



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, 2017



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INTRODUCTORY SECTION

Sosan Schaller
Chief Financial Officer
303-806-2014

December 12, 2017

**To the Citizens and Members of the Board of Education
Englewood Schools (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, 2017 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.

State law requires that the District publish within six months of the close of each fiscal year a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (US GAAS), by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the comprehensive annual financial report of the Arapahoe County School District One for the fiscal year ended June 30, 2017.

The District's financial statements have been audited by Swanhorst & Company LLC, a firm of licensed certified public accountants. The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements.

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 government-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 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.

The District offers a number of educational options including: Full-day kindergarten; International Baccalaureate (IB); Science, Technology, Engineering & Math (STEM) focus; Gifted and Talented; and vocational programs: cosmetology, culinary art, Sustainable Agriculture Education (S.A.G.E), business and journalism.

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 schools sites. The strategic plan, our vision and mission are reflective of the ideals of the community of Englewood as a whole. The strategic plan sets overall goals for Englewood Schools and puts forth a plan to achieve them:

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 - Below is an excerpt from the Colorado Legislative Councils Economic and revenue Forecast report dated June 20, 2017:

*“The **economy** is expected to continue to grow at a moderate pace in 2017 and into 2018. Demographic change and a tight labor market will make it more difficult for businesses to fill jobs, leading to increased wages and pressure on corporate profits in some industries. After a slowdown during the summer of 2016, business investments and new orders for goods and services have rebounded in the first part of 2017 in tandem with an improving global economy. The strength of the economy is expected to allow the Federal Reserve to slowly raise interest rates and taper the money supply without triggering a recession. However, because the economy is operating at or close to its capacity in most markets, risks to the economic outlook lean more to the downside”.*

According to Denver Metro Chamber of Commerce 2017 economic forecast, Metro Denver experienced job growth in each supersector in 2016 for the fourth consecutive year. In 2017 job gains will continue to be broad-based but at a slower 2.4 percent pace as labor market tightens and unemployment remains low. The unemployment rate in Metro Denver is expected to average about 3.6 percent in 2017.

Long-term Financial Planning - The District placed a \$1.5 million mill levy override and a \$97.5 million bond measure on the November 8, 2016 ballot. The mill levy override is to be used to maintain safe and secure buildings; attracting and retaining highly qualified teachers, support staff and leaders; maintain current instructional resources; providing up-to-date technology; and maintaining district facilities and grounds. The bond is to replace aging and out of date facilities, other improvements and updates as necessary. All four of the District’s elementary schools and early childhood center are more than 60 years old, in dire need of repair, and not in compliance with the American Disability Act. District voters approved both measures enabling the District to start the process of replacing Charles Hay World School and Clayton Elementary in 2016-17. Construction is expected to be completed by late 2019.

The State’s K-12 funding continues to be uncertain. Each year the state budget is released by the Governor in January, which determines the 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 tax. 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 2016-17 the base per pupil funding was increased by 1.22% for K-12 throughout the state. However, the reduction to statewide total program funding to school districts, also known as “Negative Factor” as calculated in School Finance Act was over \$2.69 million for the District, which is nearly 10% of the revenue budget. Reduction in state funding coupled with declining enrollment has 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 is 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”.

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 expenditures 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, 2016. 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, Swanhorst & Company LLC, 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 their leadership, support, and dedication.

This report provides financial and other related information for the fiscal year 2016-2017 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

**ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO**

ROSTER OF SCHOOL OFFICIALS

June 30, 2017

BOARD OF EDUCATION

Tena Prange - President

Sharon Scheminske - 1st Vice President

Kevin Ebert - 2nd Vice President

Dagan Thomas - Secretary

Jason Sakry - Treasurer

SUPERINTENDENT'S EXECUTIVE STAFF

Dr. Wendy Rubin - Superintendent

Patty Hanrahan - Deputy Superintendent

Phillip Bedford - Chief Human Resources & Operations Officer

Sosan Schaller - Chief Financial Officer

Callan Clark - Executive Director of Student Services

Mandy Braun - Director of Safety and Security

Julie McMorris - Communication Coordinator

Michelle Haider - Executive Assistant to the Superintendent



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, 2016

Executive Director/CEO

FINANCIAL SECTION



Board of Education
Englewood Schools
Englewood, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Englewood Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of Englewood Schools, 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.

Auditors' 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 auditors' 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 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 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 Englewood Schools as of June 30, 2017, 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.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the financial statements as of and for the year ended June 30, 2016, have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters (Required Supplementary Information)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 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 Matters (Other Information)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Englewood Schools' basic financial statements. The introductory section, supplementary information, statistical section, and auditors integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and the auditors 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 the 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 information is 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 December 7, 2017, on our consideration of Englewood Schools' 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 Englewood Schools' internal control over financial reporting and compliance.



December 7, 2017

Management's Discussion and Analysis

As management of the Arapahoe County School District One (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, 2017. 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 i - iv of this report.

Financial Highlights

The District had two successful ballots on the November 8, 2016 General Election with respect to \$1.5 million in Mill levy Override and \$97.5 million in General Obligation bonds.

The net proceeds of the Bonds will be used to fund capital construction projects and capital asset purchases approved by the District voters. The improvement project includes, but is not limited to, the construction of four elementary schools and one early childhood education center. The construction of the first two schools began in mid-2017 and are expected to be completed by June and July 2018, respectively.

The liabilities and deferred inflows of Englewood Schools exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$(53,621,351) (net position), a change of \$14,670,206 from the previous fiscal year. 2015 saw the implementation of GASB 68 which includes a Net Pension Liability of \$133,853,012 as of June 30, 2017. (See Note 7 for additional information).

At the close of the fiscal year, Englewood Schools' governmental funds reported a combined ending fund balance of \$126,792,834, an increase of \$110,836,046 as a result of the sale of General Obligation Bonds.

The general fund ending fund balance was \$10,688,691, an increase of \$1,424,153 from the prior year.

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).

Prior to 2015, the government-wide financial statements distinguished functions of Englewood Schools that are principally supported by taxes (governmental activities) from other functions that were intended to recover all or a significant portion of their costs through user fees and charges (business-type 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.

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, bond redemption, building fund, and non-major governmental funds. The non-major governmental funds includes the food service fund, the tuition fund, and the capital reserve 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. A budgetary comparison schedule has been provided for the General Fund and the Grants Fund to demonstrate compliance with this budget.

Supplemental 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.

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 \$133,853,012 in 2017 and \$70,215,676 in 2016 of Net Pension Liabilities, liabilities exceeded assets by \$(53,621,351) in 2017.

The table below presents a condensed statement of the District's net position in 2017.

Englewood Schools' Net Position

	Governmental Activities		Change
	2016	2017	
Current and other assets	19,536,667	132,022,549	112,485,882
Capital assets	68,415,237	70,456,975	2,041,738
Total assets	87,951,904	202,479,524	114,527,620
Deferred Outflows of Resources	11,137,397 *	54,483,500	43,346,103
Long-term liabilities outstanding	58,107,752 *	165,344,960	107,237,208
Other liabilities	6,975,481	8,655,688	1,680,207
Net Pension liability	70,215,676	133,853,012	63,637,336
Total liabilities	135,298,909	307,853,660	172,554,751
Deferred Inflows of Resources	2,741,537 *	2,730,715	(10,822)
Net Position			
Invested in Capital Assets	4,986,120	11,368,868	6,382,748
Restricted for:			
Emergencies	913,000	938,000	25,000
Debt service	5,004,140	8,245,736	3,241,596
Capital purposes	200,000	200,000	0
Technology	0	0	0
Preschool	141,569	152,490	10,921
Unrestricted	(50,195,974) *	(74,526,445)	(24,330,471)
Total net position	(38,951,145)	(53,621,351)	(14,670,206)

* 2016 Restated

The largest portion of the Englewood Schools' assets (64 percent) is Restricted Cash and Investments, due to the recent sale of General Obligation Bonds. 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 Net Pension Liability.

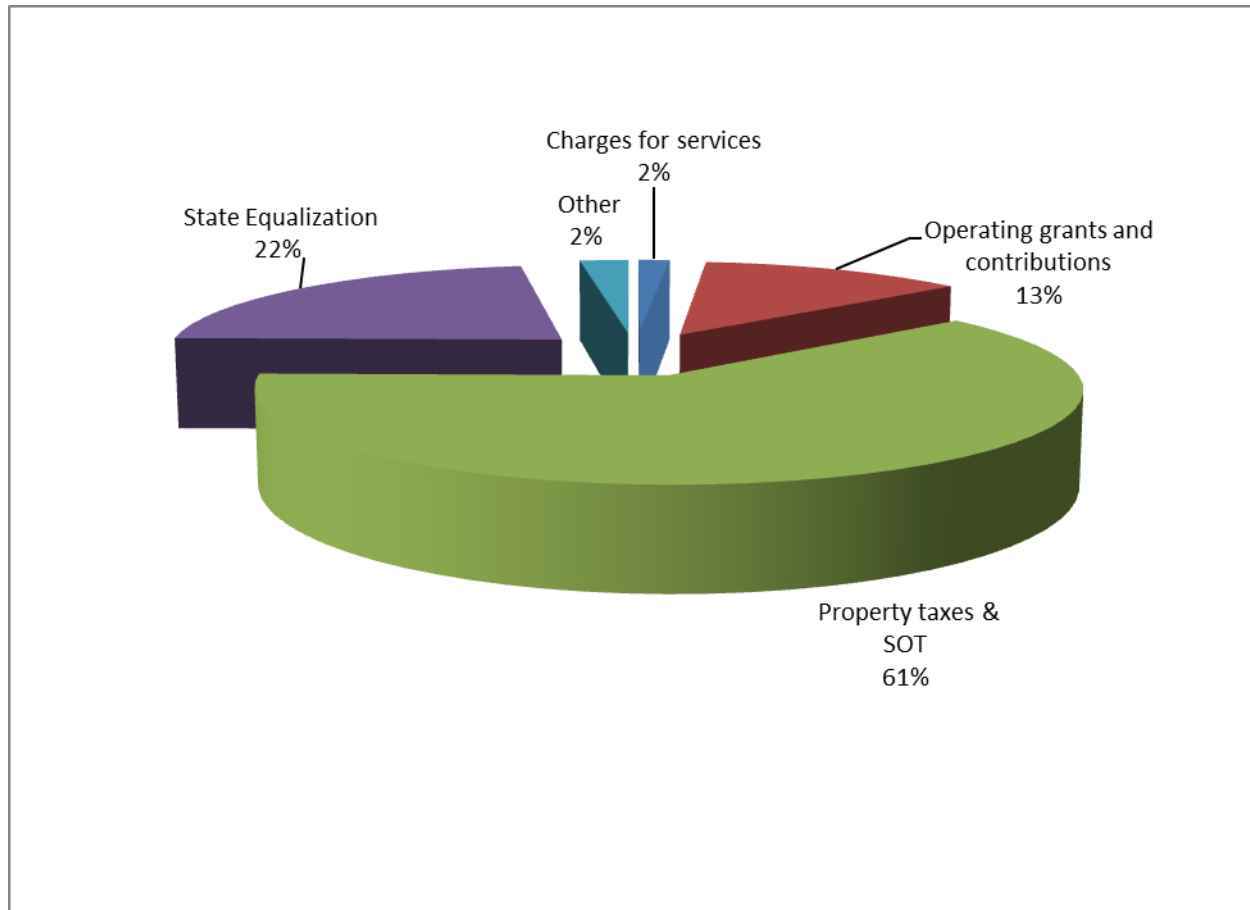
Governmental Activities. As previously reported, Governmental activities net position changed drastically over the prior year, a decrease of \$14,670,206, in 2017 compared to a decrease of \$407,376, as restated, in 2016. This is a result of the net pension liability reporting. Revenues increased by \$4,853,953 over the prior year with a substantial increase of property taxes. Revenues increased 12.39% over the prior year, expenses increased by over 48.28%.

