpose Trust Fund</b>
	<b>2016</b>
<b>Additions</b>	
Investment Income	\$ 247
<b>Total Additions</b>	247
<b>Deductions</b>	
Scholarships	4,000
<b>Total Deductions</b>	4,000
<b>Change in Net Position</b>	(3,753)
<b>Net Position - Beginning</b>	72,107
<b>Net Position - Ending</b>	\$ 68,354

The notes to the financial statements are an integral part of this statement.

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

**Reporting Entity**

The District follows GASB accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, net outflow of resources, liabilities, and the net inflow of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect 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 applicants who purchase, use, or directly benefit from goods, services or privileges 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

## ENGLEWOOD SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is 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. Expenditures for capital assets are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

The private-purpose trust fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, 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, charges for services, 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. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. All other revenue items are considered to be measurable and available only when cash is received by the government.

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

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The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The **Grants Fund** accounts for federal, state and local grant revenues and the related expenditures.

The **Food Service Special Revenue Fund** accounts for federal and state grant revenues and student food sales and the related financial activities associated with the District's breakfast and lunch programs.

The **Tuition Special Revenue Fund** accounts for the financial transactions related to the District's tuition-based programs such as tuition revenues for the preschool and before and after school programs.

The **Bond Redemption Fund** accounts for property taxes restricted for the payment of general obligation debt issued by the District.

The **Capital Reserve Capital Projects Fund** is used to account for resources to be used for ongoing capital needs, such as site acquisition, building additions and equipment purchases.

The **Technology Fund** accounts for technology-related purchases funded by taxable bond proceeds and the related interest earnings.

The **Building Fund** accounts for all resources available for acquiring capital sites, buildings, and equipment through the use of bond sale proceeds.

Additionally, the District reports the following fund type:

**Fiduciary Funds** account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement.

The **Private-Purpose Trust Fund** accounts for the activities of various scholarship programs.

The **Agency Fund** is used to account for resources used to support each school's student and fundraising activities.

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

**1. Deposits and Investments**

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

**2. Restricted Cash and Investments**

Certain assets and their related liabilities whose use is restricted under grant requirements, construction, bonded debt service and other purposes by contractual agreement and/or debt indentures are segregated on the government-wide statement of net position and the fund balance sheets.

**3. Accounts Receivable**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year but not received at year end are identified as property taxes receivable.

**4. Interfund Receivables/Payables**

Receivables and payables between individual funds are classified in the fund financial statements as interfund receivables and interfund payables.

**5. Capital Assets**

Capital assets, which include buildings, site improvements, vehicles and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

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historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 – 50 years
Machinery and Equipment	5 – 20 years

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**7. Accrued Salaries and Benefits**

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reflected as a liability in the financial statements.

**8. Unearned Revenues**

Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred.

**9. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bonds payable are reported net of the applicable bond premium and discount.

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Bond premiums, discounts and deferred losses on bond refunding are deferred and amortized over the life of the bonds using the straight-line method and charged to interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures in both the government-wide and fund financial statements.

**10. Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

**Net Position**

Net position represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District reports the following restricted net positions:

***Restricted for Colorado Preschool Program*** – Represents the portion of net position that are legally restricted to the Colorado Preschool Program as defined by the School Finance Act of 1994, as amended.

***Restricted for Debt Service*** – represents the portion of net position that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

***Restricted for Capital Purposes*** – represents the portion of unspent bond proceeds legally restricted to capital purposes as defined by the bond election and by contractual agreement.

***Restricted for Technology*** – represents unspent bond proceeds restricted for technology uses.

## ENGLEWOOD SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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***Restricted for Emergencies*** – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 9).

Unrestricted net position represents assets that do not have any third-party limitations on their use.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **Fund Balance**

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments
- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes determined by a formal action of the Board of Education. The Board of Education is the highest level of decision making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Education.
- ***Assigned*** – Fund balances are reported as assigned when they do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Only the Board of Education may assign amounts for specific purposes.



## ENGLEWOOD SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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- Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

#### **Minimum Fund Balance Policy**

The District has a policy which establishes a minimum unassigned fund balance in the General Fund of 15% of estimated revenues.

#### **Flow Assumptions**

The District has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available, the District uses restricted fund balances first, followed by committed, assigned and unassigned balances.

#### **Revenues and Expenditures/Expenses**

##### **1. Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

##### **2. Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Payments are due in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date of November 1.

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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**3. Compensated Absences**

Employees of the District are allowed to accumulate unused vacation and sick time based on their length of employment and classification. Generally, vacation time may only be accrued for one year. Upon termination of employment from the District, an employee will be compensated for all accrued vacation and accumulated sick time.

Compensated absences are recognized as current salary costs when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Early Retirement - The District has periodically paid early retirement benefits to employees. The amount of this benefit varies depending on length of service. A long-term liability is reported in the government-wide financial statements for the benefits approved by the Board of Education when earned and accepted by the employees.

**4. Pensions**

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

**Current Year GASB Pronouncements**

For the year ended June 30, 2016, the District adopted the provisions of GASB Statement No. 72 Titled Fair Value Measurements and Application, which is effective for financial statement periods beginning June 30, 2015. Statement No. 72 requires disclosures to be made about fair value measurements, the level of hierarchy, and valuation techniques.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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**Level 1:** Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3:** Unobservable inputs for an asset or liability.

The District had no items that require the fair value measurement of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis within the fair value hierarchy at June 30, 2016.

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2016, the District had the following cash and investments:

Cash on Hand	\$ 880
Deposits	2,679,736
Investments	<u>15,277,749</u>
	<u>\$ 17,958,365</u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 11,867,500
Cash and Investments - Restricted	5,810,171
Fiduciary Fund Cash and Investments	<u>280,694</u>
	<u>\$ 17,958,365</u>

**Deposits**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2016, the District's bank deposits amounting to \$3,008,434, were insured by either federal depository insurance or collateralized by the financial institution's agent but not in the District's name and consequently were not exposed to custodial credit risk.

**Investments**

Under Colorado statutes, the District may lawfully invest eligible funds in the following securities:

- Obligations of the United States and certain U.S. government agencies' securities;
- Certain international agencies' securities;
- General obligation and revenue bonds of U.S. local government entities;
- Bankers' acceptances of certain banks;
- Commercial paper holding the highest credit rating category and with a maturity within 180 days;
- Local government investment pools;
- Written repurchase agreements collateralized by certain authorized securities;
- Certain money market funds;
- Guaranteed investment contracts (GIC).

At June 30, 2016, the District had the following investments:

	<b>Standard &amp; Poors Rating</b>	<b>Maturities</b>	<b>Fair Value</b>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	AAAm	< 1 year	\$ 15,209,395
Colorado Surplus Asset Fund Trust (CSAFE)	AAAm	< 1 year	68,354
			<u>\$ 15,277,749</u>

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's safekeeping bank must meet the following requirements under District policy: the purchase and sale of securities and repurchase agreements shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the District. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices. As of June 30, 2016, none of the District's investments were exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Colorado Revised Statute 24-75-601 limits investment maturities to five years or less.

Local Government Investment Pools

The District has investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Trust (CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST and CSAFE. Investments of the pools are limited to those allowed by State statutes. COLOTRUST and CSAFE operate similarly to a money market fund and each share is equal in value to \$1.00.

**Restricted Cash and Investments**

The composition of the District's restricted cash and investments follows:

Grants Fund	Unspent grant proceeds	\$ 440,778
Bond Redemption Fund	Principal and interest on long-term debt	5,169,393
Capital Reserve Fund	Capital renewal reserve for CFAHS	<u>200,000</u>
	Total	<u>\$ 5,810,171</u>

**ENGLEWOOD SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 3: INTERFUND BALANCES**

Interfund balances as of June 30, 2016, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	\$ 415,086

The amount due the General Fund from the Grants Fund represents expenditures that have been financed by the General Fund. The amount due from the Grants Fund represents transactions that took place due to grant reimbursement cycles.

The General Fund transferred \$400,000 to the Capital Reserve Capital Projects Fund to finance the renovation of buildings and purchase of equipment and \$17,377 to the Food Service Fund for operations. The Tuition Fund transferred \$51,817 to the General Fund for operations.

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016, is summarized below.

