



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, 2018

Englewood Schools

Arapahoe County School District No. 1
Englewood, Colorado

Comprehensive Annual Financial Report
Year Ended June 30, 2018

Prepared By: Finance Department

Englewood Schools

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Introductory Section

Sosan Schaller
Chief Financial Officer
303-806-2014

December 18, 2018

**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, 2018 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, 2018.

The District's financial statements have been audited by Hinkle & Company PC, 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 audited 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 governmental-wide activities. Statement 34 also requires that management provide a narrative introduction, overview an 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. Eight schools provide instruction and related services to approximately 2,800 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 operates one preschool, four elementary schools, one learning academy grades 6-8, one high school, and one high school of choice. In addition to regular education and special education, the District offers a variety of enhanced educational options including: Full-day kindergarten; International Baccalaureate (IB); Science, Technology, Engineering, Art & Math (STEAM) focus; Gifted and Talented; vocational programs: Cosmetology, Culinary Art, Sustainable Agriculture Education (S.A.G.E), Athletic Training, Business and Journalism.

District Strategic Plan 2016-2020

The District's strategic plan was developed in 2016 through the collaborative work of parents, teachers, community members, staff, 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 – The District’s primary source of funding is based School Finance Act, which is enacted by the legislature. Therefore, the state’s state of economy has a direct impact on the District’s ability to meet its obligations.

Below is an excerpt from the Colorado legislative Councils Economic and revenue Forecast report dated June 20, 2018:

*“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 2018 economic forecast, compared with the national average, Metro Denver's 2017 employment growth was 0.6 percentage points higher at 2.1 percent. Metro Denver's job growth in 2018 is projected to be 1.9 percent, with gains in all 11 supersectors. The three supersectors of the regional economy that are expected to post strong employment growth in 2018 are: transportation, warehousing, and utilities supersector (4.5 percent), natural resources and construction (3 percent), and education and health services (3 percent).

Metro Denver’s unemployment rate is expected to move up slightly to 2.6 percent in 2018 and remain near historic lows.

Long-term Financial Planning - In 2017-18 the base per pupil funding was increased by 1.24% for K-12 throughout the state. However, the reduction to statewide total program funding to school district, also known as “Negative Factor” or “Budget Stabilization” as calculated in School Finance Act was over \$2.1 million for the District, which is nearly 8.7% of the revenue budget. Reduction in state funding coupled with declining enrollment has created on-going budget challenges for the past six 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. The Board Policy requires a 15% rainy-day reserve set aside as the state of Colorado K-12 funding remains uncertain. The Board’s rainy-day reserve enables the District to mitigate the impact of a financial downturn while responding strategically.

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 stakeholders. 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. 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.

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, 2017. 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, Hinkle & Company PC, and its professional audit staff for the assistance and analysis provided throughout the year. Finally, a big thank you to the Englewood Board of Education and Superintendent Dr. Wendy Rubin for their leadership, support, and dedication.

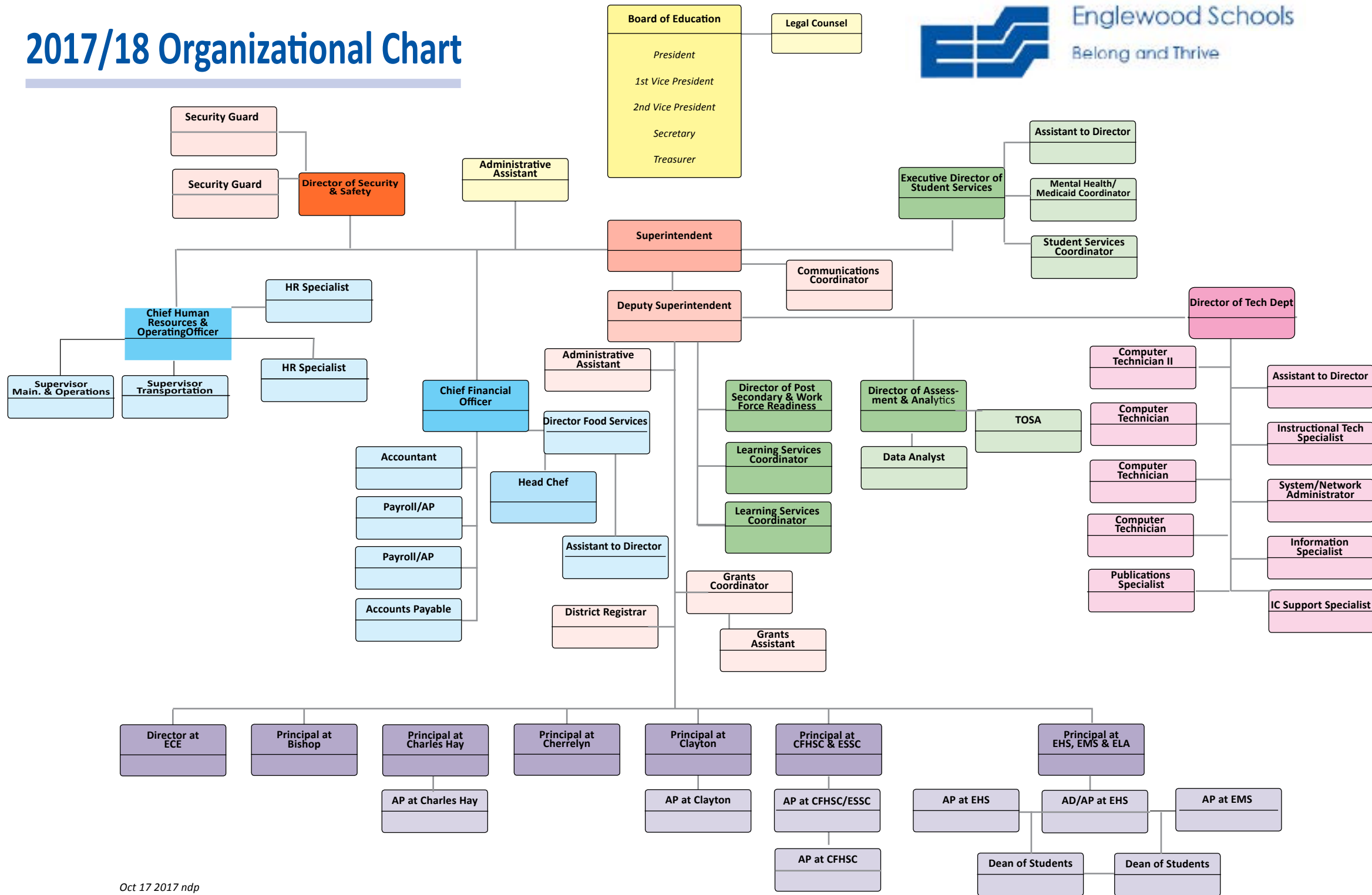
This report provides financial and other related information for the fiscal year 2017-2018 and has been prepared in a manner that is intended to assist management decision makers for the current and future budget years.