Englewood Schools' Change in Net Position

	Governmental Activities		Change
	2016	2017	
Program revenues:			
Charges for services	934,623	647,207	(287,416)
Capital grants and contributions	419,878	14,456	(405,422)
Operating grants and contributions	6,001,918	5,542,727	(459,191)
General revenues:			
Property taxes	20,274,187	25,166,657	4,892,470
Specific Ownership taxes	1,523,542	1,800,766	277,224
State Equalization	9,562,116	9,869,298	307,182
Other	471,361	1,000,467	529,106
Total revenues	<u>39,187,625</u>	<u>44,041,578</u>	<u>4,853,953</u>
Expenses:			
Instruction	19,414,277 *	31,910,508	12,496,231
Supporting Services	15,993,103 *	24,456,894	8,463,791
Interest on Long-term Debt	4,187,621 *	2,344,382	(1,843,239)
Total Expenses	<u>39,595,001</u>	<u>58,711,784</u>	<u>19,116,783</u>
Change in net position	<u>(407,376)</u>	<u>(14,670,206)</u>	<u>(14,262,830)</u>
Net position – beginning , as restated	<u>(38,543,769)</u>	<u>(38,951,145) *</u>	<u>(407,376)</u>
Net position – ending	<u><u>(38,951,145)</u></u>	<u><u>(53,621,351)</u></u>	<u><u>(14,670,206)</u></u>

* 2016 Restated

Sources of Revenues for Fiscal Year 2017



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 \$126,792,834, an increase of \$110,836,046. This increase was mainly due to the sale of General Obligation Bonds on June 1, 2017 for the purpose of rebuilding four elementary schools and an Early Children Education Center at Maddox in addition to other improvements as deemed necessary. The Building Fund ended the year with a balance of \$106,650,504. The District's Bond Redemption Fund had an ending fund balance of \$8,608,704, higher than the previous year of \$5,315,482, as the District strategically continues to build a fund balance and set Mills to adequately pay the District's debt. The grants fund balance did not change.

The general fund is the major operating fund of Englewood Schools. At the end of the current fiscal year, fund balance increased by \$1,424,153 to \$10,688,691 mainly due voter's approved Milly Levy Override of \$1.5 million and implementation of operational efficiencies through a thoughtful budget development process.

The food services program finished the 2017 fiscal year with a fund balance of \$6,787, a decrease of (\$563) from the prior year. The General Fund contributed \$35,652 to the Food Service Fund to manage day-to-day operations. The District ended its 5-year contract with a food service management program in 2015, and will continue to manage this program in-house for 2018.

The District uses the tuition program fund to record tuition-based early childhood and before & after school programs. Fund balance for this fund totaled \$66,027 at fiscal year-end, an increase of \$44,041, as the before & after school program recognized a profit in 2017.

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 as of June 30, 2017 amounts to \$70,456,975 (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			
	<i>2016</i>	<i>2017</i>	<i>Change</i>
Land & Improvements	\$2,045,111	\$2,045,111	\$0
Construction in Process	0	3,597,358	3,597,358
Site Improvements	74,561	83,942	9,381
Buildings and Improvements	93,242,768	93,255,613	12,845
Machinery & equipment	2,111,721	2,028,891	(82,830)
Accumulated depreciation	<u>(29,058,924)</u>	<u>(30,553,940)</u>	<u>(1,495,016)</u>
Total	\$68,415,237	\$70,456,975	\$2,041,738

Long-Term Debt.

As of June 30, 2017, the District had outstanding debt of \$168,780,592. Of this amount, \$150,004,232 is general obligation bonded debt, which is backed by the full faith and credit of the District. In 2016 the District passed a \$97.5 million bond election. Additional information can be found in Note 5 in the Notes to the Financial Statements section.

	2016	2017	Change
General Obligation Bonds	\$55,742,746	\$150,004,232	\$94,261,486
Deferred Premium	5,603,520*	18,398,259	12,794,739
Sick Leave	406,550	378,101	(28,449)
Totals	<u>\$61,752,816</u>	<u>\$168,780,592</u>	<u>\$107,027,776</u>

* Restatement of beginning balance

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 schools 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 2016-17 Englewood Schools Negative Factor was over \$2.6 million. Projected negative factor for 2017-18 is estimated to remain the same.
- Student Enrollment – The District has experienced declining enrollment for many years due to general demographic trends in the area. The decline is partially due to the District being "landlocked" with no new housing development that attract families with school age children, as some of the suburban district in the Denver Metro Area have. In addition, the school-age population within the District is subject to cycles of growth and decline.
- 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 19.65% is scheduled to increase to 20.15% on January 2018 (maximum amount).
- 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). Medical premiums increased by approximately 9% in 2016-17.

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 One (Englewood Schools)
4101 S. Bannock Street
Englewood, CO 80110

BASIC FINANCIAL STATEMENTS

ENGLEWOOD SCHOOLS

STATEMENT OF NET POSITION

June 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 13,430,540
Restricted Cash and Investments	116,467,218
Accounts Receivable	35,642
Grants Receivable	709,497
Taxes Receivable	1,372,865
Inventories	6,787
Capital Assets, Not Being Depreciated	5,642,469
Capital Assets, Net of Accumulated Depreciation	<u>64,814,506</u>
TOTAL ASSETS	<u>202,479,524</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Debt Refunding, Net of Accumulated Amortization	2,663,880
Pensions, Net of Accumulated Amortization	<u>51,819,620</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>54,483,500</u>
LIABILITIES	
Accounts Payable	1,525,890
Retainage Payable	58,871
Accrued Liabilities	800,457
Accrued Salaries and Benefits	1,666,961
Unearned Revenues	602,493
Accrued Interest Payable	565,384
Noncurrent Liabilities	
Due Within One Year	3,435,632
Due in More Than One Year	165,344,960
Net Pension Liability	<u>133,853,012</u>
TOTAL LIABILITIES	<u>307,853,660</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, Net of Accumulated Amortization	<u>2,730,715</u>
NET POSITION	
Net Investment in Capital Assets	11,368,868
Restricted for Preschool Program	152,490
Restricted for Debt Service	8,245,736
Restricted for Capital Renewal	200,000
Restricted for Emergencies	938,000
Unrestricted	<u>(74,526,445)</u>
TOTAL NET POSITION	<u>\$ (53,621,351)</u>

The accompanying notes are an integral part of the financial statements.

ENGLEWOOD SCHOOLS

STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 31,910,508	\$ 315,962	\$ 3,863,491	\$ -	\$ (27,731,055)
Supporting Services	24,456,894	331,245	1,679,236	14,456	(22,431,957)
Interest on Long-Term Debt	2,344,382	-	-	-	(2,344,382)
Total Governmental Activities	\$ 58,711,784	\$ 647,207	\$ 5,542,727	\$ 14,456	(52,507,394)
		GENERAL REVENUES			
					25,166,657
					1,800,766
					9,869,298
					155,042
					183,014
					662,411
					37,837,188
					(14,670,206)
					(38,951,145)
					\$ (53,621,351)

The accompanying notes are an integral part of the financial statements.

ENGLEWOOD SCHOOLS

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2017

	<u>GENERAL</u>	<u>GRANTS</u>	<u>BOND REDEMPTION</u>	<u>BUILDING</u>
ASSETS				
Cash and Investments	\$ 12,094,803	\$ 441,405	\$ -	\$ -
Restricted Cash and Investments	-	-	8,395,009	108,072,209
Accounts Receivable	35,642	-	-	-
Grants Receivable	-	617,471	-	-
Taxes Receivable	956,754	-	416,111	-
Inventories	-	-	-	-
Interfund Receivables	489,591	-	-	-
TOTAL ASSETS	<u>\$ 13,576,790</u>	<u>\$ 1,058,876</u>	<u>\$ 8,811,120</u>	<u>\$ 108,072,209</u>
LIABILITIES				
Accounts Payable	\$ 121,370	\$ 1,759	\$ -	\$ 1,362,834
Retainage Payable	-	-	-	58,871
Accrued Liabilities	799,462	-	-	-
Accrued Salaries and Benefits	1,451,353	169,102	-	-
Unearned Revenues	143,287	441,405	-	-
Interfund Payables	-	446,610	-	-
TOTAL LIABILITIES	<u>2,515,472</u>	<u>1,058,876</u>	<u>-</u>	<u>1,421,705</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	372,627	-	202,416	-
FUND BALANCES				
Nonspendable Inventories	-	-	-	-
Restricted for Preschool Program	152,490	-	-	-
Restricted for Debt Service	-	-	8,608,704	-
Restricted for Capital Renewal	-	-	-	-
Restricted for Capital Projects	-	-	-	106,650,504
Restricted for Emergencies	938,000	-	-	-
Assigned to Subsequent Year Expenditures	2,150,444	-	-	-
Assigned to Tuition Programs	-	-	-	-
Assigned to Capital Projects	-	-	-	-
Unassigned	7,447,757	-	-	-
TOTAL FUND BALANCES	<u>10,688,691</u>	<u>-</u>	<u>8,608,704</u>	<u>106,650,504</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 13,576,790</u>	<u>\$ 1,058,876</u>	<u>\$ 8,811,120</u>	<u>\$ 108,072,209</u>

The accompanying notes are an integral part of the financial statements.