	Balances 6/30/2015	Additions	Deletions	Balances 6/30/2016
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land and Easements	\$ 2,045,111	\$ -	\$ -	\$ 2,045,111
<b>Total Capital Assets Not Being Depreciated</b>	<b>2,045,111</b>	<b>-</b>	<b>-</b>	<b>2,045,111</b>
Capital Assets Being Depreciated				
Site Improvements	36,498	38,063	-	74,561
Buildings and Improvements	92,785,324	457,444	-	93,242,768
Machinery and Equipment	2,005,827	105,894	-	2,111,721
<b>Total Capital Assets Being Depreciated</b>	<b>94,827,649</b>	<b>601,401</b>	<b>-</b>	<b>95,429,050</b>
Less Accumulated Depreciation				
Site Improvements	(1,825)	(3,728)	-	(5,553)
Buildings and Improvements	(25,610,643)	(2,087,752)	-	(27,698,395)
Machinery and Equipment	(1,179,865)	(175,111)	-	(1,354,976)
<b>Total Accumulated Depreciation</b>	<b>(26,792,333)</b>	<b>(2,266,591)</b>	<b>-</b>	<b>(29,058,924)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>68,035,316</b>	<b>(1,665,190)</b>	<b>-</b>	<b>66,370,126</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 70,080,427</b>	<b>\$ (1,665,190)</b>	<b>\$ -</b>	<b>\$ 68,415,237</b>

**ENGLEWOOD SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016**

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

<b>Depreciation Allocation</b>	<u>Instruction</u>	<u>Support</u>	<u>Total</u>
Equipment	\$ 11,398	\$ 163,713	\$ 175,111
Site Improvements	3,728	-	3,728
Buildings	<u>1,530,148</u>	<u>557,604</u>	<u>2,087,752</u>
<b>Total</b>	<u>\$ 1,545,274</u>	<u>\$ 721,317</u>	<u>\$ 2,266,591</u>

**NOTE 5: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the year ended June 30, 2016.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Series 2008, Refunding	\$ 8,760,000	\$ -	\$ 2,805,000	\$ 5,955,000	\$ 2,920,000
Series 2011	41,820,000	-	23,885,000	17,935,000	-
Series 2011	7,323,661	-	305,915	7,017,746	318,514
Series 2016	-	24,835,000	-	24,835,000	-
Deferred Premium	<u>4,102,941</u>	<u>4,198,757</u>	<u>554,529</u>	<u>7,747,169</u>	<u>-</u>
Subtotal	62,006,602	29,033,757	27,550,444	63,489,915	3,238,514
Compensated Absences	<u>500,532</u>	<u>407,687</u>	<u>501,669</u>	<u>406,550</u>	<u>406,550</u>
<b>Total</b>	<u>\$ 62,507,134</u>	<u>\$ 29,441,444</u>	<u>\$ 28,052,113</u>	<u>\$ 63,896,465</u>	<u>\$ 3,645,064</u>

Compensated absences are expected to be liquidated with revenues of the General and Grants Funds.

**General Obligation Bonds**

\$9,075,000 General Obligation Refunding Bonds, Series 2008, were issued on March 7, 2008 to partially refund the then outstanding General Obligation Bonds, Series 1998. Principal payments are due annually on December 1, through 2017. Interest accrues at rates ranging from 3.25% to 4.25% per annum, and is payable semi-annually on June 1 and December 1. The bonds are not subject to redemption prior to maturity. Repayment of both principal and interest on the bonds are insured by Financial Security Assurance Inc. The bonds are rated "Aa2" by Moody's. The underlying rating by Moody's is "Aa3".

## ENGLEWOOD SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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\$41,820,000 General Obligation Bonds, Series 2011 were issued on December 13, 2011 to finance the costs of building, furnishing and equipping a new campus for grades 7 through 12 at the current Englewood High School site; enhancing safety and security at school sites and constructing classroom and academic spaces to meet 21st century instructional needs. Principal payments are due annually beginning on December 1, 2018, through 2031. Interest accrues at rates ranging from 2.0% to 5.0% per annum, and is payable semi-annually on June 1 and December 1. The bonds maturing on or after December 1, 2022 are callable at par in any order of maturity on December 1, 2021. \$23,885,000 of bonds due on or after December 1, 2025 were advance refunded on April 13, 2016. The bonds are rated "Aa3" by Moody's.

\$8,176,986 General Obligation Bonds, Series 2011 were issued on December 8, 2011 to finance the costs of renovating Englewood Middle School in preparation for occupancy by Colorado's Finest Alternative High School; enhancing safety and security at school sites and constructing classroom and academic spaces to meet 21st century instructional needs. Principal payments are due annually beginning on December 1, 2012, through 2031. Interest accrues at the rate of 4.118492% per annum, and is payable semi-annually on June 1 and December 1. The Bond is subject to redemption prior to maturity at the option of the District, in whole but not in part, on December 1, 2021 and on any date thereafter, at a redemption price equal to the principal amount thereof and a redemption premium of 3% of the principal amount so redeemed, plus accrued interest to the redemption date.

\$24,835,000 General Obligation Refunding Bonds, Series 2016, were issued on April 13, 2016 to refund \$23,885,000 of its then outstanding Series 2011, General Obligation Bonds. Principal payments are due annually on December 1, 2022 through 2031. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 4% to 5% per annum. Total debt service on the 2016 refunding bonds will be \$38,469,538 through December 1, 2031. This refunding decreases total debt service and will result in a savings to taxpayers of \$1,172,962 over the life of the new debt and an economic gain on a net present value basis of \$1,089,202.



ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

Bond payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 3,238,514	\$ 2,319,792	\$ 5,558,306
2018	3,366,632	2,038,997	5,405,629
2019	2,655,290	1,929,539	4,584,829
2020	2,734,511	1,848,375	4,582,886
2021	2,819,317	1,748,739	4,568,056
2022-2026	16,215,928	6,936,584	23,152,512
2027-2031	20,164,047	3,064,509	23,228,556
2032	4,548,507	91,316	4,639,823
Total	<u>\$ 55,742,746</u>	<u>\$ 19,977,851</u>	<u>\$ 75,720,597</u>

**NOTE 6: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District accounts for its risk activities in the General Fund.

The District purchases commercial insurance for its worker's compensation risks. For its risk of property loss or damage and general liability, the District participates in the Colorado School Districts Self-Insurance Pool (CSDSIP).

The CSDSIP is sponsored by the Colorado Association of School Boards, and operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a board which is comprised of eight members. The eight members include the president, vice president and executive director of the Colorado Association of School Boards (CASB), with the remaining five members being appointed by the Board of Directors of CASB. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The pool agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP. Settled claims have not exceeded this coverage in any of the past three years.

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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**NOTE 7: EMPLOYEE PENSION PLAN**

**Defined Benefit Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in

**ENGLEWOOD SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2016**

the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA’s Annual Increase Reserve for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained and the qualified survivor(s) who will receive the benefits.

*Contributions.* Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
Employer Contribution Rate <sup>1</sup>	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	17.33%	18.13%

<sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

**ENGLEWOOD SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2016**

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$3,768,522 for the year ended June 30, 2016.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the District reported a liability of \$70,215,676 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion was 0.4590972041%, which was a decrease of 0.0173068066% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$5,646,930. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 995,194
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	5,970,302	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(1,762,408)
Contributions subsequent to the measurement date	1,323,533	N/A
Total	\$ 7,293,835	\$ (767,214)

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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\$1,945,187 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ 3,678,673
2018	3,678,673
2019	4,219,637
2020	5,481,905
2021	-
Thereafter	-

*Actuarial assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increases, including wage inflation	3.90 – 10.10%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; (automatic)	2.00%
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefit.
  - Refinement of the 18-month annual increase timing.
  - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
  
- The following methodology changes were made:
  - Recognition of merit salary increases in the first projection year.
  - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were 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 then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

\* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

**ENGLEWOOD SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2016**

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
  
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SCHDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$91,020,038	\$70,215,676	\$52,910,328

*Pension plan fiduciary net position.* Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).



ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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**NOTE 8: OTHER POST-EMPLOYMENT BENEFITS**

Health Care Trust Fund

*Plan Description* – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014 the District contributions to the HCTF were \$204,959, \$205,312 and \$200,956, respectively, equal to their required contributions for each year.

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

**Claims and Judgments**

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. 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 District may be required to reimburse the grantor government. At June 30, 2016, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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**Operating Lease Obligation**

The District leases wide area network facilities and services. The term of the lease is for seven years and is subject to annual appropriation. Monthly payments of \$4,960 are due beginning on June 30, 2013. During the year ended June 30, 2016, the District paid \$59,520 under the lease. In the event the District terminates the agreement; the District is required to pay a termination fee as follows:

<b>Termination</b>	
<b>Year</b>	<b>Fee</b>
FY 2017	\$ 84,772
FY 2018	49,450
FY 2019	7,500

**TABOR Amendment**

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (the Amendment) which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment.

Fiscal year 1993 provides the basis for spending limitations in future years to which may be applied allowable increases for inflation and student enrollment. In November, 1999, voters within the District authorized the District to collect, retain, and expend all excess revenues and other funds received from every source, without limitation, in the 1999-2000 budget year and each subsequent budget year thereafter without future voter approval, notwithstanding the limitations of the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies. At June 30, 2016, the District's reserve of \$913,000 was reported as restricted fund balance in the General Fund.