Respectfully submitted,



Sosan Schaller
Chief Financial Officer

2017/18 Organizational Chart



**ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO**

ROSTER OF SCHOOL OFFICIALS

June 30, 2018

BOARD OF EDUCATION

Tena Prange - President

Kevin Ebert - 1st Vice President

Jen Hubbard - 2nd Vice President

Caty Husbands - Secretary

Sharon Scheminske - Treasurer

SUPERINTENDENT'S EXECUTIVE STAFF

Dr. Wendy Rubin - Superintendent

Joanna Polzin - Chief Academic Officer

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, 2017

Christopher P. Morill

Executive Director/CEO

Financial Section



Independent Auditors' Report

Board of Education
Englewood Schools
Englewood, Colorado

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, 2018, 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, 2018, 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, in the year ended June 30, 2018, Englewood Schools adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 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.



Other Matters (Continued)

Other Information (Continued)

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 11, 2018, 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.

Hick & Company, PC

December 11, 2018



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, 2018. 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

During the 2017-18 school year over \$41 million of voter approved General Obligation Bond proceeds facilitated 100% completion of brand new Charles Hay elementary, 98% completion of Clayton elementary, and start of Maddox preschool and Cherrelyn elementary. The constructions of the last project is expected to be completed Fall of 2019.

The liabilities of Englewood Schools exceeded its assets at the close of the most recent fiscal year by \$(78,659,717) (net position), a change from \$(53,621,351) the previous fiscal year. 2015 saw the implementation of GASB Statement No. 68 which includes a Net Pension Liability of \$145,999,623 as of June 30, 2018. (See Note 7 for additional information). GASB Statement No. 75, which became effective for financial reporting after June 2017 requires employers participating in the Colorado Public Employees' Retirement Association (PERA) to record their proportionate share of unfunded liability of Other Post Employment Benefits (OPEB). OPEB liability is recorded at \$3,334,014.

At the close of the fiscal year, Englewood Schools' governmental funds reported a combined ending fund balance of \$86,294,952 a decrease of \$40,497,883 mainly as a result of construction activities.

The General Fund (excluding Colorado Preschool Program) ending fund balance was \$9,862,147, a decrease of \$674,055 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 include 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 \$149,333,623 in 2018 and \$133,853,012 in 2017 of Net Pension and OPEB Liabilities, liabilities exceeded assets by \$(78,659,717) in 2018.

The table below presents a condensed statement of the District's net position in 2018.

Englewood Schools' Net Position

	Governmental Activities		Change
	2017	2018	
Current and other assets	132,022,549	97,678,229	(34,344,320)
Capital assets	70,456,975	110,071,346	39,614,371
Total assets	202,479,524	207,749,575	5,270,051
Deferred Outflows of Resources	54,483,500	45,147,197	(9,336,303)
Long-term liabilities outstanding	165,344,960	161,485,688	(3,859,272)
Other liabilities	8,655,688	13,742,639	5,086,951
Net Pension Liability	133,853,012	145,999,623	12,146,611
Net OPEB Liability	0	3,334,014	3,334,014
Total liabilities	307,853,660	324,561,964	16,708,304
Deferred Inflows of Resources	2,730,715	6,994,525	4,263,810
Net Position			
Invested in Capital Assets	11,368,868	14,668,006	3,299,138
Restricted for:			
Emergencies	938,000	942,000	4,000
Debt service	8,245,736	8,681,055	435,319
Capital purposes	200,000	200,000	0
Technology	0	0	0
Preschool	152,490	226,809	74,319
Unrestricted	(74,526,445)	(103,377,587)	(28,851,142)
Total net position	(53,621,351)	(78,659,717)	(25,038,366)

The largest portion of the Englewood Schools' assets (39 percent) is Restricted Cash and Investment, due to the sale of General Obligation Bonds Series 2017. At the end of the current fiscal year Englewood Schools reports a negative balance for governmental activities net position. This is as a result of implementing GASB Statement No. 68 and the requirements of reporting Net Pension Liability. The District also recorded a noncurrent liability of \$3,334,014 as required by the new GASB Statement No. 75, which requirement became effective 2017.