NONMAJOR GOVERNMENTAL FUNDS	TOTAL
\$ 894,332	\$ 13,430,540
-	116,467,218
-	35,642
92,026	709,497
-	1,372,865
6,787	6,787
-	489,591
<u>\$ 993,145</u>	<u>\$ 132,512,140</u>
\$ 39,927	\$ 1,525,890
-	58,871
995	800,457
46,506	1,666,961
17,801	602,493
42,981	489,591
<u>148,210</u>	<u>5,144,263</u>
-	575,043
6,787	6,787
-	152,490
-	8,608,704
200,000	200,000
-	106,650,504
-	938,000
-	2,150,444
66,027	66,027
572,121	572,121
-	7,447,757
<u>844,935</u>	<u>126,792,834</u>
<u>\$ 993,145</u>	<u>\$ 132,512,140</u>

ENGLEWOOD SCHOOLS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2017

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

Total Fund Balances of Governmental Funds	\$ 126,792,834
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	70,456,975
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.	575,043
Long-term liabilities and related items, including long-term debt (\$150,004,232), bond premiums (\$18,398,259), accrued compensated absences (\$378,101), loss on debt refunding \$2,663,880, accrued interest payable (\$565,384), net pension liability (\$133,853,012), pension-related deferred outflows of resources \$51,819,620, and pension-related deferred inflows of resources (\$2,730,715), are not due and payable in the current year and, therefore, are not reported in governmental funds.	<u>(251,446,203)</u>
Total Net Position of Governmental Activities	<u>\$ (53,621,351)</u>

The accompanying notes are an integral part of the financial statements.

ENGLEWOOD SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2017

	<u>GENERAL</u>	<u>GRANTS</u>	<u>BOND REDEMPTION</u>	<u>BUILDING</u>
REVENUES				
Local Sources	\$ 19,238,751	\$ 155,042	\$ 8,854,778	\$ 97,127
County Sources	347	-	-	-
State Sources	11,274,232	513,168	-	-
Federal Sources	-	2,594,433	-	-
	<u>30,513,330</u>	<u>3,262,643</u>	<u>8,854,778</u>	<u>97,127</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Instruction	16,299,959	1,432,148	-	-
Supporting Services	12,553,566	1,830,495	-	-
Capital Outlay	-	-	-	3,597,358
Debt Service				
Principal	-	-	3,238,514	-
Interest and Fiscal Charges	-	-	2,323,042	-
Debt Issuance Costs	-	-	-	588,725
	<u>28,853,525</u>	<u>3,262,643</u>	<u>5,561,556</u>	<u>4,186,083</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,659,805</u>	<u>-</u>	<u>3,293,222</u>	<u>(4,088,956)</u>
OTHER FINANCING SOURCES (USES)				
Debt Issued	-	-	-	97,500,000
Debt Premium	-	-	-	13,239,460
Transfers In	-	-	-	-
Transfers Out	(235,652)	-	-	-
	<u>(235,652)</u>	<u>-</u>	<u>-</u>	<u>110,739,460</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	1,424,153	-	3,293,222	106,650,504
FUND BALANCES, Beginning	<u>9,264,538</u>	<u>-</u>	<u>5,315,482</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 10,688,691</u>	<u>\$ -</u>	<u>\$ 8,608,704</u>	<u>\$ 106,650,504</u>

The accompanying notes are an integral part of the financial statements.

NONMAJOR GOVERNMENTAL FUNDS		TOTAL
\$ 254,813	\$ 28,600,511	
-	347	
24,432	11,811,832	
<u>1,020,216</u>	<u>3,614,649</u>	
<u>1,299,461</u>	<u>44,027,339</u>	
57,290	17,789,397	
2,009,656	16,393,717	
-	3,597,358	
-	3,238,514	
-	2,323,042	
-	588,725	
<u>2,066,946</u>	<u>43,930,753</u>	
<u>(767,485)</u>	<u>96,586</u>	
-	97,500,000	
-	13,239,460	
235,652	235,652	
-	(235,652)	
<u>235,652</u>	<u>110,739,460</u>	
(531,833)	110,836,046	
<u>1,376,768</u>	<u>15,956,788</u>	
<u>\$ 844,935</u>	<u>\$ 126,792,834</u>	

ENGLEWOOD SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

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

Net Change in Fund Balances of Governmental Funds	\$ 110,836,046
<p>Capital outlay to purchase or construct capital assets is reported in governmental funds as an expenditure. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$3,938,901 exceeded depreciation expense (\$1,788,899) and disposals (\$108,264) in the current year.</p>	2,041,738
<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. This amount represents the change in deferred property taxes.</p>	14,239
<p>Debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: debt proceeds (\$97,500,000) and debt premium (\$13,239,460).</p>	(110,739,460)
<p>Repayments of bond principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>	3,238,514
<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. This amount represents the change in accrued interest payable (\$254,042), amortization of bond premiums \$444,721, amortization of loss on debt refunding (\$212,019), change in accrued compensated absences \$28,449, and the change in net pension liability (\$63,637,336), pension-related deferred outflows of resources \$43,558,122, and pension-related deferred inflows of resources \$10,822 in the current year.</p>	<u>(20,061,283)</u>
Change in Net Position of Governmental Activities	<u>\$ (14,670,206)</u>

The accompanying notes are an integral part of the financial statements.

ENGLEWOOD SCHOOLS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS

June 30, 2017

	<u>PRIVATE PURPOSE TRUST SCHOLARSHIPS</u>	<u>AGENCY PUPIL ACTIVITIES</u>
ASSETS		
Cash and Investments	\$ 62,837	\$ 217,068
LIABILITIES		
Accounts Payable	-	\$ 2,506
Due to Student Groups	-	214,562
TOTAL LIABILITIES	-	\$ 217,068
NET POSITION		
Restricted for Scholarships	<u>\$ 62,837</u>	

The accompanying notes are an integral part of the financial statements.

ENGLEWOOD SCHOOLS
STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUND
Year Ended June 30, 2017

	<u>SCHOLARSHIPS</u>
ADDITIONS	
Investment Income	<u>\$ 483</u>
DEDUCTIONS	
Scholarships	<u>6,000</u>
CHANGE IN NET POSITION	(5,517)
NET POSITION, Beginning	<u>68,354</u>
NET POSITION, Ending	<u>\$ 62,837</u>

The accompanying notes are an integral part of the financial statements.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Englewood Schools (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 District’s more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

Based upon the application of this criteria, no additional organizations are included in the District’s reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the 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 students or other customers 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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds and the 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.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, 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 accounted for in another fund.

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

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

The *Building Fund* accounts for debt proceeds used for the acquisition and construction of capital assets.

Additionally, the District reports the following fund types:

The *Private Purpose Trust Fund* is used to account for student scholarship programs. The District maintains all resources in accordance with a formal trust agreement.

The *Agency Fund* is used to account for resources used to support each school's pupil activities. The District holds all resources in a purely custodial capacity.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the trust fund financial statements. 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. The agency fund financial statements are reported using the accrual basis of accounting.

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 collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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, are recorded only when payment is due.

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

Assets, Liabilities and Fund Balances/Net Position

Receivables - 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 for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible amounts.

Inventories - Food Services Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at average cost, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued based upon the cost furnished by the federal government.

Interfund Receivables/Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables*.

Capital Assets - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on 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.

Site Improvements	20 years
Buildings and Improvements	20 - 50 years
Machinery and Equipment	5 - 20 years

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balances/Net Position (Continued)

Accrued Salaries and Benefits - Salaries and retirement 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 reported as a liability in the financial statements.

Unearned Revenues - Unearned revenues include grants received before eligibility requirements established by the provider have been met, and resources received by the District before it has a legal claim to them, including fees.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences - Employees are allowed to accumulate unused paid time off based on classification. Generally, paid time off may only be accrued for up to one year. Accrued paid time off is paid to eligible employees upon termination of employment at a specified daily rate based on classification.

These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

Deferred Inflows of Resources - Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Pensions - The District participates in the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan 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 and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. 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.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balances/Net Position (Continued)

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed.

The Board of Education is authorized to establish a fund balance commitment through passage of a resolution, and may assign fund balances to a specific purpose through an informal action.

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 for a specific purpose, the District uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

The District's policy requires a minimum unassigned fund balance in the General Fund of 15% of expenditures in the current year adopted budget.

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. Taxes are payable 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.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2017, the District had the following cash and investments:

Cash on Hand	\$ 1,280
Deposits	2,339,047
Investments	<u>127,837,336</u>
Total	<u>\$ 130,177,663</u>

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

Cash and Investments	\$ 13,430,540
Restricted Cash and Investments	116,467,218
Fiduciary Fund Cash and Investments	<u>279,905</u>
Total	<u>\$ 130,177,663</u>

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2017, the District had bank deposits of \$2,694,214 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pools - At June 30, 2017, the District had \$127,774,499 and \$62,837 invested in the Colorado Local Government Liquid Asset Trust (Colostrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

At June 30, 2017, \$8,395,009 was restricted in the Bond Redemption Fund for payment of the District's general obligation debt. In addition, the Building Fund held debt proceeds of \$108,072,209 restricted for capital projects.

NOTE 3: INTERFUND BALANCES AND TRANSACTIONS

At June 30, 2017, the General Fund had temporarily subsidized the negative cash balances of the Grants and Food Service Funds in the amount of \$446,610 and \$42,981, respectively.

During the year ended June 30, 2017, the General Fund subsidized the activities of the Food Service Fund through a transfer of \$35,652. In addition, the General Fund transferred \$200,000 to the Capital Reserve Fund for future capital projects.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, is summarized below.