## **REQUIRED SUPPLEMENTARY INFORMATION**

ENGLEWOOD SCHOOLS

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

	2016		Variance With Final Budget - Positive (Negative)	2015 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
<b>Local Sources</b>				
Property Taxes	\$ 13,505,800	\$ 14,964,827	\$ 1,459,027	\$ 13,655,106
Specific Ownership Taxes	1,350,000	1,523,542	173,542	1,439,746
Delinquent Property Taxes	-	7,004	7,004	(37,363)
Tuition and Fees	185,000	190,406	5,406	197,511
Net Investment Income	10,000	18,213	8,213	9,245
Other	338,533	453,148	114,615	438,351
<b>Total Local Sources</b>	<b>15,389,333</b>	<b>17,157,140</b>	<b>1,767,807</b>	<b>15,702,596</b>
<b>State Sources</b>				
State Equalization	10,532,909	9,562,116	(970,793)	10,304,676
Hold Harmless Kindergarten	189,564	189,505	(59)	182,351
Vocational Education	100,000	469,755	369,755	481,971
Exceptional Children's Education Act	746,000	936,735	190,735	863,981
English Language Proficiency Assessment (ELPA)	120,000	152,467	32,467	129,809
Transportation	130,000	202,694	72,694	124,838
Other	200,315	186,083	(14,232)	233,643
<b>Total State Sources</b>	<b>12,018,788</b>	<b>11,699,355</b>	<b>(319,433)</b>	<b>12,321,269</b>
<b>Total Revenues</b>	<b>27,408,121</b>	<b>28,856,495</b>	<b>1,448,374</b>	<b>28,023,865</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	16,781,586	16,373,668	407,918	16,556,723
Students	1,927,150	1,830,821	96,329	1,827,383
Instructional Staff	1,566,704	1,445,882	120,822	1,467,893
General Administration	620,700	541,788	78,912	638,292
School Administration	2,046,279	1,982,310	63,969	2,006,679
Business Services	482,277	433,568	48,709	481,995
Operations and Maintenance	3,212,517	3,072,074	140,443	3,221,326
Student Transportation	823,564	825,575	(2,011)	829,342
Central Support	1,633,580	1,596,931	36,649	1,320,821
Other Support	138,797	154,193	(15,396)	145,545
Community Services	11,102	11,309	(207)	55,550
Reserves	6,326,077	-	6,326,077	-
<b>Total Expenditures</b>	<b>35,570,333</b>	<b>28,268,119</b>	<b>7,302,214</b>	<b>28,551,549</b>
<b>Excess Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>(8,162,212)</b>	<b>588,376</b>	<b>8,750,588</b>	<b>(527,684)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	51,817	51,817	-	-
Transfers Out	(417,377)	(417,377)	-	(900,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(365,560)</b>	<b>(365,560)</b>	<b>-</b>	<b>(900,000)</b>
<b>Net Change in Fund Balance</b>	<b>(8,527,772)</b>	<b>222,816</b>	<b>8,750,588</b>	<b>(1,427,684)</b>
<b>Fund Balance - Beginning</b>	<b>8,527,772</b>	<b>9,041,722</b>	<b>513,950</b>	<b>10,469,406</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 9,264,538</b>	<b>\$ 9,264,538</b>	<b>\$ 9,041,722</b>

See the accompanying Independent Auditor's Report.

**ENGLEWOOD SCHOOLS**  
**SPECIAL REVENUE FUND - GRANTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<b>2016</b>			<b>2015 ACTUAL</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>	
<b>Revenues</b>				
Local Grants	\$ 238,241	\$ 37,289	\$ (200,952)	\$ 56,125
State Grants	365,944	334,740	(31,204)	348,837
Federal Grants	2,845,815	2,406,344	(439,471)	2,313,349
<b>Total Revenues</b>	<b>3,450,000</b>	<b>2,778,373</b>	<b>(671,627)</b>	<b>2,718,311</b>
<b>Expenditures</b>				
Current				
Instruction	1,598,061	1,277,382	320,679	1,641,962
Supporting Services	1,851,939	1,500,991	350,948	1,076,349
<b>Total Expenditures</b>	<b>3,450,000</b>	<b>2,778,373</b>	<b>671,627</b>	<b>2,718,311</b>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, Beginning</b>	-	-	-	-
<b>Fund Balance, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See the accompanying Independent Auditor's Report.

**ENGLEWOOD SCHOOLS**  
**FOOD SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016			Variance With Final Budget - Positive (Negative)	2015 ACTUAL
	Budgeted Amounts		Actual		
	Original	Final			
<b>Revenues</b>					
Charges for Services					
Student Fees	\$ 305,000	\$ 287,623	\$ 186,053	\$ (101,570)	\$ 136,770
State Sources	21,000	21,000	22,260	1,260	23,360
Federal Sources:					
School Breakfast Program	265,000	465,000	339,635	(125,365)	321,172
National School Lunch Program	655,000	655,000	570,631	(84,369)	605,512
Summer Food Program	-	-	19,043	19,043	27,564
Fresh Fruit Grant	-	-	47,006	47,006	-
Donated Commodities	70,000	70,000	75,530	5,530	40,607
<b>Total Revenues</b>	<u>1,316,000</u>	<u>1,498,623</u>	<u>1,260,158</u>	<u>(238,465)</u>	<u>1,154,985</u>
<b>Expenditures</b>					
Salaries	510,000	710,000	550,643	159,357	68,758
Benefits	160,000	160,000	189,296	(29,296)	20,593
Purchased Services	10,000	10,000	13,641	(3,641)	1,037,566
Commodities	71,000	71,000	76,124	(5,124)	40,607
Supplies and Materials	579,000	579,000	567,401	11,599	6,735
Capital Outlay	5,000	5,000	16,044	(11,044)	16,250
Reserves	149,588	149,588	-	149,588	-
<b>Total Expenditures</b>	<u>1,484,588</u>	<u>1,684,588</u>	<u>1,413,149</u>	<u>271,439</u>	<u>1,190,509</u>
<b>Excess Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>(168,588)</u>	<u>(185,965)</u>	<u>(152,991)</u>	<u>32,974</u>	<u>(35,524)</u>
<b>Other Financing Sources</b>					
Transfers In	-	17,377	17,377	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>17,377</u>	<u>17,377</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(168,588)	(168,588)	(135,614)	32,974	(35,524)
<b>Fund Balance - Beginning</b>	<u>168,588</u>	<u>168,588</u>	<u>142,964</u>	<u>(25,624)</u>	<u>178,488</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,350</u>	<u>\$ 7,350</u>	<u>\$ 142,964</u>

See the accompanying Independent Auditor's Report.

**ENGLEWOOD SCHOOLS**  
**TUITION FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016		Variance With Final Budget - Positive (Negative)	2015 ACTUAL
	Original and Final Budget	Actual		
<b>Revenues</b>				
Local Sources				
Tuition	\$ 438,000	\$ 271,704	\$ (166,296)	\$ 365,205
<b>Expenditures</b>				
Salaries	258,283	159,681	98,602	218,901
Benefits	80,650	44,967	35,683	62,437
Purchased Services	30,300	14,871	15,429	38,054
Supplies and Materials	14,250	2,046	12,204	15,534
Other	2,700	2,155	545	4,460
Reserves	-	-	-	-
<b>Total Expenditures</b>	<b>386,183</b>	<b>223,720</b>	<b>162,463</b>	<b>339,386</b>
<b>Excess Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>51,817</b>	<b>47,984</b>	<b>(3,833)</b>	<b>25,819</b>
<b>Other Financing Sources</b>				
Transfers Out	(51,817)	(51,817)	-	-
<b>Total Other Financing Sources</b>	<b>(51,817)</b>	<b>(51,817)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(3,833)</b>	<b>(3,833)</b>	<b>25,819</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>25,819</b>	<b>25,819</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 21,986</b>	<b>\$ 21,986</b>	<b>\$ 25,819</b>

See the accompanying Independent Auditor's Report.

**ENGLEWOOD SCHOOLS**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PERA PENSION PLAN - SCHOOL DIVISION TRUST FUND**

**LAST TEN YEARS \***

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District Proportion of the Net Pension Liability (Asset)	0.45910%	0.47640%	0.47717%
District Proportionate Share of the Net Pension Liability (Asset)	\$ 70,215,676	\$ 64,568,746	\$ 60,863,112
District Covered Employee Payroll	\$ 20,128,645	\$ 19,957,907	\$ 19,236,302
Proportionate Share of Net Pension Liability as a Percentage of its Covered Employee Payroll	348.835%	323.525%	316.397%
 Calculation of Collective Net Pension Liability (\$ in thousands):			
Total Pension Liability	\$ 37,447,062	\$ 36,473,966	\$ 35,494,976
Plan Fiduciary Net Position	22,152,768	22,920,607	22,740,003
Net Pension Liability	<u>\$ 15,294,294</u>	<u>\$ 13,553,359</u>	<u>\$ 12,754,973</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 59.16%	 62.84%	 64.07%

\* The amounts presented for each fiscal year were determined as of 12/31.