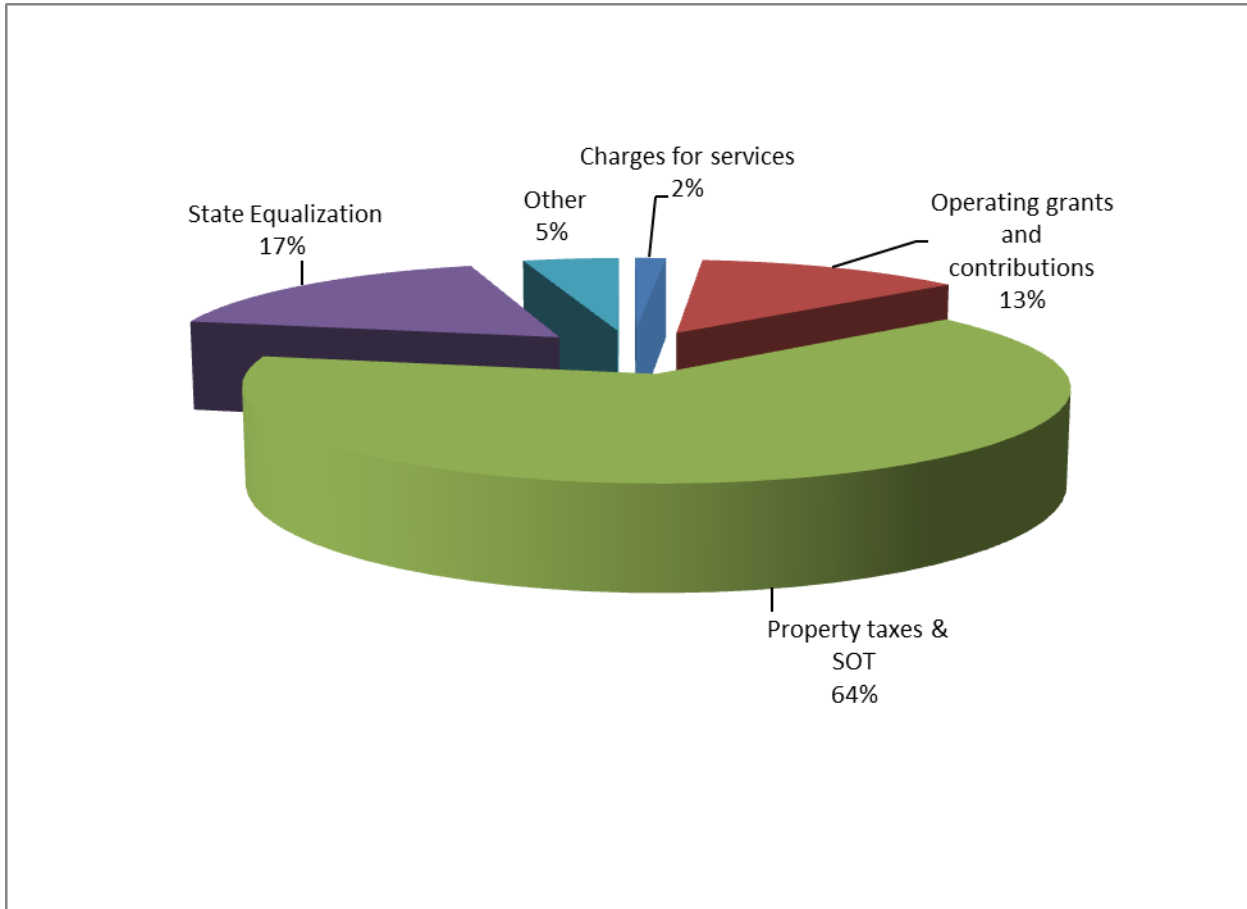
Governmental Activities. As previously reported, Governmental activities net position changed drastically over the prior year, a decrease of \$25,038,366, in 2018 compared to a decrease of \$14,670,206, in 2017. This is a

result of the net pension and OPEB liabilities reporting. Revenues increased by \$4,226,163 over the prior year with a substantial increase of property taxes. Revenues increased 9.6% over the prior year, expenses increased by over 25.85%.

Englewood Schools' Change in Net Position

	Governmental Activities		Change
	2017	2018	
Program revenues:			
Charges for services	647,207	706,173	58,966
Capital grants and contributions	14,456	0	(14,456)
Operating grants and contributions	5,542,727	6,117,723	574,996
General revenues:			
Property taxes	25,166,657	28,649,327	3,482,670
Specific Ownership taxes	1,800,766	2,214,391	413,625
State Equalization	9,869,298	8,384,015	(1,485,283)
Other	1,000,467	2,196,112	1,195,645
Total revenues	<u>44,041,578</u>	<u>48,267,741</u>	<u>4,226,163</u>
Expenses:			
Instruction	31,910,508	36,406,821	4,496,313
Supporting Services	24,456,894	27,666,561	3,209,667
Interest on Long-term Debt	2,344,382	6,022,085	3,677,703
Total Expenses	<u>58,711,784</u>	<u>70,095,467</u>	<u>11,383,683</u>
Change in net position	<u>(14,670,206)</u>	<u>(21,827,726)</u>	<u>(7,157,520)</u>
Net position – beginning, as restated	<u>(38,951,145)</u>	<u>(56,831,991)</u>	<u>(17,880,846)</u>
Net position – ending	<u><u>(53,621,351)</u></u>	<u><u>(78,659,717)</u></u>	<u><u>(25,038,366)</u></u>

Sources of Revenues for Fiscal Year 2018



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 \$86,294,951, a decrease of \$40,498,243. This decrease was mainly due to construction activities. The Building Fund ended the year with a balance of \$66,285,777, a decrease of \$40,364,727. The District's Bond Redemption Fund had an ending fund balance of \$8,797,627, higher by \$188,923 over the prior year, 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 (including Colorado Preschool Program) is the major operating fund of Englewood Schools. At the end of the current fiscal year, fund balance decreased by \$599,736 to \$10,088,955 mainly due to increase in salary and benefits expenditures. The grants fund balance did not change.