	Balances 6/30/16	Additions	Deletions	Balances 6/30/17
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land and Sites	\$ 2,045,111	\$ -	\$ -	\$ 2,045,111
Construction in Progress	<u>-</u>	<u>3,597,358</u>	<u>-</u>	<u>3,597,358</u>
Total Capital Assets, Not Being Depreciated	<u>2,045,111</u>	<u>3,597,358</u>	<u>-</u>	<u>5,642,469</u>

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 4: CAPITAL ASSETS (Continued)

	<u>Balances</u> 6/30/16	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 6/30/17
Governmental Activities (Continued)				
Capital Assets, Being Depreciated				
Site Improvements	74,561	9,381	-	83,942
Buildings and Improvements	93,242,768	12,845	-	93,255,613
Machinery and Equipment	<u>2,111,721</u>	<u>319,317</u>	<u>402,147</u>	<u>2,028,891</u>
Total Capital Assets, Being Depreciated	<u>95,429,050</u>	<u>341,543</u>	<u>402,147</u>	<u>93,368,446</u>
Less Accumulated Depreciation				
Site Improvements	(5,553)	(6,682)	-	(12,235)
Buildings and Improvements	(27,698,395)	(1,666,535)	-	(29,364,930)
Machinery and Equipment	<u>(1,354,976)</u>	<u>(115,682)</u>	<u>(293,883)</u>	<u>(1,176,775)</u>
Total Accumulated Depreciation	<u>(29,058,924)</u>	<u>(1,788,899)</u>	<u>(293,883)</u>	<u>(30,553,940)</u>
Total Capital Assets, Being Depreciated, Net	<u>66,370,126</u>	<u>(1,447,356)</u>	<u>108,264</u>	<u>64,814,506</u>
Governmental Activities Capital Assets, Net	<u>\$ 68,415,237</u>	<u>\$ 2,150,002</u>	<u>\$ 108,264</u>	<u>\$ 70,456,975</u>

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

Instruction	\$ 1,599,791
Supporting Services	<u>189,108</u>
Total	<u>\$ 1,788,899</u>

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2017.

	<u>Balances</u> 6/30/16	<u>Additions</u>	<u>Payments</u>	<u>Balances</u> 6/30/17	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
2008 GO Bonds	\$ 5,955,000	\$ -	\$ 2,920,000	\$ 3,035,000	\$ 3,035,000
2008 Bond Premium	63,594	-	43,906	19,688	-
2011 GO Bonds	17,935,000	-	-	17,935,000	-
2011 Bond Premium	1,609,644	-	104,124	1,505,520	-
2011 GO BEST Lease	7,017,746	-	318,514	6,699,232	331,632
2016 GO Bonds	24,835,000	-	-	24,835,000	-
2016 Bond Premium	3,930,282	-	253,566	3,676,716	-
2017 GO Bonds	-	97,500,000	-	97,500,000	-
2017 Bond Premium	-	13,239,460	43,125	13,196,335	-
Compensated Absences	<u>406,550</u>	<u>401,970</u>	<u>430,419</u>	<u>378,101</u>	<u>69,000</u>
Total	<u>\$ 61,752,816</u>	<u>\$ 111,141,430</u>	<u>\$ 4,113,654</u>	<u>\$ 168,780,592</u>	<u>\$ 3,435,632</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 5: LONG-TERM DEBT (Continued)

General Obligation Bonds

\$9,075,000 General Obligation Refunding Bonds, Series 2008, were issued to partially refund the General Obligation Bonds, Series 1998. Interest accrues at rates ranging from 3.25% to 4.25% per annum, and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2017.

\$41,820,000 General Obligation Bonds, Series 2011, were issued primarily to finance construction of a new middle/high school campus. Interest accrues at rates ranging from 2% to 5% per annum, and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, 2018 through 2031. On April 13, 2016, the District advance refunded \$23,885,000 of the bonds maturing on or after December 1, 2025.

On December 8, 2011, the State of Colorado issued Building Excellent Schools Today (BEST) Certificates of Participation, Tax-Exempt Series 2011G. A portion of the proceeds, in the amount of \$8,176,986 were provided to the District under site lease and sublease agreements to renovate the existing middle school for use by Colorado's Finest Alternative High School. In addition, the District was awarded grant funding of \$9,220,875 under the BEST program. Under the sublease agreement, the District is required to make annual base rent payments of \$607,539 to the State of Colorado, including interest accruing at 4.118492% per annum, through December 1, 2031.

\$24,835,000 General Obligation Refunding Bonds, Series 2016, were issued to refund a portion of the General Obligation Bonds, Series 2011. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 4% to 5% per annum. Principal payments are due annually on December 1, 2022 through 2031.

On June 1, 2017, \$97,500,000 General Obligation Bonds, Series 2017, were issued to construct four new elementary schools and an early childhood education center. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 4% to 5% per annum. Principal payments are due annually on December 1, 2019 through 2042.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 5: LONG-TERM DEBT (Continued)

Debt payments to maturity are as follows.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 3,366,632	\$ 6,713,284	\$ 10,079,916
2019	2,655,290	6,603,826	9,259,116
2020	3,589,511	6,505,563	10,095,074
2021	3,714,317	6,370,926	10,085,243
2022	3,859,734	6,221,493	10,081,227
2023 - 2027	21,703,072	28,633,383	50,336,455
2028 - 2032	26,685,676	23,554,064	50,239,740
2033 - 2037	32,870,000	17,123,275	49,993,275
2038 - 2042	41,885,000	7,858,625	49,743,625
2043	<u>9,675,000</u>	<u>241,875</u>	<u>9,916,875</u>
Total	<u>\$ 150,004,232</u>	<u>\$ 109,826,314</u>	<u>\$ 259,830,546</u>

Defeased Debt

In April, 2016, the District deposited bond proceeds in an irrevocable trust with an escrow agent to provide for all future debt service requirements for \$23,885,000 of the General Obligation Bonds, Series 2011, maturing on or after December 1, 2025. As a result, the refunded bonds are considered defeased and the liability has been removed from the financial statements. The outstanding balance of the defeased bonds at June 30, 2017, was \$23,885,000. The bonds will be called and paid in full on December 1, 2021.

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 participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers compensation, for which it utilizes a commercial insurance carrier.

Colorado School Districts Self Insurance Pool

The Colorado School Districts Self Insurance Pool (CSDSIP) 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 governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's 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.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the SDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary or the amount allowed by applicable federal regulations.

Retirees may elect to withdraw their contributions upon termination of employment, and may be eligible to receive a matching amount if five years of service credit is earned and certain other criteria is met. Retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) as established by State statutes. Retirees who began 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 consumer price index for the prior calendar year. Retirees that began employment after January 1, 2007, receive an annual increase of the lesser of 2% or the average consumer price index for the prior calendar year, with certain limitations.

Disability benefits are available for plan participants once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information (Continued)

Contributions - The District and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees is 8% of covered salaries. The District's contribution rate for calendar years 2016 and 2017 was 19.15% and 19.65% of covered salaries, respectively. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 8). The District's contributions to the SDTF for the year ended June 30, 2017, were \$3,893,443, equal to the required contributions.

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

At June 30, 2017, the District reported a net pension liability of \$133,853,012, representing its proportionate share of the net pension liability of the SDTF. The net pension liability was measured at December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016.

The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2016, relative to the contributions of all participating employers. At December 31, 2016, the District's proportion was 0.4495654254%, which was a decrease of 0.0095317787% from its proportion measured at December 31, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$24,510,945. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,685,324	\$ 1,250
Changes of assumptions and other inputs	43,432,509	616,411
Net difference between projected and actual earnings on plan investments	4,593,847	-
Changes in proportion	-	2,113,054
Contributions subsequent to the measurement date	<u>2,107,940</u>	<u>-</u>
Total	<u>\$ 51,819,620</u>	<u>\$ 2,730,715</u>

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

District contributions subsequent to the measurement date of \$2,107,940 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,

2018	\$ 18,564,323
2019	18,824,957
2020	9,547,038
2021	<u>44,647</u>
Total	<u>\$ 46,980,965</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2015, determined the total pension liability using the following actuarial assumptions and other inputs. On November 18, 2016, PERA's governing board adopted revised economic and demographic assumptions, which were effective on December 31, 2016, and which were reflected in the roll-forward calculation of the total pension liability from December 31, 2015, to December 31, 2016, as follows:

	<u>Assumptions</u>	<u>Revised Assumptions</u>
Price inflation	2.8%	2.4%
Real wage growth	1.1%	1.1%
Wage inflation	3.9%	3.5%
Salary increases, including wage inflation	3.9% - 10.1%	3.5% - 9.7%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.5%	7.25%
Discount rate	7.5%	5.26%
Future post-retirement benefit increases:		
Hired prior to 1/1/07	2%	2%
Hired after 12/31/06	ad hoc	ad hoc

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years. Active member mortality was adjusted to 55 percent of the base rate for males and 40 percent for females. For disabled retirees, the RP-2000 Disabled Retiree Mortality Table was used, set back two years.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

The actuarial assumptions used in the December 31, 2015, 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 governing board on November 13, 2012, and an economic assumption study adopted by PERA's governing board on November 15, 2013, and January 17, 2014.

As a result of a 2016 experience analysis, revised economic and demographic actuarial assumptions were adopted by PERA's governing board on November 18, 2016, to more closely reflect PERA's actual experience. The revised assumptions reflected in the roll-forward of the total pension liability included healthy mortality assumptions for active members using the RP-2014 White Collar Employee Mortality Table. The mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates. For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected rate of return on 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.

The most recent analysis of the long-term expected rate of return was adopted by PERA's governing board on November 18, 2016, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.26%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the employer contributions will be made at the rates specified in State statutes, which currently require annual increases, to a total of 20.15% of covered salaries for the year ended December 31, 2018. When the actuarially determined funding ratio reaches 103%, the employer contribution rate will decrease 0.5% each year, to a minimum of 10.15%.

Based on the assumptions described previously, the SDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate, defined as the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index, was used in the determination of the discount rate. The long-term expected rate of return of 7.25% on plan investments was applied to all periods through 2041, and the municipal bond index rate was applied to periods after 2041 to develop the discount rate. On the measurement date of December 31, 2016, the municipal bond index rate was 3.86%, resulting in a discount rate of 5.26%. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.26%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower (4.26%) or one percentage point higher (6.26%) than the current rate, as follows:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	<u>\$ 168,315,861</u>	<u>\$ 133,853,012</u>	<u>\$ 105,784,269</u>

Pension Plan Fiduciary Net Position - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 8: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained as described previously.