NOTE: Information for the prior eight years was not available to report.

See the accompanying Independent Auditor's Report.



**ENGLEWOOD SCHOOLS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PERA PENSION PLAN - SCHOOL DIVISION TRUST FUND**

**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 3,768,522	\$ 3,397,776	\$ 3,148,760	\$ 2,834,423
Contributions in Relation to the Contractually Required Contribution	<u>(3,768,522)</u>	<u>(3,397,776)</u>	<u>(3,148,760)</u>	<u>(2,834,423)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 20,094,063	\$ 20,128,645	\$ 19,701,594	\$ 18,793,626
Contributions as a Percentage of Covered Employee Payroll	18.75%	16.88%	15.98%	15.08%

NOTE: Information for the prior six years was not available to report.

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

**NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

By May 31, management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

Public hearings are conducted by the Board of Education to obtain taxpayer comments.

Prior to June 30, the budget is adopted by formal resolution.

Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

During the year ended June 30, 2016, the District approved one supplementary appropriation amending the appropriation for the following funds:

	Original Appropriation	Modified Appropriation	Change
Food Service Fund	1,484,588	1,684,588	200,000
Bond Redemption Fund	10,174,381	35,009,381	24,835,000

## **INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**ENGLEWOOD SCHOOLS**  
**BOND REDEMPTION FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016			Variance With Final Budget - Positive (Negative)	2015 ACTUAL
	Budgeted Amounts		Actual		
	Original	Final			
<b>Revenues</b>					
Local Sources					
Property Taxes	\$ 5,400,000	\$ 5,400,000	\$ 5,477,950	\$ 77,950	\$ 5,390,197
Net Investment Income	4,000	4,000	8,781	4,781	4,037
<b>Total Revenues</b>	<u>5,404,000</u>	<u>5,404,000</u>	<u>5,486,731</u>	<u>82,731</u>	<u>5,394,234</u>
<b>Expenditures</b>					
Debt Service:					
Principal	3,110,915	26,995,915	26,995,915	-	2,998,814
Interest and Fiscal Charges	2,416,037	6,960,456	6,960,456	-	2,551,137
Reserves	4,647,429	1,053,010	-	1,053,010	-
<b>Total Expenditures</b>	<u>10,174,381</u>	<u>35,009,381</u>	<u>33,956,371</u>	<u>1,053,010</u>	<u>5,549,951</u>
<b>Excess Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>(4,770,381)</u>	<u>(29,605,381)</u>	<u>(28,469,640)</u>	<u>(1,135,741)</u>	<u>(155,717)</u>
<b>Other Financing Sources</b>					
Bond Proceeds	-	24,835,000	24,835,000	-	-
Bond Premium	-	-	4,198,757	4,198,757	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>24,835,000</u>	<u>29,033,757</u>	<u>4,198,757</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(4,770,381)</u>	<u>(4,770,381)</u>	<u>564,117</u>	<u>3,063,016</u>	<u>(155,717)</u>
<b>Fund Balance, Beginning</b>	<u>4,770,381</u>	<u>4,770,381</u>	<u>4,751,365</u>	<u>(19,016)</u>	<u>4,907,082</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,315,482</u>	<u>\$ 3,044,000</u>	<u>\$ 4,751,365</u>

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS

CAPITAL RESERVE CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

	2016		Variance With Final Budget - Positive (Negative)	2015 ACTUAL
	Original and Final Budget	Actual		
<b>Revenues</b>				
Local Sources				
Net Investment Income	\$ 2,000	\$ 3,374	\$ 1,374	\$ 2,191
Other	455,000	286,460	(168,540)	396,498
<b>Total Revenues</b>	<b>457,000</b>	<b>289,834</b>	<b>(167,166)</b>	<b>398,689</b>
<b>Expenditures</b>				
Capital Outlay				
Buildings	-	-	-	1,360
Equipment	52,440	13,324	39,116	575,025
Other	1,024,275	274,018	750,257	2,282,758
Reserves	1,132,779	-	1,132,779	-
<b>Total Expenditures</b>	<b>2,209,494</b>	<b>287,342</b>	<b>1,922,152</b>	<b>2,859,143</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(1,752,494)</b>	<b>2,492</b>	<b>1,754,986</b>	<b>(2,460,454)</b>
<b>Other Financing Sources</b>				
Transfers In	400,000	400,000	-	900,000
<b>Total Other Financing Sources</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>	<b>900,000</b>
<b>Net Change in Fund Balance</b>	<b>(1,352,494)</b>	<b>402,492</b>	<b>1,754,986</b>	<b>(1,560,454)</b>
<b>Fund Balance, Beginning</b>	<b>1,352,494</b>	<b>944,940</b>	<b>(407,554)</b>	<b>2,505,394</b>
<b>Fund Balance, Ending</b>	<b>\$ -</b>	<b>\$ 1,347,432</b>	<b>\$ 1,347,432</b>	<b>\$ 944,940</b>

See the accompanying Independent Auditor's Report.

**ENGLEWOOD SCHOOLS**  
**TECHNOLOGY FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016		Variance With Final Budget - Positive (Negative)	2015 ACTUAL
	Original and Final Budget	Actual		
<b>Revenues</b>				
Local Sources				
Net Investment Income	\$ -	\$ 46	\$ 46	\$ 355
<b>Expenditures</b>				
Supporting Services				
Purchased Services	13,232	1,600	11,632	93,917
Supplies and Materials	9,100	22,426	(13,326)	72,849
Capital Outlay	98,504	96,855	1,649	199,708
Reserves	6,768	-	6,768	-
<b>Total Expenditures</b>	<u>127,604</u>	<u>120,881</u>	<u>6,723</u>	<u>366,474</u>
<b>Net Change in Fund Balance</b>	(127,604)	(120,835)	6,769	(366,119)
<b>Fund Balance, Beginning</b>	<u>127,604</u>	<u>120,835</u>	<u>(6,769)</u>	<u>486,954</u>
<b>Fund Balance, Ending</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 120,835</u></u>

See the accompanying Independent Auditor's Report.

**ENGLEWOOD SCHOOLS**  
**BUILDING FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016		Variance With Final Budget - Positive (Negative)	2015 ACTUAL
	Original and Final Budget	Actual		
<b>Revenues</b>				
Local Sources				
Net Investment Income	\$ -	\$ -	\$ -	\$ 1,631
State Sources				
BEST Grant	512,129	419,878	(92,251)	-
<b>Total Revenues</b>	<u>512,129</u>	<u>419,878</u>	<u>(92,251)</u>	<u>1,631</u>
<b>Expenditures</b>				
Capital Outlay				
Land Improvements	-	14,925	(14,925)	-
Buildings	573,211	404,953	168,258	10,583,832
<b>Total Expenditures</b>	<u>573,211</u>	<u>419,878</u>	<u>153,333</u>	<u>10,583,832</u>
<b>Net Change in Fund Balance</b>	(61,082)	-	61,082	(10,582,201)
<b>Fund Balance, Beginning</b>	<u>61,082</u>	<u>-</u>	<u>(61,082)</u>	<u>10,582,201</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditor's Report.

**ENGLEWOOD SCHOOLS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**For the Year Ended June 30, 2016**

	<u>Balance 6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/16</u>
<b>PUPIL ACTIVITIES</b>				
<b>Assets</b>				
Cash and Investments	\$ 190,197	\$ 404,252	\$ 382,109	\$ 212,340
<b>Total Assets</b>	<u>\$ 190,197</u>	<u>\$ 404,252</u>	<u>\$ 382,109</u>	<u>\$ 212,340</u>
<b>Liabilities</b>				
Accounts Payable	\$ 3,783	\$ 1,435	\$ 3,783	\$ 1,435
Due to Student Groups	186,414	402,817	378,326	210,905
<b>Total Liabilities</b>	<u>\$ 190,197</u>	<u>\$ 404,252</u>	<u>\$ 382,109</u>	<u>\$ 212,340</u>

See the accompanying Independent Auditor's Report.



**STATISTICAL SECTION**  
(Unaudited)

# ENGLEWOOD SCHOOLS

## Statistical Section

(Unaudited)

This part of Englewood Schools' 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 District's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	60 - 64
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	65 - 68
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	69 - 72
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	73 - 74
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	75 - 78

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in fiscal year 2003.