The food services program finished the 2018 fiscal year with a net position of \$5,902, a decrease of (\$885) in inventory. The General Fund contributed \$44,957 to the Food Service Fund for 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 2019.

The District uses the tuition program fund to record tuition-based early childhood and before & after school programs. Net position for this fund totaled \$143,144 at fiscal year-end, an increase of \$77,117, as the before & after school program recognized a profit in 2018.

General Fund Budgetary Highlights

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

Capital Assets and Long-Term Debt

Capital Assets. Englewood Schools’ investment in capital assets for governmental as of June 30, 2018 amounts to \$108,100,196 (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>2017</i>	<i>2018</i>	<i>Change</i>
Land & Improvements	2,045,111	2,045,111	0
Construction in Process	3,597,358	44,207,555	40,610,197
Site Improvements	83,942	118,152	34,210
Buildings and Improvements	93,255,613	92,058,111	(1,197,502)
Machinery & equipment	2,028,891	1,975,064	(53,827)
Accumulated depreciation	<u>(30,553,940)</u>	<u>(30,332,647)</u>	<u>221,293</u>
Total	70,456,975	110,071,346	39,614,371

Long-Term Debt.

As of June 30, 2018, the District had outstanding debt of \$164,495,753. Of this amount, \$146,637,600 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.

	2017	2018	Change
General Obligation Bonds	\$150,004,232	\$146,637,600	(\$3,366,632)
Deferred Premium	18,398,259	17,503,378	(894,881)
Sick Leave	378,101	354,775	(23,326)
Totals	<u>\$168,780,592</u>	<u>\$164,495,753</u>	<u>(\$4,284,839)</u>

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 2017-18 Englewood Schools Negative Factor was over \$2.6 million. Projected negative factor for 2018-19 is estimated at \$2.03 million.
- **Student Enrollment** – The District has experienced declining enrollment for several 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 attracts 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 20.15% is scheduled to increase to 20.40% on January 2019.
- **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 4% in 2017-18.

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, 2018

	Governmental Activities
Assets	
Cash and Investments	\$ 13,753,769
Restricted Cash and Investments	81,062,212
Accounts Receivable	22,944
Grants Receivable	775,847
Taxes Receivable	2,057,555
Inventories	5,902
Capital Assets, <i>Not Being Depreciated</i>	46,252,666
Capital Assets, <i>Net of Accumulated Depreciation</i>	63,818,680
Total Assets	207,749,575
Deferred Outflows of Resources	
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	2,451,861
Pensions, <i>Net of Accumulated Amortization</i>	42,544,834
OPEB, <i>Net of Accumulated Amortization</i>	150,502
Total Deferred Outflows of Resource	45,147,197
Liabilities	
Accounts Payable	4,690,707
Retainage Payable	1,849,853
Accrued Liabilities	916,923
Accrued Salaries and Benefits	1,731,780
Unearned Revenues	989,814
Accrued Interest Payable	553,497
Noncurrent Liabilities	
Due Within One Year	3,010,065
Due in More Than One Year	161,485,688
Net Pension Liability	145,999,623
OPEB Liability	3,334,014
Total Liabilities	324,561,964
Deferred Inflows of Resources	
Pensions, <i>Net of Accumulated Amortization</i>	6,938,747
OPEB, <i>Net of Accumulated Amortization</i>	55,778
Total Deferred Inflows of Resources	6,994,525
Net Position	
Net Investment in Capital Assets	14,668,006
Restricted for:	
Preschool Program	226,809
Debt Service	8,681,055
Capital Renewal	200,000
Emergencies	942,000
Unrestricted	(103,377,587)
Total Net Position	\$ (78,659,717)

See Notes to the Financial Statements.

Englewood Schools
Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position Governmental Activities
		Charges For Services	Operating Grants and Contributions	
Primary Government				
<i>Governmental Activities</i>				
Instruction	\$ 36,406,821	\$ 310,270	\$ 4,333,874	(31,762,677)
Supporting Services	27,666,561	395,903	1,783,849	(25,486,809)
Interest on Long-Term Debt	<u>6,022,085</u>	<u>-</u>	<u>-</u>	<u>(6,022,085)</u>
Total Government Activities	\$ <u>70,095,467</u>	\$ <u>706,173</u>	\$ <u>6,117,723</u>	<u>(63,271,571)</u>
General Revenues				
Local Property Taxes				28,649,327
Specific Ownership Taxes				2,214,391
State Equalization and Hold Harmless				8,384,015
Grants and Contributions not Restricted to Specific Programs				96,056
Investment Income				1,658,346
Other				<u>441,710</u>
Total General Revenues				<u>41,443,845</u>
Change in Net Position				(21,827,726)
Net Position, Beginning of year (as restated ¹)				<u>(56,831,991)</u>
Net Position, End of year				<u>\$ (78,659,717)</u>