Funding Policy - The District is required to contribute at a rate of 1.02% of covered salaries for all PERA participants. No employee contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The District's apportionment to the HCTF for the years ended June 30, 2017, 2016 and 2015 was \$204,703, \$204,959, and \$205,312, respectively, equal to the required amounts for each year.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal, state, and local 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, 2017, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Capital Renewal Reserve

The District was awarded a Building Excellent Schools Today (BEST) grant from the State of Colorado (See Note 5). In accordance with the related State statutes, the District is required to establish a capital renewal reserve for the purpose of replacing major facility systems such as roofs, interior finishes, electrical systems and heating, ventilating, and air conditioning systems. At a minimum, the District must contribute \$100 per pupil in the impacted facilities annually to the capital renewal reserve. At June 30, 2017, the reserve was reported as restricted fund balance in the Capital Reserve Fund, in the amount of \$200,000.

Construction Commitments

At June 30, 2017, the District had two significant construction contracts for projects at Hay and Clayton Elementary Schools totaling \$17.7 and \$17.5 million, respectively.

ENGLEWOOD SCHOOLS

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The District is subject to the Amendment.

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.

In accordance with the Amendment, the District has established a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2017, the reserve was reported as restricted fund balance in the General Fund, in the amount of \$938,000.

NOTE 10: RESTATEMENTS

During the year ended June 30, 2017, the District corrected errors in the loss on debt refunding and bond premium related to the 2016 debt refunding, and deferred inflows and outflows of resources related to pensions. Net position at June 30, 2016, was restated to reflect these corrections, as follows:

	<u>Governmental Activities</u>
Balances, June 30, 2016, as Originally Stated	\$ (42,281,581)
Deferred Outflows of Resources - Loss on Debt Refunding	2,815,101
Deferred Outflows of Resources - Pensions	346,009
Debt Premium	2,143,649
Deferred Inflows of Resources - Pensions	<u>(1,974,323)</u>
Balances, June 30, 2016, as Restated	<u>\$ (38,951,145)</u>

REQUIRED SUPPLEMENTARY INFORMATION

ENGLEWOOD SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS

PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND

June 30, 2017

	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.4495654254%	0.4590972041%	0.4764040107%	0.4771716276%
District's Proportionate Share of the Net Pension Liability	\$ 133,853,012	\$ 70,215,676	\$ 64,568,746	\$ 60,863,112
District's Covered Payroll	\$ 20,177,302	\$ 20,128,645	\$ 19,957,907	\$ 19,236,202
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	663%	349%	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43%	59%	63%	64%
	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 3,688,740	\$ 3,563,563	\$ 3,397,776	\$ 3,148,760
Contributions in Relation to the Statutorily Required Contribution	(3,688,740)	(3,563,563)	(3,397,776)	(3,148,760)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 20,068,914	\$ 20,094,063	\$ 20,128,645	\$ 19,701,594
Contributions as a Percentage of Covered Payroll	18.38%	17.73%	16.88%	15.98%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 14,871,025	\$ 16,230,746	\$ 16,329,285	\$ 98,539
Specific Ownership Taxes	1,400,000	1,471,416	1,800,766	329,350
Tuition and Fees	142,000	216,119	214,631	(1,488)
Investment Income	8,000	30,000	46,638	16,638
Rental Income	50,000	154,000	186,643	32,643
Other	199,100	124,059	660,788	536,729
Total Local Sources	<u>16,670,125</u>	<u>18,226,340</u>	<u>19,238,751</u>	<u>1,012,411</u>
County Sources				
Mineral Lease	500	500	347	(153)
State Sources				
State Equalization and Hold Harmless	9,908,001	9,871,361	9,869,298	(2,063)
Vocational Education	350,000	200,000	169,944	(30,056)
Special Education	695,748	695,748	710,223	14,475
Exceptional Children's Education Act	47,815	42,913	42,913	-
English Language Proficiency Act (ELPA)	120,000	132,301	132,301	-
Transportation	128,008	181,587	183,266	1,679
READ Act	160,000	139,766	139,766	-
National Board Certified Educators	-	-	3,200	3,200
Additional At-Risk Funding	-	-	23,321	23,321
Total State Sources	<u>11,409,572</u>	<u>11,263,676</u>	<u>11,274,232</u>	<u>10,556</u>
TOTAL REVENUES	<u>28,080,197</u>	<u>29,490,516</u>	<u>30,513,330</u>	<u>1,022,814</u>
EXPENDITURES				
Instruction	16,859,494	16,115,602	16,299,959	(184,357)
Supporting Services				
Students	1,936,511	1,958,473	1,833,969	124,504
Instructional Staff	1,501,425	1,470,631	1,574,710	(104,079)
General Administration	648,621	568,675	575,454	(6,779)
School Administration	1,895,878	2,035,418	2,032,510	2,908
Business Services	401,013	471,040	451,590	19,450
Operations and Maintenance	3,481,001	3,374,879	3,339,565	35,314
Student Transportation	887,603	871,353	744,083	127,270
Central Support	1,642,650	1,767,104	1,820,477	(53,373)
Other Support	126,215	137,991	173,763	(35,772)
Community Services	8,425	8,984	7,445	1,539
Total Supporting Services	<u>12,529,342</u>	<u>12,664,548</u>	<u>12,553,566</u>	<u>110,982</u>
Reserves	5,745,518	7,792,621	-	7,792,621
TOTAL EXPENDITURES	<u>35,134,354</u>	<u>36,572,771</u>	<u>28,853,525</u>	<u>7,719,246</u>

(Continued)

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,054,157)	(7,082,255)	1,659,805	8,742,060
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(235,652)</u>	<u>(35,652)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(235,652)</u>	<u>(35,652)</u>
NET CHANGE IN FUND BALANCE	(7,254,157)	(7,282,255)	1,424,153	8,706,408
FUND BALANCE, Beginning	<u>8,069,472</u>	<u>8,069,472</u>	<u>9,264,538</u>	<u>1,195,066</u>
FUND BALANCE, Ending	<u>\$ 815,315</u>	<u>\$ 787,217</u>	<u>\$ 10,688,691</u>	<u>\$ 9,901,474</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Grants	\$ 5,000	\$ 244,550	\$ 155,042	\$ (89,508)
State Grants	295,632	581,487	513,168	(68,319)
Federal Grants	2,891,852	2,955,957	2,594,433	(361,524)
TOTAL REVENUES	3,192,484	3,781,994	3,262,643	(519,351)
EXPENDITURES				
Instruction	1,451,839	1,586,301	1,432,148	154,153
Supporting Services	1,740,645	2,195,693	1,830,495	365,198
TOTAL EXPENDITURES	3,192,484	3,781,994	3,262,643	519,351
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

The Public Employees' Retirement Association of Colorado School Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The District's contributions and related ratios represent cash contributions and any related accruals that coincide with the District's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended June 30, 2017, the total pension liability was determined by an actuarial valuation as of December 31, 2015. In addition, the following revised economic and demographic assumptions were effective as of December 31, 2016, and were reflected in the roll-forward procedures to determine the total pension liability at December 31, 2016.

- Investment rate of return assumption decreased from 7.5% per year, compounded annually, net of investment expenses, to 7.25%.
- Price inflation assumption decreased from 2.8% per year to 2.4%.
- Real rate of investment return assumption increased from 4.7% per year, net of investment expenses, to 4.85%.
- Wage inflation assumption decreased from 3.9% per year to 3.5%.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables, updated from the RP-2000 Mortality Tables.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reported in the financial statements.

- 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.
- All budget appropriations lapse at fiscal year end.

SUPPLEMENTARY INFORMATION

ENGLEWOOD SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2017

	<u>FOOD SERVICE</u>	<u>TUITION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
ASSETS				
Cash and Investments	\$ 18,131	\$ 70,084	\$ 806,117	\$ 894,332
Grants Receivable	92,026	-	-	92,026
Inventories	6,787	-	-	6,787
	<u>6,787</u>	<u>-</u>	<u>-</u>	<u>6,787</u>
TOTAL ASSETS	<u>\$ 116,944</u>	<u>\$ 70,084</u>	<u>\$ 806,117</u>	<u>\$ 993,145</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 6,926	\$ -	\$ 33,001	\$ 39,927
Accrued Liabilities	-	-	995	995
Accrued Salaries and Benefits	42,449	4,057	-	46,506
Unearned Revenues	17,801	-	-	17,801
Interfund Payables	42,981	-	-	42,981
	<u>42,981</u>	<u>-</u>	<u>-</u>	<u>42,981</u>
TOTAL LIABILITIES	<u>110,157</u>	<u>4,057</u>	<u>33,996</u>	<u>148,210</u>
FUND BALANCES				
Nonspendable Inventories	6,787	-	-	6,787
Restricted for Capital Renewal	-	-	200,000	200,000
Assigned to Tuition Programs	-	66,027	-	66,027
Assigned to Capital Projects	-	-	572,121	572,121
	<u>-</u>	<u>-</u>	<u>572,121</u>	<u>572,121</u>
TOTAL FUND BALANCES	<u>6,787</u>	<u>66,027</u>	<u>772,121</u>	<u>844,935</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 116,944</u>	<u>\$ 70,084</u>	<u>\$ 806,117</u>	<u>\$ 993,145</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2017

	<u>FOOD SERVICE</u>	<u>TUITION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
REVENUES				
Local Sources	\$ 141,417	\$ 101,331	\$ 12,065	\$ 254,813
State Sources	24,432	-	-	24,432
Federal Sources	1,020,216	-	-	1,020,216
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,186,065	101,331	12,065	1,299,461
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Instruction	-	57,290	-	57,290
Supporting Services	1,222,280	-	787,376	2,009,656
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,222,280	57,290	787,376	2,066,946
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(36,215)	44,041	(775,311)	(767,485)
OTHER FINANCING SOURCES				
Transfers In	35,652	-	200,000	235,652
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(563)	44,041	(575,311)	(531,833)
FUND BALANCES, Beginning	7,350	21,986	1,347,432	1,376,768
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, Ending	\$ 6,787	\$ 66,027	\$ 772,121	\$ 844,935
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICE FUND

Year Ended June 30, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services			
Student Meals	\$ 211,255	\$ 138,172	\$ (73,083)
Catering	120,400	300	(120,100)
Other	-	2,945	2,945
State Sources			
Grants	21,000	24,432	3,432
Federal Sources			
Grants	920,000	1,020,216	100,216
TOTAL REVENUES	1,272,655	1,186,065	(86,590)
EXPENDITURES			
Salaries	531,340	468,881	62,459
Benefits	147,350	161,538	(14,188)
Purchased Services	10,507	19,902	(9,395)
Supplies and Materials	623,665	571,138	52,527
Property	1,000	821	179
Reserves	30,585	-	30,585
TOTAL EXPENDITURES	1,344,447	1,222,280	122,167
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(71,792)	(36,215)	35,577
OTHER FINANCING SOURCES			
Transfers In	71,792	35,652	(36,140)
NET CHANGE IN FUND BALANCE	-	(563)	(563)
FUND BALANCE, Beginning	-	7,350	7,350
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 6,787</u>	<u>\$ 6,787</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