ENGLEWOOD SCHOOLS

Net Position by Components  
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015 (1)	2016
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ (10,641,157)	\$ (10,231,564)	\$ (9,493,937)	\$ (9,520,604)	\$ (7,600,450)	\$ (5,827,151)	\$ 2,545,616	\$ 6,295,190	\$ 8,165,022	\$ 4,986,120
Restricted	4,296,941	4,554,606	5,434,692	6,110,614	7,992,204	7,917,264	6,686,652	6,186,108	5,778,861	6,258,709
Unrestricted	12,919,127	13,729,014	13,524,125	15,183,824	12,340,853	13,453,151	14,877,649	11,985,937	(52,487,652)	(53,526,410)
Total governmental activities net assets	6,574,911	8,052,056	9,464,880	11,773,834	12,732,607	15,543,264	24,109,917	24,467,235	(38,543,769)	(42,281,581)
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted										
Unrestricted	222,755	269,919	210,735	212,187	259,839	262,734	262,022	178,488	-	-
Total business-type activities net assets	222,755	269,919	210,735	212,187	259,839	262,734	262,022	178,488	-	-
<b>Totals</b>										
Invested in capital assets, net of related debt	(10,641,157)	(10,231,564)	(9,493,937)	(9,520,604)	(7,600,450)	(5,827,151)	2,545,616	6,295,190	8,165,022	4,986,120
Restricted	4,296,941	4,554,606	5,434,692	6,110,614	7,992,204	7,917,264	6,686,652	6,186,108	5,778,861	6,258,709
Unrestricted	13,141,882	13,998,933	13,734,860	15,396,011	12,600,692	13,715,885	15,139,671	12,164,425	(52,487,652)	(53,526,410)
Total primary government net assets	\$ 6,797,666	\$ 8,321,975	\$ 9,675,615	\$ 11,986,021	\$ 12,992,446	\$ 15,805,998	\$ 24,371,939	\$ 24,645,723	\$ (38,543,769)	\$ (42,281,581)

(1) During 2015 the Food Service and Tuition Funds were switched to Special Revenue Funds and the District implemented GASB 68.

**ENGLEWOOD SCHOOLS**

**Changes in Net Position  
Last Ten Fiscal Years**

**Fiscal Year Ended June 30,**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 20,406,654	\$ 20,339,331	\$ 20,353,908	\$ 20,699,372	\$ 18,921,262
Supporting Services	11,509,511	12,104,630	12,184,195	11,816,820	13,130,895
Depreciation, unallocated	-	-	-	-	-
Interest Expense	1,530,064	1,137,741	1,122,250	714,114	775,296
Total governmental activities expenses	33,446,229	33,581,702	33,660,353	33,230,306	32,827,453
Business-type activities:					
Food Services	776,410	868,402	922,878	945,906	979,160
Tuition	557,401	583,588	517,522	425,867	403,378
Total business-type activities expenses	1,333,811	1,451,990	1,440,400	1,371,773	1,382,538
<b>Total primary government expenses</b>	<b>34,780,040</b>	<b>35,033,692</b>	<b>35,100,753</b>	<b>34,602,079</b>	<b>34,209,991</b>
<b>Program revenues:</b>					
Governmental activities:					
Charges for services	83,074	174,855	160,717	71,492	70,380
Operating/Capital grants and contributions	3,475,498	3,482,975	3,589,399	4,892,767	4,913,347
Total governmental activities program revenue	3,558,572	3,657,830	3,750,116	4,964,259	4,983,727
Business-type activities:					
Charges for services	810,829	913,231	706,691	638,267	624,096
Operating grants and contributions	501,388	584,518	674,267	734,954	806,094
Total business-type activities program revenue	1,312,217	1,497,749	1,380,958	1,373,221	1,430,190
Total primary government revenues	4,870,789	5,155,579	5,131,074	6,337,480	6,413,917
<b>Net (Expenses) Revenue</b>					
Governmental activities	(29,887,657)	(29,923,872)	(29,910,237)	(28,266,047)	(27,843,726)
Business-type activities	(21,594)	45,759	(59,442)	1,448	47,652
Total primary government net expense	(29,909,251)	(29,878,113)	(29,969,679)	(28,264,599)	(27,796,074)
<b>General revenues:</b>					
Governmental Activities					
Property taxes	14,792,044	15,724,141	15,230,399	15,686,164	15,524,629
Specific ownership taxes	1,360,226	1,263,404	1,128,455	1,051,599	967,885
State equalization	13,752,655	13,019,552	13,489,379	13,258,128	10,606,022
Investment income	872,425	714,228	388,886	157,455	60,787
Other revenues	341,014	679,692	1,085,942	421,655	1,643,176
Total general revenues	31,118,364	31,401,017	31,323,061	30,575,001	28,802,499
Business-type activities					
Investment income	2,470	1,405	258	4	-
<b>Change in net position</b>					
Governmental activities	1,230,707	1,477,145	1,412,824	2,308,954	958,773
Business-type activities	(19,124)	47,164	(59,184)	1,452	47,652
Total primary government change in net position	\$ 1,211,583	\$ 1,524,309	\$ 1,353,640	\$ 2,310,406	\$ 1,006,425

(1) During 2015 the Food Service and Tuition Funds were switched to Special Revenue Funds and the District implemented GASB 68.

2012	2013	2014	2015 (1)	2016
\$ 17,495,595	\$ 17,896,118	\$ 18,737,280	\$ 22,485,723	\$ 20,067,010
12,627,729	13,423,963	13,920,935	17,110,664	16,527,157
-	-	-	-	-
2,001,675	2,499,170	2,392,566	2,277,186	6,331,270
32,124,999	33,819,251	35,050,781	41,873,573	42,925,437
1,068,992	1,137,015	1,174,040	-	-
340,042	393,253	397,343	-	-
1,409,034	1,530,268	1,571,383	-	-
33,534,033	35,349,519	36,622,164	41,873,573	42,925,437
69,866	93,444	254,449	1,095,984	934,623
4,837,752	12,269,253	5,002,377	5,761,333	6,421,796
4,907,618	12,362,697	5,256,826	6,857,317	7,356,419
503,992	559,317	506,956	-	-
907,937	970,239	980,893	-	-
1,411,929	1,529,556	1,487,849	-	-
6,319,547	13,892,253	6,744,675	6,857,317	7,356,419
(27,217,381)	(21,456,554)	(29,793,955)	(35,016,256)	(35,569,018)
2,895	(712)	(83,534)	-	-
(27,214,486)	(21,457,266)	(29,877,489)	(35,016,256)	(35,569,018)
18,427,279	19,104,915	19,069,549	18,871,234	20,274,187
1,058,274	1,253,944	1,337,194	1,439,746	1,523,542
10,084,015	9,343,027	9,246,246	10,304,676	9,562,116
19,093	1,998	4,603	9,245	18,213
439,377	319,323	493,681	438,351	453,148
30,028,038	30,023,207	30,151,273	31,063,252	31,831,206
-	-	-	-	-
2,810,657	8,566,653	357,318	(3,953,004)	(3,737,812)
2,895	(712)	(83,534)	-	-
\$ 2,813,552	\$ 8,565,941	\$ 273,784	\$ (3,953,004)	\$ (3,737,812)

ENGLEWOOD SCHOOLS

Fund Balances - Governmental Funds  
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 958,453	\$ 966,650	\$ 1,023,367	\$ 950,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	8,883,743	9,708,572	10,135,776	10,931,355	-	-	-	-	-	-
Restricted	-	-	-	-	885,159	859,380	846,109	860,601	912,947	1,054,569
Assigned	-	-	-	-	-	-	3,717,773	3,378,687	1,793,201	1,508,699
Unassigned	-	-	-	-	11,338,572	12,253,380	8,181,936	6,230,118	6,335,574	6,701,270
Total general fund	9,842,196	10,675,222	11,159,143	11,882,196	12,223,731	13,112,760	12,745,818	10,469,406	9,041,722	9,264,538
All Other Governmental Funds										
Nonspendable for inventory	-	-	-	-	-	-	-	-	-	7,350
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	4,432,905	4,613,289	5,218,050	5,285,982	-	-	-	-	-	-
Debt service fund	3,116,006	3,396,672	3,198,517	3,852,533	-	-	-	-	-	-
Restricted, reported in:										
Capital projects fund	-	-	-	-	3,167,102	55,394,291	36,995,704	11,219,155	320,835	200,000
Debt service fund	-	-	-	-	3,814,491	5,194,031	5,075,936	4,907,082	4,751,365	5,315,482
Assigned, reported in:										
Food Services	-	-	-	-	-	-	-	-	142,964	-
Tuition Fund	-	-	-	-	-	-	-	-	25,819	21,986
Capital projects fund	-	-	-	-	1,003,164	903,258	1,134,459	2,355,394	744,940	1,147,432
Total all other governmental funds	7,548,911	8,009,961	8,416,567	9,138,515	7,984,757	61,491,580	43,206,099	18,481,631	5,985,923	6,692,250
Total all governmental funds	\$ 17,391,107	\$ 18,685,183	\$ 19,575,710	\$ 21,020,711	\$ 20,208,488	\$ 74,604,340	\$ 55,951,917	\$ 28,951,037	\$ 15,027,645	\$ 15,956,788

(1) During 2015 the Food Service and Tuition Funds were switched to Special Revenue Funds and the District implemented GASB 68.