¹ Beginning of year is restated due to GASB 75

Englewood Schools
Balance Sheet
Governmental Funds
June 30, 2018

	General	Grants	Bond Redemption	Building	Nonmajor Governmental Funds	Total
Assets						
Cash and Investments	\$ 12,253,730	\$ 311,696	\$ -	\$ -	\$ 1,188,343	\$ 13,753,769
Restricted Cash and Investments	-	-	8,548,145	72,514,067	-	81,062,212
Accounts Receivable	22,944	-	-	-	-	22,944
Grants Receivable	-	752,796	-	-	23,051	775,847
Taxes Receivable	1,371,148	-	686,407	-	-	2,057,555
Inventories	-	-	-	-	5,902	5,902
Interfund Receivables	23,151	-	-	-	-	23,151
Total Assets	<u>\$ 13,670,973</u>	<u>\$ 1,064,492</u>	<u>\$ 9,234,552</u>	<u>\$ 72,514,067</u>	<u>\$ 1,217,296</u>	<u>\$ 97,701,380</u>
Liabilities						
Accounts Payable	\$ 300,629	\$ 6,581	\$ -	\$ 4,378,437	\$ 5,060	\$ 4,690,707
Retainage Payable	-	-	-	1,849,853	-	1,849,853
Accrued Liabilities	916,923	-	-	-	-	916,923
Accrued Salaries and Benefits	1,511,574	170,703	-	-	49,503	1,731,780
Unearned Revenues	85,617	887,208	-	-	16,989	989,814
Interfund Payables	-	-	-	-	23,151	23,151
Total Liabilities	<u>2,814,743</u>	<u>1,064,492</u>	<u>-</u>	<u>6,228,290</u>	<u>94,703</u>	<u>10,202,228</u>
Deferred Inflows of Resources						
Property Taxes	767,275	-	436,925	-	-	1,204,200
Fund Balances						
Nonspendable Inventories	-	-	-	-	5,902	5,902
Restricted for:						
Preschool Program	226,809	-	-	-	-	226,809
Debt Service	-	-	8,797,627	-	-	8,797,627
Capital Renewal	-	-	-	-	200,000	200,000
Capital Projects	-	-	-	66,285,777	-	66,285,777
Emergencies	942,000	-	-	-	-	942,000
Assigned to:						
Subsequent Year Expenditures	3,267,597	-	-	-	-	3,267,597
Tuition Programs	-	-	-	-	143,144	143,144
Capital Projects	-	-	-	-	773,547	773,547
Unassigned	5,652,549	-	-	-	-	5,652,549
Total Fund Balances	<u>10,088,955</u>	<u>-</u>	<u>8,797,627</u>	<u>66,285,777</u>	<u>1,122,593</u>	<u>86,294,952</u>
Total Liabilities, Deferred Inflows of Resource's and Fund Balances	<u>\$ 13,670,973</u>	<u>\$ 1,064,492</u>	<u>\$ 9,234,552</u>	<u>\$ 72,514,067</u>	<u>\$ 1,217,296</u>	<u>\$ 97,701,380</u>

Englewood Schools
 Reconciliation of the Balance Sheet of Governmental
 Funds to the Statement of Net Position
 June 30, 2018

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

Total Fund Balances of Governmental Funds	\$	86,294,952
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		110,071,346
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.		1,204,200
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds. This includes the following:		
Long-term debt		(146,637,600)
Bond premiums		(17,503,378)
Compensated absences		(354,775)
Loss on debt refunding		2,451,861
Accrued interest payable		(553,497)
Net pension liability		(145,999,623)
Pension-related deferred outflows of resources		42,544,834
Pension-related deferred inflows of resources		(6,938,747)
Net OPEB liability		(3,334,014)
OPEB-related deferred outflows of resources		150,502
OPEB-related deferred inflows of resources		<u>(55,778)</u>
Total Net Position of Governmental Activities	\$	<u>(78,659,717)</u>

Englewood Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General	Grants	Bond Redemption	Building	Nonmajor Governmental Funds	Total
Revenues						
Local Sources	\$ 20,899,711	\$ 96,056	\$ 10,272,389	\$ 1,438,737	\$ 429,692	\$ 33,136,585
County Sources	261	-	-	-	-	261
State Sources	9,953,813	716,515	-	-	18,731	10,689,059
Federal Sources	-	2,878,405	-	-	934,274	3,812,679
Total Revenues	<u>30,853,785</u>	<u>3,690,976</u>	<u>10,272,389</u>	<u>1,438,737</u>	<u>1,382,697</u>	<u>47,638,584</u>
Expenditures						
Current						
Instruction	17,703,622	1,656,228	-	-	58,174	19,418,024
Supporting Services	13,204,942	2,034,748	-	-	1,591,822	16,831,512
Capital Outlay	-	-	-	41,803,464	-	41,803,464
Debt Service						
Principal	-	-	3,366,632	-	-	3,366,632
Interest and Fiscal Charges	-	-	6,716,834	-	-	6,716,834
Total Expenditures	<u>30,908,564</u>	<u>3,690,976</u>	<u>10,083,466</u>	<u>41,803,464</u>	<u>1,649,996</u>	<u>88,136,466</u>
Excess of Revenues Over (Under) Expenditures	<u>(54,779)</u>	<u>-</u>	<u>188,923</u>	<u>(40,364,727)</u>	<u>(267,299)</u>	<u>(40,497,882)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	544,957	544,957
Transfers Out	(544,957)	-	-	-	-	(544,957)
Total Other Financing Sources (Uses)	<u>(544,957)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,957</u>	<u>-</u>
Net Change in Fund Balances	(599,736)	-	188,923	(40,364,727)	277,658	(40,497,882)
Fund Balances, Beginning of year	<u>10,688,691</u>	<u>-</u>	<u>8,608,704</u>	<u>106,650,504</u>	<u>844,935</u>	<u>126,792,834</u>
Fund Balances, End of year	<u>\$ 10,088,955</u>	<u>\$ -</u>	<u>\$ 8,797,627</u>	<u>\$ 66,285,777</u>	<u>\$ 1,122,593</u>	<u>\$ 86,294,952</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, 2018