BUDGETARY COMPARISON SCHEDULE

TUITION FUND

Year Ended June 30, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Charges for Services	\$ 58,331	\$ 101,331	\$ 43,000
TOTAL REVENUES	<u>58,331</u>	<u>101,331</u>	<u>43,000</u>
EXPENDITURES			
Salaries	42,206	40,426	1,780
Benefits	12,925	13,879	(954)
Purchased Services	1,500	1,854	(354)
Supplies and Materials	500	1,008	(508)
Other	1,200	123	1,077
Reserves	63,609	-	63,609
TOTAL EXPENDITURES	<u>121,940</u>	<u>57,290</u>	<u>64,650</u>
NET CHANGE IN FUND BALANCE	(63,609)	44,041	107,650
FUND BALANCE, Beginning	<u>63,609</u>	<u>21,986</u>	<u>(41,623)</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 66,027</u>	<u>\$ 66,027</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

BUDGETARY COMPARISON SCHEDULE
BOND REDEMPTION FUND
 Year Ended June 30, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Property Taxes	\$ 5,205,000	\$ 8,823,133	\$ 3,618,133
Investment Income	-	31,645	31,645
	<u>5,205,000</u>	<u>8,854,778</u>	<u>3,649,778</u>
TOTAL REVENUES			
EXPENDITURES			
Debt Service			
Principal	3,238,514	3,238,514	-
Interest and Fiscal Charges	2,322,792	2,323,042	(250)
Reserves	5,055,512	-	5,055,512
	<u>10,616,818</u>	<u>5,561,556</u>	<u>5,055,262</u>
TOTAL EXPENDITURES			
NET CHANGE IN FUND BALANCE	(5,411,818)	3,293,222	8,705,040
FUND BALANCE, Beginning	<u>5,411,818</u>	<u>5,315,482</u>	<u>(96,336)</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 8,608,704</u>	<u>\$ 8,608,704</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

BUDGETARY COMPARISON SCHEDULE

BUILDING FUND

Year Ended June 30, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Investment Income	\$ -	\$ 97,127	\$ 97,127
TOTAL REVENUES	<u>-</u>	<u>97,127</u>	<u>97,127</u>
EXPENDITURES			
Capital Outlay	3,712,481	3,597,358	115,123
Debt Service			
Debt Issuance Costs	-	588,725	(588,725)
Reserves	99,591,081	-	99,591,081
TOTAL EXPENDITURES	<u>103,303,562</u>	<u>4,186,083</u>	<u>99,117,479</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(103,303,562)</u>	<u>(4,088,956)</u>	<u>99,214,606</u>
OTHER FINANCING SOURCES			
Debt Issued	103,303,562	97,500,000	(5,803,562)
Debt Premium	-	13,239,460	13,239,460
TOTAL OTHER FINANCING SOURCES	<u>103,303,562</u>	<u>110,739,460</u>	<u>7,435,898</u>
NET CHANGE IN FUND BALANCE	-	106,650,504	106,650,504
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 106,650,504</u>	<u>\$ 106,650,504</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
 Year Ended June 30, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Investment Income	\$ 2,000	\$ 7,604	\$ 5,604
Rental Income	3,156	3,185	29
Other	-	1,276	1,276
	<u>5,156</u>	<u>12,065</u>	<u>6,909</u>
TOTAL REVENUES			
EXPENDITURES			
Purchased Services	621,096	576,465	44,631
Property	529,000	210,911	318,089
Reserves	250,110	-	250,110
	<u>1,400,206</u>	<u>787,376</u>	<u>612,830</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,395,050)	(775,311)	619,739
OTHER FINANCING SOURCES			
Transfers In	200,000	200,000	-
	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,195,050)	(575,311)	619,739
FUND BALANCE, Beginning	1,195,050	1,347,432	152,382
	<u>1,195,050</u>	<u>1,347,432</u>	<u>152,382</u>
FUND BALANCE, Ending	\$ -	\$ 772,121	\$ 772,121
	<u>\$ -</u>	<u>\$ 772,121</u>	<u>\$ 772,121</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended June 30, 2017

	<u>BALANCES</u> 6/30/16	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCES</u> 6/30/17
Pupil Activities				
ASSETS				
Cash and Investments	\$ 212,340	\$ 352,238	\$ 347,510	\$ 217,068
TOTAL ASSETS	<u>\$ 212,340</u>	<u>\$ 352,238</u>	<u>\$ 347,510</u>	<u>\$ 217,068</u>
LIABILITIES				
Accounts Payable	\$ 1,435	\$ 2,506	\$ 1,435	\$ 2,506
Due to Student Groups	210,905	349,732	346,075	214,562
TOTAL LIABILITIES	<u>\$ 212,340</u>	<u>\$ 352,238</u>	<u>\$ 347,510</u>	<u>\$ 217,068</u>

See the accompanying Independent Auditors' Report.

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	41-44
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	45-48
Debt Capacity 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.	49-52
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	53-54
Operating Information 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.	55-58

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

	2008	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017
Governmental activities:										
Invested in capital assets, net of related debt	\$ (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	\$ 11,368,868
Restricted	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	9,536,226
Unrestricted	13,729,014	13,524,125	15,183,824	12,340,853	13,453,151	14,877,649	11,985,937	(52,487,652)	(50,195,974)	(74,526,445)
Total governmental activities net assets	8,052,056	9,464,880	11,773,834	12,732,607	15,543,264	24,109,917	24,467,235	(38,543,769)	(38,951,145)	(53,621,351)
Business-type activities										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	269,919	210,735	212,187	259,839	262,734	262,022	178,488	-	-	-
Total business-type activities net assets	269,919	210,735	212,187	259,839	262,734	262,022	178,488	-	-	-
Totals										
Invested in capital assets, net of related debt	(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	11,368,868
Restricted	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	9,536,226
Unrestricted	13,998,933	13,734,860	15,396,011	12,600,692	13,715,885	15,139,671	12,164,425	(52,487,652)	(50,195,974)	(74,526,445)
Total primary government net assets	\$ 8,321,975	\$ 9,675,615	\$ 11,986,021	\$ 12,992,446	\$ 15,805,998	\$ 24,371,939	\$ 24,645,723	\$ (38,543,769)	\$ (38,951,145)	\$ (53,621,351)

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

* 2016 Restated

ENGLEWOOD SCHOOLS
Changes in Net Position
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015 (1)	2016*	2017
Fiscal Year Ended June 30,										
Expenses										
Governmental activities:										
Instruction	\$ 20,339,331	\$ 20,353,908	\$ 20,699,372	\$ 18,921,262	\$ 17,495,595	\$ 17,896,118	\$ 18,737,280	\$ 22,485,723	\$ 19,414,277	\$ 31,910,508
Supporting Services	12,104,630	12,184,195	11,816,820	13,130,895	12,627,729	13,423,963	13,920,935	17,110,664	15,993,103	24,456,894
Depreciation, unallocated										
Interest expense	1,137,741	1,122,250	714,114	775,296	2,001,675	2,499,170	2,392,566	2,277,186	4,187,621	2,344,382
Total governmental activities expenses	33,581,702	33,660,353	33,230,306	32,827,453	32,124,999	33,819,251	35,050,781	41,873,573	39,595,001	58,711,784
Business-type activities:										
Food Services	868,402	922,878	945,906	979,160	1,068,992	1,137,015	1,174,040	-	-	-
Tuition	583,588	517,522	425,867	403,378	340,042	393,253	397,343	-	-	-
Total business-type activities expenses	1,451,990	1,440,400	1,371,773	1,382,538	1,409,034	1,530,268	1,571,383	-	-	-
Total primary government expenses	35,033,692	35,100,753	34,602,079	34,209,991	33,534,033	35,349,519	36,622,164	41,873,573	39,595,001	58,711,784
Program revenues:										
Governmental activities:										
Charges for services	174,855	160,717	71,492	70,380	69,866	93,444	254,449	1,095,984	934,623	647,207
Operating/Capital grants and contributions	3,482,975	3,589,399	4,892,767	4,913,347	4,837,752	12,269,253	5,002,377	5,761,333	6,421,796	5,557,183
Total governmental activities program revenue	3,657,830	3,750,116	4,964,259	4,983,727	4,907,618	12,362,697	5,256,826	6,857,317	7,356,419	6,204,390
Business-type activities:										
Charges for services	913,231	706,691	638,267	624,096	503,992	559,317	506,956	-	-	-
Operating grants and contributions	584,518	674,267	734,954	806,094	907,937	970,239	980,893	-	-	-
Total business-type activities program revenue	1,497,749	1,380,958	1,373,221	1,430,190	1,411,929	1,529,556	1,487,849	-	-	-
Total primary government revenues	5,155,579	5,131,074	6,337,480	6,413,917	6,319,547	13,892,253	6,744,675	6,857,317	7,356,419	6,204,390
Net (Expenses) Revenue	(29,923,872)	(29,910,237)	(28,266,047)	(27,843,726)	(27,217,381)	(21,456,554)	(29,793,955)	(35,016,256)	(32,238,582)	(52,507,394)
Business-type activities	45,759	(59,442)	1,448	47,652	2,895	(712)	(83,534)	-	-	-
Total primary government net expense	(29,878,113)	(29,969,679)	(28,264,599)	(27,796,074)	(27,214,486)	(21,457,266)	(29,877,489)	(35,016,256)	(32,238,582)	(52,507,394)
General revenues:										
Governmental Activities										
Property taxes	15,724,141	15,230,399	15,686,164	15,524,629	18,427,279	19,104,915	19,069,549	18,871,234	20,274,187	25,166,657
Specific ownership taxes	1,263,404	1,128,455	1,051,599	967,885	1,058,274	1,253,944	1,337,194	1,439,746	1,523,542	1,800,766
State equalization	13,019,552	13,489,379	13,258,128	10,606,022	10,084,015	9,343,027	9,246,246	10,304,676	9,562,116	9,869,298
Investment income	714,228	388,886	157,455	60,787	19,093	1,998	4,603	9,245	18,213	183,014
Other revenues	679,692	1,085,942	421,655	1,643,176	439,377	319,323	493,681	438,351	453,148	817,453
Total general revenues	31,401,017	31,323,061	30,575,001	28,802,499	30,028,038	30,023,207	30,151,273	31,063,252	31,831,206	37,837,188
Business-type activities										
Investment income	1,405	258	4	-	-	-	-	-	-	-
Change in net position										
Governmental activities	1,477,145	1,412,824	2,308,954	958,773	2,810,657	8,566,653	357,318	(3,953,004)	(407,376)	(14,670,206)
Business-type activities	47,164	(59,184)	1,452	47,652	2,895	(712)	(83,534)	-	-	-
Total primary government change in net position	\$ 1,524,309	\$ 1,353,640	\$ 2,310,406	\$ 1,006,425	\$ 2,813,552	\$ 8,565,941	\$ 273,784	\$ (3,953,004)	\$ (407,376)	\$ (14,670,206)