**ENGLEWOOD SCHOOLS**

**Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Local Sources	\$ 16,939,077	\$ 18,734,956	\$ 18,439,858	\$ 17,268,274	\$ 17,464,305	\$ 20,285,110	\$ 28,630,133	\$ 21,809,419	\$ 21,553,630	\$ 23,390,918
State Sources	14,894,756	13,963,522	14,641,751	14,623,310	11,868,112	11,562,690	11,227,346	11,060,772	12,693,466	12,056,355
Federal Sources	2,263,847	2,429,715	2,393,389	3,463,266	4,189,730	2,971,123	2,694,954	2,564,495	3,308,204	3,458,189
Charges for Services	-	-	-	-	-	-	-	-	501,975	457,757
Total revenues	34,097,680	35,128,193	35,474,998	35,354,850	33,522,147	34,818,923	42,552,433	35,434,686	38,057,275	39,363,219
<b>Expenditures:</b>										
Instruction	18,061,928	18,408,034	18,739,912	19,344,585	18,287,304	16,967,332	17,102,464	17,897,403	18,538,071	17,874,770
Support services	11,110,338	11,504,378	11,443,495	11,352,707	11,646,452	11,570,619	12,393,421	13,313,628	14,428,450	14,832,617
Capital outlay	1,082,756	863,782	962,147	679,950	1,608,740	2,455,029	26,175,563	27,404,795	13,642,683	804,075
Debt service:										
Principal	2,262,528	2,314,444	2,494,444	1,699,444	2,394,444	2,444,722	2,797,319	2,892,192	2,998,814	26,995,915
Interest and fiscal charges	1,039,860	749,852	944,473	833,163	797,763	1,660,049	2,786,089	2,680,048	2,551,137	6,960,456
Bond issuance costs	-	128,697	-	-	-	311,637	-	-	-	-
Total expenditures	33,557,410	33,969,187	34,584,471	33,909,849	34,734,703	35,409,388	61,254,856	64,188,066	52,159,155	67,467,833
<b>Other Financing Services (Uses)</b>										
Bonds issued	-	9,075,000	-	-	-	49,996,986	-	-	-	24,835,000
Bond premium	-	439,060	-	-	-	4,964,028	-	-	-	4,198,757
Payments to escrow agent	-	(9,378,990)	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	400,333	25,303	50,000	1,752,500	-	-
Transfers in	988,769	774,079	1,068,511	844,564	384,242	200,000	678,674	650,000	900,000	469,194
Transfers out	(988,769)	(774,079)	(1,068,511)	(844,564)	(384,242)	(200,000)	(678,674)	(650,000)	(900,000)	(469,194)
Total other financing sources (uses)	-	135,070	-	-	400,333	54,986,317	50,000	1,752,500	-	29,033,757
<b>Net change in fund balances</b>	\$ 540,270	\$ 1,294,076	\$ 890,527	\$ 1,445,001	\$ (812,223)	\$ 54,395,852	\$ (18,652,423)	\$ (27,000,880)	\$ (14,101,880)	\$ 929,143
<b>Debt service as a percentage of noncapital expenditures</b>	9.8%	9.0%	9.9%	7.5%	9.2%	11.6%	9.1%	8.7%	14.1%	50.8%

**ENGLEWOOD SCHOOLS**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

Year	Total Taxable Assessed Value	Total Direct Tax Rate (in mills)	Estimated Actual Value			Percentage of Assessed Value to Estimated Actual Value
			Residential Property	Commercial Property	Total Estimated Actual Value	
2007	358,907,480	40.354	1,855,094,065	743,437,745	2,598,531,810	13.81%
2008	358,484,270	37.211	2,005,430,059	757,467,138	2,762,897,197	12.97%
2009	421,381,030	37.195	2,015,631,030	709,270,550	2,724,901,580	15.46%
2010	420,770,900	37.199	2,015,443,630	897,670,852	2,913,114,482	14.44%
2011	419,880,340	37.495	1,869,911,551	934,536,232	2,804,447,783	14.97%
2012	404,882,670	45.858	1,818,642,994	896,906,482	2,715,549,476	14.91%
2013	411,108,940	46.719	1,819,669,002	918,095,359	2,737,764,361	15.02%
2014	408,615,730	46.874	1,805,864,441	913,290,625	2,719,155,066	15.03%
2015	406,326,674	47.018	1,815,549,956	902,662,338	2,718,212,294	14.95%
2016	466,336,848	44.268	2,296,133,877	977,831,201	3,273,965,078	14.24%

Source: Arapahoe County Assessor's Office

The assessment ratios for all taxable property in the State of Colorado are as follows:

Year	Residential	Commercial	Valuation Year
2006	7.96%	29.00%	2005
2007	7.96%	29.00%	2006
2008	7.96%	29.00%	2007
2009	7.96%	29.00%	2008
2010	7.96%	29.00%	2009
2011	7.96%	29.00%	2010
2012	7.96%	29.00%	2011
2013	7.96%	29.00%	2012
2014	7.96%	29.00%	2013
2015	7.96%	29.00%	2014
2016	7.96%	29.00%	2015



**ENGLEWOOD SCHOOLS**

**Property Tax Rates  
Direct and Overlapping Governments  
(in mills)  
Last Ten Fiscal Years**

Year	Englewood Schools				Overlapping Rates							
	General Fund Millage	Bond Redemption Fund Millage	Total School Millage	Arapahoe County	City of Englewood	City of Littleton	City of Cherry Hills Village	Arapahoe Regional Library District	South Metro Fire & Rescue	South Suburban Recreation District	Urban Drainage & Flood Control District	Littleton Fire District
2007	31.388	8.966	40.354	16.083	8.400	6.662	13.117	4.893	-	7.008	0.542	7.678
2008	29.580	7.631	37.211	15.217	8.173	6.662	13.117	4.814	-	6.868	0.507	7.678
2009	29.564	7.631	37.195	15.676	8.400	6.662	13.117	4.814	-	6.868	0.507	7.678
2010	29.568	7.631	37.199	15.672	7.911	6.662	13.402	4.783	9.362	6.777	0.569	-
2011	29.952	7.543	37.495	15.949	8.010	6.662	13.402	4.869	9.541	6.869	0.576	-
2012	32.027	13.831	45.858	17.316	7.621	6.662	13.295	4.981	9.661	7.034	0.623	-
2013	33.511	13.208	46.719	17.150	7.794	6.662	13.304	4.903	9.519	6.960	0.657	-
2014	33.610	13.264	46.874	17.130	8.124	6.662	13.374	4.861	9.444	6.915	0.672	-
2015	33.679	13.339	47.018	16.950	8.124	6.662	13.360	4.794	9.319	8.808	0.700	-
2016	32.422	11.846	44.268	16.788	7.804	6.662	13.557	5.916	9.199	8.651	0.696	-

Source: Arapahoe County Assessor's Office.

Note: All numbers shown are Mill Levies (amounts assessed per \$1,000).

**ENGLEWOOD SCHOOLS**

**Principal Property Taxpayers  
Current Year and Ten Years Ago**

2015				2005			
Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Columbia Health One	\$ 21,025,000	1	4.51%	Columbia Health One	\$ 28,580,750	1	8.41%
Swedish Medical Center	9,833,855	2	2.11%	Qwest Communications, Inc.	8,589,400	2	2.53%
Qwest Communications, Inc.	8,474,200	3	1.82%	Public Service Company	6,627,440	3	1.95%
Public Svc Co of Colorado	5,696,050	4	1.22%	Wal-Mart	2,971,510	4	0.87%
Northern Englewood Limited	3,074,870	5	0.66%	Omni Development Corp	2,609,990	5	0.77%
Sprint Nextel Wireless	3,068,070	6	0.66%	Wilkerson Corp	2,518,970	6	0.74%
Englewood Meridian LP	2,918,932	7	0.63%	801/901 Englewood Parkway	2,481,530	7	0.73%
Wal-Mart Real Estate Bus. Trust	2,911,890	8	0.62%	Northern Englewood Limited	2,465,000	8	0.73%
HTA-Hampden Place LLC	2,887,240	9	0.62%	Situs Enterprises, LLC	2,465,000	9	0.73%
Health one	2,657,270	10	0.57%	Wellsford Marks B Corp	2,126,270	10	0.63%
	<u>\$ 62,547,377</u>		<u>13.41%</u>	Total	<u>\$ 61,435,860</u>		<u>18.07%</u>
Total Assessed Valuation	\$466,336,848				\$339,906,040		

Source: Arapahoe County Assessor's Office

**ENGLEWOOD SCHOOLS**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy		Collections Subsequent to Fiscal Year End	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2006	14,406,905	13,853,271	96.2%	494,420	14,347,691	99.6%
2007	14,466,274	13,687,559	94.6%	722,847	14,410,406	99.6%
2008	15,680,010	14,818,921	94.5%	767,785	15,586,706	99.4%
2009	15,650,574	14,935,112	95.4%	621,548	15,556,660	99.4%
2010	15,772,176	14,893,494	94.4%	786,165	15,679,659	99.4%
2011	15,730,614	14,973,487	95.2%	618,457	15,591,944	99.1%
2012	18,567,109	17,570,985	94.6%	897,902	18,468,887	99.5%
2013	19,206,728	18,389,912	95.7%	738,587	19,128,499	99.6%
2014	19,153,660	18,128,092	94.6%	847,472	18,975,564	99.1%
2015	19,104,479	18,250,649	95.5%	826,543	19,077,192	99.9%
2016	20,643,712	18,761,296	90.9%	1,171,779 (2)	19,933,075	96.6%

(1) Property tax collection amounts are for current taxes only. In the financial statements, property tax revenue also includes delinquent taxes and interest on current and delinquent taxes.