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

Net Change in Fund Balances of Governmental Funds	\$ (40,497,882)
<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.</p>	
Capital outlay	41,827,707
Depreciation expense	(1,818,140)
Loss on disposal of assets	(395,196)
<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>	
	629,157
<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>	
	3,366,632
<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:</p>	
Accrued interest payable	11,887
Amortization of bond premiums	894,881
Amortization of loss debt refunding	(212,019)
Accrued compensated absences	23,326
Net pension liability	(12,146,611)
Pension-related deferred outflows of resources	(9,274,786)
Pension-related deferred Inflows of resources	(4,208,032)
Net OPEB liability	(20,872)
OPEB-related deferred outflows of resources	48,000
OPEB-related deferred Inflows of resources	<u>(55,778)</u>
Change in Net Position of Governmental Activities	<u>\$ (21,827,726)</u>

Englewood Schools
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	Private Purpose Trust	Agency Pupil Activities
Assets	Scholarships	
Cash and Investments	\$ 57,683	\$ 276,811
Liabilities		
Accounts Payable	-	\$ 2,454
Due to Student Groups	-	274,357
Total Liabilities	-	\$ 276,811
Net Position		
Restricted for Scholarships	\$ 57,683	

Englewood Schools
Statement of Changes in Net Position
Private Purpose Trust Fund
Year Ended June 30, 2018

	Scholarships
Additions	
Investment Income	\$ <u>846</u>
Deductions	
Scholarships	<u>6,000</u>
Change in Net Position	(5,154)
Net Position, Beginning of year	<u>62,837</u>
Net Position, End of year	\$ <u><u>57,683</u></u>

Englewood Schools
Notes to Financial Statements
June 30, 2018

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, 2018

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, 2018

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, 2018

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 School 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. Employer contributions are recognized when the compensation is payable to the employees.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

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

Postemployment Benefits Other Than Pensions (OPEB) - The School participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF'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 HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees.

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.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 2: Cash and Investments

At June 30, 2018, the District had the following cash and investments:

Cash	\$ 1,150
Deposits	2,536,017
Investments	<u>92,613,308</u>
 Total	 <u>\$ 95,150,475</u>

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

Cash and Investments	\$ 13,811,452
Restricted Cash and Investments	81,062,212
Fiduciary Fund Cash and Investments	<u>276,811</u>
 Total	 <u>\$ 95,150,475</u>

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, 2018, the District had bank deposits of \$2,803,268 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

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 2: Cash and Investments (Continued)

Investments (Continued)

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.

Local Government Investment Pools - At June 30, 2018, the District had \$92,555,625 and \$57,683 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, 2018, \$8,548,145 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 \$72,514,067 restricted for capital projects.

Note 3: Interfund Balances and Transactions

During the year ended June 30, 2018, the General Fund subsidized the activities of the Food Service Fund through a transfer of \$44,957. In addition, the General Fund transferred \$500,000 to the Capital Reserve Fund for future capital projects.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2018, is summarized below.

	<u>Balance 6/30/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/18</u>
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 2,045,111	\$ -	\$ -	\$ 2,045,111
Construction in Progress	<u>3,597,358</u>	<u>40,610,197</u>	<u>-</u>	<u>44,207,555</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>5,642,469</u>	<u>40,610,197</u>	<u>-</u>	<u>46,252,666</u>
<i>Capital Assets, Being Depreciated</i>				
Site Improvements	83,942	34,210	-	118,152
Building and Improvements	93,255,613	738,481	(1,935,983)	92,058,111
Machinery and Equipment	<u>2,028,891</u>	<u>444,819</u>	<u>(498,646)</u>	<u>1,975,064</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>95,368,446</u>	<u>1,217,510</u>	<u>(2,434,629)</u>	<u>94,151,327</u>
Less Accumulated Depreciation				
Site Improvements	(12,235)	(2,180)	-	(14,415)
Building and Improvements	(29,364,930)	(1,703,459)	1,644,469	(29,423,920)
Machinery and Equipment	<u>(1,176,775)</u>	<u>(112,501)</u>	<u>394,964</u>	<u>(894,312)</u>
	<u>(30,553,940)</u>	<u>(1,818,140)</u>	<u>2,039,433</u>	<u>(30,332,647)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>64,814,506</u>	<u>(600,630)</u>	<u>(395,196)</u>	<u>63,818,680</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 70,456,975</u>	<u>\$ 40,009,567</u>	<u>\$ (395,196)</u>	<u>\$ 110,071,346</u>

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

Instruction	\$ 1,607,021
Supporting Services	<u>211,119</u>
Total	<u>\$ 1,818,140</u>

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2018.

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18	Due Within One Year
Governmental Activities					
2008 GO Bonds	\$ 3,035,000	\$ -	\$ 3,035,000	\$ -	\$ -
2008 Bond Premium	19,688	-	19,688	-	-
2011 GO Bonds	17,935,000	-	-	17,935,000	2,310,000
2011 Bond Premium	1,505,520	-	104,124	1,401,396	-
2011 GO BEST Lease	6,699,232	-	331,632	6,367,600	345,290
2016 GO Bonds	24,835,000	-	-	24,835,000	-
2016 Bond Premium	3,676,716	-	253,566	3,423,150	-
2017 GO Bonds	97,500,000	-	-	97,500,000	-
2017 Bond Premium	13,196,335	-	517,503	12,678,832	-
Compensated Absences	378,101	-	23,326	354,775	354,775
Total	\$ 168,780,592	\$ -	\$ 4,284,839	\$ 164,495,753	\$ 3,010,065

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

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 2018.