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

*2016 Restated

ENGLEWOOD SCHOOLS

Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 966,650	\$ 1,023,367	\$ 950,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,708,572	10,135,776	10,931,355	-	-	-	-	-	-	-
Restricted	-	-	-	885,159	859,380	846,109	860,601	912,947	1,054,569	1,090,490
Assigned	-	-	-	-	-	3,717,773	3,378,687	1,793,201	1,508,699	2,150,444
Unassigned	-	-	-	11,338,572	12,253,380	8,181,936	6,230,118	6,335,574	6,701,270	7,447,757
Total general fund	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	10,688,691
All Other Governmental Funds										
Nonspendable inventory	-	-	-	-	-	-	-	-	7,350	6,787
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	4,613,289	5,218,050	5,285,982	-	-	-	-	-	-	-
Debt service fund	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	200,000
Debt service fund	-	-	-	3,814,491	5,194,031	5,075,936	4,907,082	4,751,365	5,315,482	8,608,704
Building fund	-	-	-	-	-	-	-	-	-	106,650,504
Assigned, reported in:										
Food Services	-	-	-	-	-	-	-	142,964	-	-
Tuition Fund	-	-	-	-	-	-	-	25,819	21,986	66,027
Capital projects fund	-	-	-	1,003,164	903,258	1,134,459	2,355,394	744,940	1,147,432	572,121
Total all other governmental funds	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	116,104,143
Total all governmental funds	\$ 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	\$ 126,792,834

ENGLEWOOD SCHOOLS

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Local Sources	\$ 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	\$ 28,600,858
State Sources	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	11,811,832
Federal Sources	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	3,614,649
Charges for Services	-	-	-	-	-	-	-	501,975	457,757	-
Total revenues	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	44,027,339
Expenditures:										
Instruction	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	17,789,397
Support services	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	16,393,717
Capital outlay	863,782	962,147	679,950	1,608,740	2,455,029	26,175,563	27,404,795	13,642,683	804,075	3,597,358
Debt service:										
Principal	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	3,238,514
Interest and fiscal charges	749,852	944,473	833,163	797,763	1,660,049	2,786,089	2,680,048	2,551,137	6,960,456	2,323,042
Bond issuance costs	128,697	-	-	-	311,637	-	-	-	-	588,725
Total expenditures	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	43,930,753
Other Financing Services (Uses)										
Bonds issued	9,075,000	-	-	-	49,996,986	-	-	-	24,835,000	97,500,000
Bond premium	439,060	-	-	-	4,964,028	-	-	-	4,198,757	13,239,460
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	774,079	1,068,511	844,564	384,242	200,000	678,674	650,000	900,000	469,194	235,652
Transfers out	(774,079)	(1,068,511)	(844,564)	(384,242)	(200,000)	(678,674)	(650,000)	(900,000)	(469,194)	(235,652)
Total other financing sources (uses)	135,070	-	-	400,333	54,986,317	50,000	1,752,500	-	29,033,757	110,739,460
Net change in fund balances	\$ 1,294,076	\$ 890,527	\$ 1,445,001	\$ (812,223)	\$ 54,395,852	\$ (18,652,423)	\$ (27,000,880)	\$ (14,101,880)	\$ 929,143	\$ 110,836,046
Debt service as a percentage of noncapital expenditures	9.0%	9.9%	7.5%	9.2%	11.6%	9.1%	8.7%	10.6%	50.3%	12.7%

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		Total Estimated Actual Value	Percentage of Assessed Value to Estimated Actual Value
			Residential Property	Commercial Property		
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%
2017	465,378,090	54.561	2,316,009,395	968,485,752	3,284,495,147	14.17%

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
2017	7.20%	29.00%	2016

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
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	7.678
2011	29.952	7.543	37.495	15.949	8.010	6.662	13.402	4.869	9.541	6.869	0.576	7.678
2012	32.027	13.831	45.858	17.316	7.621	6.662	13.295	4.981	9.661	7.034	0.623	7.678
2013	33.511	13.208	46.719	17.150	7.794	6.662	13.304	4.903	9.519	6.960	0.657	7.678
2014	33.610	13.264	46.874	17.130	8.124	6.662	13.374	4.861	9.444	6.915	0.672	7.678
2015	33.679	13.339	47.018	16.950	8.124	6.662	13.360	4.794	9.319	8.808	0.700	7.678
2016	32.422	11.846	44.268	14.856	7.804	6.662	13.557	5.916	9.199	8.651	0.700	7.678
2017	35.361	19.200	54.561	15.039	11.613	6.662	13.559	5.926	9.250	8.643	0.620	7.678

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**

2016		2006					
Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Columbia Health One	\$ 21,895,000	1	4.70%	Columbia Health One	\$ 21,750,010	1	6.06%
Swedish Medical Center	8,718,600	2	1.87%	Swedish Medical Center	9,599,450	2	2.67%
Qwest Communications, Inc.	8,628,200	3	1.85%	Public Service Company	8,901,170	3	2.48%
Public Svc Co of Colorado	5,867,800	4	1.26%	Qwest Corporation	6,247,400	4	1.74%
Northern Englewood Limited	3,074,870	5	0.66%	TSA Corporate Service	3,525,980	5	0.98%
Englewood Meridian LP	2,918,932	6	0.63%	ODC Limited No. 4	2,609,990	6	0.73%
Wal-Mart Real Estate Bus. Trust	2,911,890	7	0.63%	Situs Enterprises, LLC	2,607,100	7	0.73%
HTA-Hampden Place LLC	2,887,240	8	0.62%	801/901 Englewood Parkway	2,481,530	8	0.69%
Health one	2,657,270	9	0.57%	Sprint Spectrum LP	2,329,400	9	0.65%
Sprint Nextel Wireless	2,390,470	10	0.51%	Wall-Mart Real Estate Business	2,320,010	10	0.65%
	<u>\$ 61,950,272</u>		<u>13.31%</u>	Total	<u>\$ 62,372,040</u>		<u>17.38%</u>
Total Assessed Valuation	\$465,378,090				\$358,907,480		

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
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	19,669,522	95.3%	881,234 (2)	20,550,756	99.5%
2017	25,391,328	23,981,074	94.4%	552,169 (2)	24,533,243	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 2017 subsequent collections, received in August-January, are not known at this time.

Source: Arapahoe County Assessor's Office, District Audited Financial Statements 2008-2017.

ENGLEWOOD SCHOOLS

**Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Total Government	Population	Per Capita	Personal Income	Percent of Personal Income	Actual Value	Percent of Actual Value
	General Obligation Bonds	EPA Note	Capital Leases	Primary							
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*	61,346,266	-	-	61,346,266	32,671	1,878	941,382,194	6.5%	3,273,965,078	1.9%	
2017	168,402,491	-	-	168,402,491	34,050	4,946	1,601,916,300	10.5%	3,284,495,147	5.1%	

Source: District Audited Financial Statements 2008-2017.

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.
- The District sold \$110,739,460 in bonds as a result of a successful November 2016 Bond Election.

*2016 Restated

ENGLEWOOD SCHOOLS

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

Fiscal Year	General Obligation Bonds	Less Amount Available in		Total Primary Government	Population	Per Capita	Actual Value	Percent of Actual Value
		Debt Service Fund						
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*	61,346,266	(5,315,482)		56,030,784	32,671	1,715	3,273,965,078	1.7%
2017	168,402,491	(8,608,704)		159,793,787	34,050	4,693	3,284,495,147	4.9%

Source: District Audited Financial Statements 2008-2017.

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.

The District sold \$110,739,460.25 in bonds as a result of a successful November 2016 Bond Election.

*2016 Restated

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	\$ 18,171,885	77.2%	14,028,695
South Suburban Metropolitan Recreation and Park District	9,835,000	3.5%	344,225
			14,372,920
Direct Debt:			
Englewood School District	168,402,491	100.0%	168,402,491
			\$ 182,775,411

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	Debt limit	Total Net Debt Applicable		Legal Debt Margin	Total Net Debt Applicable	
		To Limit	To Limit		To Limit	To Limit
2008	84,276,206	21,925,878	62,350,328	62,350,328	26.02%	
2009	84,154,180	19,821,979	64,332,201	64,332,201	23.55%	
2010	84,798,924	17,555,086	67,243,838	67,243,838	20.70%	
2011	83,907,798	15,220,509	68,687,289	68,687,289	18.14%	
2012	80,976,534	61,397,955	19,578,579	19,578,579	75.82%	
2013	82,221,788	58,718,731	23,503,057	23,503,057	71.42%	
2014	81,723,146	55,995,393	25,727,753	25,727,753	68.52%	
2015	81,265,335	53,152,296	28,113,039	28,113,039	65.41%	
2016	93,267,370	50,427,264	42,840,106	42,840,106	54.07%	
2017*	197,096,353	141,395,528	55,700,825	55,700,825	71.74%	

Computation of Maximum Debt Allowed for Fiscal Year 2017

Taxable Actual Valuation	\$ 3,284,939,213
Debt Limit Percentage (1)	6%
Legal Debt Limit	<u>\$ 197,096,353</u>
Total Bonded Debt	\$ 150,004,232
Amount Available in Debt Service Fund	<u>8,608,704</u>
Net Bonded Debt	141,395,528
Legal Debt Margin	\$ 55,700,825

(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.

* Starting in 2017, the District is utilizing alternative debt calculation based on 6% of Actual Value, as presented on 3E 2016 ballot language.