(2) July-December 2016 subsequent collections, received in August-January, are not known at this time.

Source: Arapahoe County Assessor's Office, District Audited Financial Statements 2007-2016.

ENGLEWOOD SCHOOLS

Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Population	Per Capita	Personal Income	Percent of Personal Income	Actual Value	Percent of Actual Value
	General Obligation Bonds	EPA Note	Capital Leases	Capital Leases							
2006	29,214,143	56,668	58,084	29,328,895	32,491	903	679,191,864	4.3%	2,474,945,613	1.2%	
2007	27,413,559	47,224	-	27,460,783	32,491	845	679,191,864	4.0%	2,598,531,810	1.1%	
2008	25,322,550	37,780	-	25,360,330	32,286	785	674,906,544	3.8%	2,762,897,197	0.9%	
2009	23,020,496	28,336	-	23,048,832	32,532	708	680,048,928	3.4%	2,724,901,580	0.8%	
2010	21,407,619	18,892	-	21,426,511	32,532	659	680,048,928	3.2%	2,913,114,482	0.7%	
2011	19,035,000	9,448	-	19,044,448	30,255	629	632,450,520	3.0%	2,804,447,783	0.7%	
2012	71,782,621	-	-	71,782,621	30,255	2,373	793,528,140	9.0%	2,715,549,476	2.6%	
2013	68,587,509	-	-	68,587,509	30,930	2,218	831,460,260	8.2%	2,737,764,361	2.5%	
2014	65,297,523	-	-	65,297,523	30,534	2,139	784,174,188	8.3%	2,719,155,066	2.4%	
2015	62,006,602	-	-	62,006,602	31,516	1,967	817,682,620	7.6%	2,718,212,294	2.3%	
2016	63,489,915	-	-	63,489,915	32,671	1,943	941,382,194	6.7%	2,718,212,294	2.3%	

Source: District Audited Financial Statements 2006-2016.

Source: Population from City of Englewood

Note: The District refunded \$9,075,000 during the 2008 fiscal year.  
 The District sold \$50,000,000 in bonds as a result of a successful November 2011 Bond Election.  
 The District refunded \$23,579,085 during the 2016 fiscal year.  
 The District sold \$24,835,000 in bonds as a result of an April 2016 refunding.

**ENGLEWOOD SCHOOLS**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less Amount Available in Debt Service Fund	Total Primary Government	Population	Per Capita	Actual Value	Percent of Actual Value
2007	27,413,559	(3,116,006)	24,297,553	32,491	748	2,598,531,810	0.9%
2008	25,322,550	(3,396,672)	21,925,878	32,286	679	2,762,897,197	0.8%
2009	23,020,496	(3,198,517)	19,821,979	32,532	609	2,724,901,580	0.7%
2010	21,407,619	(3,852,533)	17,555,086	32,532	540	2,913,114,482	0.6%
2011	19,035,000	(3,814,491)	15,220,509	30,255	503	2,804,447,783	0.5%
2012	71,782,621	(5,194,031)	66,588,590	30,255	2,201	2,715,549,476	2.5%
2013	68,587,509	(5,075,936)	63,511,573	30,930	2,053	2,737,764,361	2.3%
2014	65,297,523	(4,907,082)	60,390,441	30,534	1,978	2,719,155,066	2.2%
2015	62,006,602	(4,751,365)	57,255,237	31,516	1,817	2,718,212,294	2.1%
2016	62,006,602	(5,315,482)	56,691,120	32,671	1,735	2,718,212,294	2.1%

Source: District Audited Financial Statements 2005-2016.

Source: Population from City of Englewood

Note: The District refunded \$9,075,000 during the 2008 fiscal year.  
 The District sold \$50,000,000 in bonds as a result of a successful November 2011 Bond Election.  
 The District refunded \$23,579,085 during the 2016 fiscal year.  
 The District sold \$24,835,000 in bonds as a result of an April 2016 refunding.

**ENGLEWOOD SCHOOLS**

**Direct and Overlapping Governmental Activities Debt**

Taxing Authority	Gross Debt Outstanding	Percentage Applicable to District	Overlapping Debt Applicable to District
Overlapping Debt:			
City of Englewood	\$ 25,727,255	77.2%	\$ 19,861,441
South Suburban Metropolitan Recreation and Park District	18,456,000	3.5%	645,960
<b>Total Overlapping Debt</b>			<b>20,507,401</b>
Direct Debt:			
Englewood School District	62,006,602	100.0%	62,006,602
<b>Total Direct and Overlapping Debt</b>			<b>\$ 82,514,003</b>

Note: Overlapping rates are those governments that apply to property owners within the Englewood School District. Not all overlapping rates apply to all Englewood School District property owners. Percentage applicable to District is based on geographic boundaries.

Source: The various taxing authorities and the Arapahoe County Assessor's Office.

**ENGLEWOOD SCHOOLS**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

Fiscal Year	Total Net Debt		Legal Debt Margin	Total Net Debt	
	Debt limit	Applicable To Limit		Applicable To Limit	
2007	71,696,854	24,297,553	47,399,301	33.89%	
2008	84,276,206	21,925,878	62,350,328	26.02%	
2009	84,154,180	19,821,979	64,332,201	23.55%	
2010	84,798,924	17,555,086	67,243,838	20.70%	
2011	83,907,798	15,220,509	68,687,289	18.14%	
2012	80,976,534	61,397,955	19,578,579	75.82%	
2013	82,221,788	58,718,731	23,503,057	71.42%	
2014	81,723,146	55,995,393	25,727,753	68.52%	
2015	81,265,335	53,152,296	28,113,039	65.41%	
2016	93,267,370	50,427,264	42,840,106	54.07%	

Computation of Maximum Debt Allowed for Fiscal Year 2016

Taxable Assessed Valuation	\$ 466,336,848
Debt Limit Percentage (1)	20%
<b>Legal Debt Limit</b>	<b>\$ 93,267,370</b>
Total Bonded Debt	\$ 55,742,746
Amount Available in Debt Service Fund	5,315,482
Net Bonded Debt	50,427,264
<b>Legal Debt Margin</b>	<b>\$ 42,840,106</b>

- (1) Colorado Statute No. 22-42-104: Each school district shall have a limit of bonded indebtedness of 20% of the latest valuation for assessment of the taxable property in such district, as certified by the assessor to the Board of County Commissioners, or 25% if enrollment has increased by 3% or more over each preceding year in the last three years, or 6% of actual value.