\$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.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 5: Long-Term Debt (Continued)

General Obligation Bonds (Continued)

\$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.

Debt payments to maturity are as follows.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	4,010,785	6,052,911	10,063,696
2024-2028	22,598,805	27,718,105	50,316,910
2029-2033	27,774,158	22,458,081	50,232,239
2034-2038	34,455,000	15,470,125	49,925,125
2039-2043	43,980,000	5,712,000	49,692,000
Total	<u>\$ 146,637,600</u>	<u>\$ 103,113,030</u>	<u>\$ 249,750,630</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, 2018, was \$23,885,000. The bonds will be called and paid in full on December 1, 2021.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 6: Risk Management (Continued)

Colorado School Districts Self Insurance Pool

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.

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.

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 over three years 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.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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.

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 2018 and 2017 was 20.15% 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, 2018, were \$4,303,116, 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, 2018, the District reported a net pension liability of \$145,999,623, representing its proportionate share of the net pension liability of the SDTF. The net pension liability was measured at December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017.

Englewood Schools
Notes to Financial Statements
June 30, 2018

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 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, 2017, relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.4515017619%, which was an increase of 0.0019363365% from its proportion measured at December 31, 2016.

During the 2018 legislative session, the State Legislature passed Senate Bill (SB) 18-200 with the goal of eliminating the unfunded pension liability of the SDTF within the next 30 years. The significant provisions of the legislation include increased age and service requirements to receive full retirement benefits, highest average salary calculated over five years rather than three years, changes to includable employee salaries, increased contributions from employees and employers, and an annual direct distribution from the State of Colorado. The District's estimated net pension liability at June 30, 2018, had the provisions of SB 18-200 been effective was \$65,961,364.

For the year ended June 30, 2018, the District recognized pension expense of \$29,723,284. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,684,311	\$ -
Changes of assumptions and other inputs	37,279,123	236,571
Net difference between projected and actual earnings on plan investments	-	5,733,543
Changes in proportion	258,367	968,633
Contributions subsequent to the measurement date	2,323,033	-
Total	\$ 42,544,834	\$ 6,938,747

District contributions subsequent to the measurement date of \$2,323,033 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:

Englewood Schools
Notes to Financial Statements
June 30, 2018

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)

Year Ended June 30,

2019	\$ 22,302,192
2020	12,974,080
2021	163,761
2022	<u>(2,156,979)</u>
Total	<u>\$ 33,283,054</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2016, determined the total pension liability using the following actuarial assumptions and other inputs.

Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5% - 9.7%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate ¹	5.26%
Future post-employment benefit increases:	
Hired prior to 1/1/2007	2.0%
Hired after 12/31/2006	ad hoc

¹The discount rate reflected in the roll-forward calculation of the total pension liability to the measurement date was 4.78%.

Healthy mortality assumptions for active members were based on 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. Healthy, post-retirement mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments. For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

On November 18, 2016, PERA's governing board adopted revised economic and demographic assumptions based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, which were effective on December 31, 2016. The significant changes affecting the plan included decreasing the investment rate of return assumption from 7.5% per year, compounded annually, net of investment expenses, to 7.25%, and updating mortality assumptions based on RP-2014 mortality tables.

Englewood Schools
Notes to Financial Statements
June 30, 2018

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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.78%. 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%.

Englewood Schools
Notes to Financial Statements
June 30, 2018

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)

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, 2017, the municipal bond index rate was 3.43%, resulting in a discount rate of 4.78%. The discount rate at the prior measurement date was 5.26%.

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 4.78%, 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 (3.78%) or one percentage point higher (5.78%) than the current rate, as follows:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$ 184,422,356	\$ 145,999,623	\$ 114,689,484

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.

Note 8: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 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 HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll. Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

Contributions - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the District's contributions to the District Division Trust Fund (SDTF) (See Note 7) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2018, was \$220,553, equal to the required amount.

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

At June 30, 2018, the District reported a net OPEB liability of \$3,334,014, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2017.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2017, relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.2565415254%, which was an increase of 0.0010031490% from its proportion measured at December 31, 2016.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 8: Postemployment Healthcare Benefits (Continued)

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$263,385. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,768	\$ -
Net difference between projected and actual earnings on plan investments	-	55,778
Changes in proportion	10,871	-
Contributions subsequent to the measurement date	123,863	-
Total	\$ 150,502	\$ 55,778

District contributions subsequent to the measurement date of \$123,863 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,

2019	\$ (8,711)
2020	(8,711)
2021	(8,711)
2022	(8,711)
2023	5,234
2024	471
Total	\$ (29,139)

Actuarial Assumptions - The actuarial valuation as of December 31, 2016, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 8: Postemployment Healthcare Benefits (Continued)

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

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% - 10.7%	3.5%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.5%	7.25%
Discount rate	7.5%	7.25%
Health care cost trend rates:		
Service-based premium subsidy	2.0%	2.0%
Medicare plans	ad hoc	ad hoc
Medicare Part A premiums:		
3% for 2017, gradually rising to 4.25% in 2023		

Healthy mortality assumptions for active members were based on 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. Healthy, post-retirement mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments. For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Health care cost trend rates are based on published annual health care inflation surveys in conjunction with actual plan experience, building block models and heuristics developed by actuaries and administrators, and other projected trends.

The actuarial assumptions used in the December 31, 2016, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, and were adopted by PERA's governing board on November 18, 2016. In addition, certain actuarial assumptions pertaining to per capita health care costs and the related trends are analyzed by PERA's actuary as needed.