Source: District Audited Financial Statements 2008-2017

ENGLEWOOD SCHOOLS

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

Fiscal Year	Englewood Population (1)	Personal Income	Per Capita		Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
			Personal Income (2)	Income (2)			
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%
2017	34,050	\$ 1,601,916,300	\$	47,046	37	2,775	3.4%

Sources:

- (1) City of Englewood
- (2) U.S. Census Bureau
- (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	2016			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Columbia Swedish Medical Center	1,965	1	7.22%	1,800	1	7.07%
The Sports Authority			0.00%	900	2	3.54%
Craig Hospital	803	2	2.95%	650	3	2.55%
Encore Electric	562	3	2.06%			
Englewood Schools	490	4	1.80%	525	4	2.06%
Burt Automotive				450	6	1.77%
City of Englewood	423	5	1.55%	520	5	2.04%
Groove Toyota	415	6	1.52%			
Karcher North America	364	7	1.34%			
Metro Community Provider Network	326	8	1.20%			
Veolia Transportation	298	9	1.09%			
Regional Transportation District	259	10	0.95%			
Wal-Mart				250	9	0.98%
Windsor Industries, Inc.				300	7	1.18%
7-Up Bottling Company				300	8	1.18%
Meadow Gold Dairies				230	10	0.90%
Total	5,905		21.70%	5,925		23.27%
Total Employees	27,216			25,459		

Source: City of Englewood Community Development Department

ENGLEWOOD SCHOOLS

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

Fiscal Year	Teachers	Classified	Administrators	Total
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
2017	182.44	126.70	27.80	336.94

Sources: Englewood Schools

ENGLEWOOD SCHOOLS

**Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures	Operating Cost per Pupil	Government-Wide Expenditures	Government-Wide Cost per Pupil	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Approved for Free or Reduced Lunch
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%
2016*	2,779	35,407,380	12,741	39,595,001	14,248	221.9	12.5	62.6%
2017	2,759	56,367,402	20,430	58,711,784	21,280	182.4	15.1	62.6%

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

* 2016 Restated

ENGLEWOOD SCHOOLS

**Schedule of Insurance
June 30, 2017**

Insurance Company	Policy Number	Term of Insurance		Type of Insurance	Amount of Coverage	07/1/16 - 07/1/17 Premium
		Start Date	Expire Date			
CSDSIP (1)	0301-01-00044	07/01/2016	07/01/2017	Comprehensive General Liability, Including Employee Benefit Programs and Athletic Participation	\$ 137,549,836	\$ 104,850
				School Leaders Errors & Omissions	2,000,000	28,970
CSDSIP	0301-01-00044	07/01/2016	07/01/2017	Equipment Breakdown	250,000,000	11,203
CSDSIP	0301-01-00044	07/01/2016	07/01/2017	Employee Blanket Bond	100,000	894
CSDSIP	0301-01-00044	07/01/2016	07/01/2017	Vehicle Insurance	2,000,000	20,964
					\$	166,881

(1) Colorado School District Self-Insurance Pool.

Source: Englewood School District

ENGLEWOOD SCHOOLS
Capital Asset Information
June 30, 2017

Schools	
Elementary	
Buildings	4
Square feet	187,200
Capacity	1,668
Enrollment	1,330
Percent capacity	80%
Middle / High	
Buildings	1
Square feet	238,298
Capacity	1,200
Enrollment	931
Percent capacity	78%
High	
Buildings	1
Square feet	99,380
Capacity	704
Enrollment	293
Percent capacity	42%
Early Childhood Education Center	
Buildings	1
Square feet	40,000
Capacity	364
Enrollment	221
Percent capacity	61%
Administration	
Buildings	1
Square feet	13,800
Operations, maintenance and transportation	
Buildings	1
Square feet	8,400
Athletics	
Athletic stadium	1
Baseball fields	1
Running tracks	1
Playgrounds	6
Excess property	
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



Board of Education
Englewood Schools
Englewood, Colorado

**INDEPENDENT AUDITORS' 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***

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Englewood Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of Englewood Schools, and have issued our report thereon dated December 7, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Englewood Schools' internal control over financial reporting 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 Englewood Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Englewood Schools' internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Englewood Schools' financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 Englewood Schools' internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Englewood Schools' 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 Englewood Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Englewood Schools' internal control and compliance. Accordingly, this report is not suitable for any other purpose.



December 7, 2017



Board of Education
Englewood Schools
Englewood, Colorado

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Federal Program

We have audited Englewood Schools' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Englewood Schools' major federal programs for the year ended June 30, 2017. Englewood Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of the federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Englewood Schools' 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Englewood Schools' 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 Englewood Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Englewood Schools 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, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

Englewood Schools' response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. Englewood Schools' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Englewood Schools 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 Englewood Schools' 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 the Uniform Guidance, 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 Englewood Schools' 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 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 Englewood Schools' 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Englewood Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of Englewood Schools. We issued our report thereon dated December 7, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Englewood Schools' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



December 7, 2017

ENGLEWOOD SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2017

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

• Material weaknesses identified? _____ yes no

• Significant deficiencies identified that are not considered to be material weaknesses? _____ yes none reported

Noncompliance material to financial statements noted?

_____ yes no

Federal Awards

Internal control over major federal programs:

• Material weaknesses identified? _____ yes no

• Significant deficiencies identified that are not considered to be material weaknesses? _____ yes none reported

Type of auditors' report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?

yes _____ no

Identification of major federal programs:

Child Nutrition Cluster

10.553 School Breakfast Program

10.555 National School Lunch Program

10.559 Summer Food Service Program for Children

84.287 Twenty-First Century Community Learning Centers

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

Auditee qualified as low-risk auditee? _____ yes no

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, noncompliance, or abuse that were material to those financial statements.

(Continued)

ENGLEWOOD SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2017

Federal Awards Findings and Questioned Costs

2017-001 Uniform Guidance

Criteria	Effective for fiscal years beginning on or after December 26, 2014, auditees subject to a Single Audit were required to conduct the Single Audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance). In addition, the Uniform Guidance requires the auditee to electronically submit the data collection form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's reports, or nine months after the end of the audit period.
Condition	The auditor's report on compliance for each major program and on internal control over compliance for the fiscal year ended June 30, 2016, indicates that the District's audit was conducted in accordance with Office of Management and Budget (OMB) Circular A-133. In addition, the data collection form was not submitted to the Federal Audit Clearinghouse.
Context	The District has new personnel that were not completely aware of the Single Audit requirements, including submission of the data collection form.
Effect	In accordance with the Uniform Guidance, the District no longer qualifies as a low-risk auditee, resulting in increased audit coverage.
Cause	The District relied on the auditor to perform the Single Audit in accordance with the appropriate federal regulations, and to complete the specified sections of the data collection form. However, the auditor failed to properly perform the audit and did not complete the data collection form. In addition, the auditor no longer responds to inquiries from the District.
Recommendation	We recommend that the District implement ongoing training for the personnel responsible to monitor the annual Single Audit. In addition, the District should review its procurement standards to ensure it obtains high quality audits in the future.

Views of Responsible Officials and Planned Corrective Actions

See the accompanying Corrective Action Plan.



Federal Audit Finding - Corrective Action Plan

Staff has been made aware of Single Federal Audit reporting requirements and has put into place safeguards to ensure future filing mandates are met in a timely manner.

ENGLEWOOD SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Disbursements
U.S. Department of Education			
Passed through Colorado Department of Education			
Title I	4010/5010	84.010	\$ 737,208
Special Education Cluster			
Special Education	4027	84.027	676,596
Special Education Preschool	4173	84.173	26,136
Twenty-First Century Community Learning Centers	5287	84.287	457,829
High School Graduation Initiative	5360	84.360	230
Supporting Effective Instruction	4367	84.367	168,103
English Language Acquisition	4365	84.365	22,088
Passed through Colorado Community College System			
Career and Technical Education		84.048	23,681
TOTAL U.S. DEPARTMENT OF EDUCATION			2,111,871
U.S. Department of Agriculture			
Child Nutrition Cluster			
Passed through Colorado Department of Human Services			
Food Commodities		10.555	81,274
Passed through Colorado Department of Education			
School Breakfast Program	4553	10.553	351,940
National School Lunch Program	4555	10.555	556,512
Summer Food Service Program for Children	4559	10.559	14,810
Passed through Colorado Department of Education			
Fresh Fruit and Vegetable Program	4582	10.582	15,680
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,020,216
U.S. Department of Health and Human Services			
Passed through Sheridan School District			
Head Start		93.600	304,093
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			304,093
U.S. Department of Transportation			
Passed through Colorado Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction		20.205	14,456
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			14,456
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 3,450,636

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOLS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2017

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The District does not charge a de minimis indirect cost rate.

STATE COMPLIANCE



**Colorado Department of
Education**

Auditors Integrity Report

District: 0120 - ENGLEWOOD 1
Fiscal Year 2016-17
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Governmental	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
10	General Fund	9,122,970		29,529,677		28,116,446		10,536,201
18	Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19	Colorado Preschool Program Fund	141,569		748,000		737,079		152,491
	Sub- Total	9,264,539		30,277,677		28,853,524		10,688,692
11	Charter School Fund	0		0		0		0
20,26-29	Special Revenue Fund	21,986		101,331		57,290		66,027
06	Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21	Food Service Spec Revenue Fund	7,350		1,221,717		1,222,280		6,787
22	Govt Designated-Purpose Grants Fund	0		3,262,644		3,262,644		0
23	Pupil Activity Special Revenue Fund	0		0		0		0
24	Full Day Kindergarten Mill Levy Override	0		0		0		0
25	Transportation Fund	0		0		0		0
31	Bond Redemption Fund	5,315,482		8,854,778		5,561,556		8,608,704
39	Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41	Building Fund	0		110,836,587		4,186,083		106,650,504
42	Special Building Fund	0		0		0		0
43	Capital Reserve Capital Projects Fund	1,347,432		212,065		787,376		772,120
46	Supplemental Cap Const, Tech, Main Fund	0		0		0		0
	Totals	15,956,788		154,766,799		43,930,753		126,792,834
	Proprietary							
50	Other Enterprise Funds	0		0		0		0
64 (63)	Risk-Related Activity Fund	0		0		0		0
60,65-69	Other Internal Service Funds	0		0		0		0
	Totals	0		0		0		0
	Fiduciary							
70	Other Trust and Agency Funds	0		0		0		0
72	Private Purpose Trust Fund	68,354		483		6,000		62,837
73	Agency Fund	0		0		0		0
74	Pupil Activity Agency Fund	210,905		348,732		346,075		214,562
79	GASB 34-Permanent Fund	0		0		0		0
85	Foundations	0		0		0		0
	Totals	279,259		350,214		352,075		277,399

FINAL

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.