Source: District Audited Financial Statements 2007-2016

**ENGLEWOOD SCHOOLS**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Englewood Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2006	32,491	\$ 679,191,864	\$ 20,904	36	3,733	6.0%
2007	32,491	\$ 679,191,864	\$ 20,904	36	3,495	5.0%
2008	32,286	\$ 674,906,544	\$ 20,904	36	3,427	4.5%
2009	32,532	\$ 680,048,928	\$ 20,904	36	3,298	6.0%
2010	32,532	\$ 680,048,928	\$ 20,904	36	3,124	7.3%
2011	30,255	\$ 632,450,520	\$ 20,904	36	2,992	10.1%
2012	30,255	\$ 793,528,140	\$ 26,228	37	2,954	9.5%
2013	30,930	\$ 831,460,260	\$ 26,882	37	2,981	7.6%
2014	30,534	\$ 784,174,188	\$ 25,682	38	2,835	6.1%
2015	31,516	\$ 817,682,620	\$ 25,945	37	2,866	4.4%
2016	32,671	\$ 941,382,194	\$ 28,814	37	2,854	4.4%

Sources:

- (1) City of Englewood
- (2) U.S. Census Bureau - 1990 Census; 2000 Census; 2014 Census
- (3) Englewood Schools
- (4) Colorado Department of Labor and Employment (data presented for Denver Metro area)



**ENGLEWOOD SCHOOLS**

**Principal Employers  
Current Year and Ten Years Ago**

Taxpayer	2015			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Columbia Swedish Medical Center	1,965	1	8.11%	1,800	1	8.07%
The Sports Authority	910	2	3.76%	900	2	4.03%
Craig Hospital	803	3	3.31%	650	3	2.91%
Encore Electric	562	4	2.32%			
Englewood Schools	515	5	2.13%	525	4	2.35%
Burt Automotive				450	6	2.02%
City of Englewood	470	6	1.94%	520	5	2.33%
Groove Toyota	415	7	1.71%			
Karcher North America	364	8	1.50%			
Metro Community Provider Network	326	9	1.35%			
Veolia Transportation	298	10	1.23%			
Wal-Mart				250	9	1.12%
Windsor Industries, Inc.				300	7	1.34%
7-Up Bottling Company				300	8	1.34%
Meadow Gold Dairies				230	10	1.03%
<b>Total</b>	<u>6,628</u>		<u>27.35%</u>	<u>5,925</u>		<u>26.56%</u>
<b>Total Employees</b>	<b>24,230</b>			<b>22,308</b>		

Source: City of Englewood Community Development Department

**ENGLEWOOD SCHOOLS**

**Full-Time Equivalent Employees by Type  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Teachers</b>	<b>Classified</b>	<b>Administrators</b>	<b>Total</b>
2006	261.20	113.09	19.70	393.99
2007	245.90	113.01	20.40	379.31
2008	232.70	102.20	20.20	355.10
2009	230.60	105.28	21.20	357.08
2010	223.30	106.00	21.80	351.10
2011	206.20	112.43	21.80	340.43
2012	198.40	113.64	20.80	332.84
2013	206.30	122.71	22.83	351.84
2014	213.60	132.86	22.83	369.29
2015	218.40	129.42	25.63	373.45
2016	221.89	150.88	23.00	395.77

Sources: Englewood Schools

**ENGLEWOOD SCHOOLS**

**Operating Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Operating Cost per Pupil</u>	<u>Government-Wide Expenditures</u>	<u>Government-Wide Cost per Pupil</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students Approved for Free or Reduced Lunch</u>
2006	3,733	32,240,748	8,637	35,265,939	9,447	261.2	14.3	42.1%
2007	3,495	31,916,165	9,132	34,780,040	9,951	245.9	14.2	40.3%
2008	3,427	32,443,971	9,467	35,033,702	10,223	232.7	14.7	44.2%
2009	3,298	32,538,103	9,866	35,100,753	10,643	230.6	14.3	49.0%
2010	3,124	32,516,192	10,409	34,602,079	11,076	223.3	14.0	54.9%
2011	2,992	32,052,157	10,713	34,209,991	11,434	206.2	14.5	55.8%
2012	2,954	30,123,324	10,197	33,534,033	11,352	198.4	14.9	57.9%
2013	2,981	31,320,081	10,507	35,349,519	11,858	206.3	14.4	56.1%
2014	2,835	32,658,215	11,520	36,622,164	12,918	213.6	13.3	59.5%
2015 (1)	2,866	39,596,387	13,816	41,873,573	14,610	218.4	13.1	62.6%

**ENGLEWOOD SCHOOLS**

**Schedule of Insurance  
June 30, 2016**

Insurance Company	Policy Number	Term of Insurance		Type of Insurance	Amount of Coverage	07/1/15 -
		Start Date	Expire Date			07/1/16 Premium
CSDSIP (1)	0301-01-00044	07/01/2015	07/01/2016	Comprehensive General Liability, Including Employee Benefit Programs and Athletic Participation	\$ 148,689,955	\$ 99,124
				School Leaders Errors & Omissions	2,000,000	30,063
CSDSIP	0301-01-00044	07/01/2015	07/01/2016	Equipment Breakdown	250,000,000	10,989
CSDSIP	0301-01-00044	07/01/2015	07/01/2016	Employee Blanket Bond	100,000	894
CSDSIP	0301-01-00044	07/01/2015	07/01/2016	Vehicle Insurance	1,000,000	<u>22,407</u>
						<b><u><u>\$ 163,477</u></u></b>

(1) Colorado School District Self-Insurance Pool.

Source: Englewood School District

ENGLEWOOD SCHOOLS

Capital Asset Information  
June 30, 2016

**Schools**

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**Elementary**

Buildings	4
Square feet	187,200
Capacity	1,668
Enrollment	1,373
Percent capacity	82%

**Middle / High**

Buildings	1
Square feet	238,298
Capacity	1,200
Enrollment	976
Percent capacity	81%

**High**

Buildings	1
Square feet	99,380
Capacity	704
Enrollment	291
Percent capacity	41%

**Early Childhood Education Center**

Buildings	1
Square feet	40,000
Capacity	364
Enrollment	214
Percent capacity	59%

**Administration**

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Buildings	1
Square feet	13,800

**Operations, maintenance and transportation**

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Buildings	1
Square feet	8,400

**Athletics**

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Athletic stadium	1
Baseball fields	1
Running tracks	1
Playgrounds	6

**Excess property**

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Buildings	2
Square feet	44,800

Source: Englewood Schools

Note: Statistical section schedules normally present ten years of data. Only one year of statistics is presented here because the number of facilities, size and capacity are essentially unchanged over that period.

## **COMPLIANCE SECTION**

# **SINGLE AUDIT**

**Independent Auditor's 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***

Board of Education  
Englewood Schools  
Englewood, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Englewood Schools (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 2, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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*.

## **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plutt Rogers & Company PC*

November 2, 2016

**Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by OMB Circular A-133**

Board of Education  
Englewood Schools  
Englewood, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Englewood Schools' (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal 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 laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 program occurred. An audit includes examining, on a test basis, evidence about the District'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 program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the District 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 programs for the year ended June 30, 2016.

### **Report on Internal Control over Compliance**

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 District'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 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 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Plutt Rogers & Company PC*

November 2, 2016

**ENGLEWOOD SCHOOLS**

**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2016**

**I. Summary of the Independent Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ Yes      X   No

Identification of major programs:

Child Nutrition Cluster –	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

**II. Findings relating to the financial statement audit as required to be reported in accordance with generally accepted government auditing standards**

There were no findings required to be reported under *Government Auditing Standards*.

**III. Findings and questioned costs for federal awards**

There were no findings or questioned costs required to be reported under *Government Auditing Standards*.

ENGLEWOOD SCHOOLS

Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2016

Finding	Status	Corrective Action Plan or Other Explanation
<b>None Reported</b>		

**ENGLEWOOD SCHOOLS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>District's Program Number</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>
<b>United States Department of Education</b>			
<b>Passed Through Colorado Department of Education</b>			
Title I	4010 / 5010	84.010	\$ 638,428
Special Education	4027	84.027	663,017
Special Education Preschool	4173	84.173	25,259
Twenty-First Century Community Learning Centers	5287	84.287	407,504
Colorado Graduation Pathways	5360	84.360	17,784
English Language Acquisition	4365	84.365	23,034
Improving Teacher Quality	4367	84.367	161,729
Race to the Top - Early Learning Challenge	5412	84.412	1,604
Race to the Top Phase 3	4413	84.413	7,288
<b>Passed Through Colorado Department of Human Services</b>			
Rehabilitation Services - Vocational Rehabilitation			
Grants to States	5126	84.126	151,342
<b>Passed Through Colorado Community College System</b>			
Career and Technical Education	4048	84.048	<u>23,994</u>
<b>TOTAL UNITED STATES DEPARTMENT OF EDUCATION</b>			<u>2,120,983</u>
<b>United States Department of Agriculture</b>			
<b>Passed Through Colorado Department of Education</b>			
School Breakfast Program	4553	10.553	339,635
National School Lunch Program	4555	10.555	570,631
Summer Food Service Program	4559	10.559	19,043
Fresh Fruit and Vegetable Program	4582	10.582	47,006
<b>Passed Through Colorado Department of Human Services</b>			
Food Commodities	4555	10.555	<u>75,530</u>
<b>TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE</b>			<u>1,051,845</u>
<b>United States Department of Health and Human Services</b>			
<b>Passed through Sheridan School District</b>			
Head Start	8600	93.600	<u>258,274</u>
<b>U.S. Department of Transportation</b>			
<b>Passed through State Department of Transportation</b>			
Highway Planning and Construction (Safe Routes to Schools)	20.205	7205	<u>3,502</u>
<b>TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			<u>3,502</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u>\$ 3,434,604</u>

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2016

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

**NOTE 2: NON-MONETARY ASSISTANCE**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received.

## **STATE COMPLIANCE**





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