The long-term expected rate of return on the HCTF 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.

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 8: Postemployment Healthcare Benefits (Continued)

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

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 presented previously in Note 7.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current contribution rate. Based on this assumption, the HCTF's fiduciary net position was projected to be available to make all projected future OPEB payments to current active and inactive employees. Therefore, the long-term expected rate of return on HCTF investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net OPEB liability if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 3,748,480	\$ 3,334,014	\$ 2,980,256

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the District's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, ranging from 3% to 5%, as well as the District's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$ 3,242,282	\$ 3,334,014	\$ 3,444,498

Englewood Schools
Notes to Financial Statements
June 30, 2018

Note 8: Postemployment Healthcare Benefits (Continued)

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

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF'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.

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, 2018, 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 Districts 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, 2018, the District was no longer required to contribute to the capital renewal reserve and fund balance remained at \$200,000.

Construction Commitments

At June 30, 2018, the District had two significant construction contracts for projects at Hay and Clayton Elementary Districts totaling \$17.7 and \$17.5 million, respectively.

Englewood Schools
Notes to Financial Statements
June 30, 2018

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, 2018, the reserve was reported as restricted fund balance in the General Fund, in the amount of \$942,000.

Note 10: Change in Accounting Principle

For the year ended June 30, 2018, the District adopted the standards of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, net position of the governmental activities at June 30, 2017, was restated to reflect the cumulative effect of adopting the standards.

Certain balances of deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2017, were not available and have not been reported in the financial statements.

	Governmental Activities
Net Position, June 30, 2017, as <i>Originally Stated</i>	\$ (53,621,351)
Deferred Outflows of Resources	102,502
Net OPEB Liability	(3,313,142)
Net Position, June 30, 2017, as <i>Restated</i>	\$ (56,831,991)

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, 2018

	<u>12/31/17</u>	<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	0.4515017619%	0.4495654254%	0.4590972041%	0.4764040107%	0.4771716276%
District's Proportionate Share of the Net Pension Liability	\$ 145,999,623	\$ 133,853,012	\$ 70,215,676	\$ 64,568,746	\$ 60,863,112
District's Covered Payroll	\$ 20,827,239	\$ 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	701%	663%	349%	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44%	43%	59%	63%	64%
	<u>6/30/18</u>	<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	\$ 4,082,563	\$ 3,688,740	\$ 3,563,563	\$ 3,397,776	\$ 3,148,760
Contributions in Relation to the Statutorily Required Contribution	<u>(4,082,563)</u>	<u>(3,688,740)</u>	<u>(3,563,563)</u>	<u>(3,397,776)</u>	<u>(3,148,760)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's Covered Payroll	\$ 21,622,858	\$ 20,068,914	\$ 20,094,063	\$ 20,128,645	\$ 19,701,594
Contributions as a Percentage of Covered Payroll	18.88%	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.

Englewood Schools
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability and Contributions
 Public Employees' Retirement Association of Colorado Health Care Trust Fund
 June 30, 2018

	12/31/17
Proportionate Share of the Net OPEB Liability	
District's Proportion of the Net OPEB Liability	0.2565415254%
District's Proportionate Share of the Net OPEB Liability	\$ 3,334,014
District's Covered Payroll	\$ 20,827,239
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18%
	6/30/18
District Contributions	
Statutorily Required Contribution	\$ 220,553
Contributions in Relation to the Statutorily Required Contribution	(220,553)
Contribution Deficiency (Excess)	\$ -
District's Covered Payroll	\$ 21,622,858
Contributions as a Percentage of Covered Payroll	1.02%

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.

Englewood Schools
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Property Taxes	\$ 16,906,777	\$ 17,590,308	\$ 17,857,499	\$ 267,191
Specific Ownership Taxes	1,400,000	1,820,259	2,214,391	394,132
Tuition and Fees	202,575	45,000	174,979	129,979
Investment Income	22,000	66,000	100,438	34,438
Rental Income	160,334	161,648	202,908	41,260
Other	157,500	137,872	349,496	211,624
Total Local Sources	<u>18,849,186</u>	<u>19,821,087</u>	<u>20,899,711</u>	<u>1,078,624</u>
<i>County Sources</i>				
Mineral Lease	<u>347</u>	<u>261</u>	<u>261</u>	<u>-</u>
<i>State Sources</i>				
State Equalization and Hold Harmless	9,751,316	8,431,692	8,384,015	(47,677)
Vocational Education	200,000	254,128	233,912	(20,216)
Special Education	652,615	652,615	829,059	176,444
Exceptional Children's Education Act	43,133	44,090	44,090	-
English Language Proficiency Act (ELPA)	125,815	117,116	133,767	16,651
Transportation	128,008	128,008	134,124	6,116
Read Act	139,766	171,751	171,751	-
National Board Certified Educators	-	-	-	-
Additional At-Risk Funding	23,321	23,321	23,095	(226)
Total State Sources	<u>11,063,974</u>	<u>9,822,721</u>	<u>9,953,813</u>	<u>131,092</u>
Total Revenues	<u>29,913,507</u>	<u>29,644,069</u>	<u>30,853,785</u>	<u>1,209,716</u>
Expenditures				
<i>Instruction</i>	<u>17,439,313</u>	<u>17,209,453</u>	<u>17,703,622</u>	<u>(494,169)</u>
<i>Supporting Services</i>				
Students	1,973,427	2,035,866	2,017,608	18,258
Instructional Staff	1,552,641	1,886,063	1,785,446	100,617
General Administration	608,437	551,582	569,840	(18,258)
School Administration	2,203,578	2,269,135	2,262,055	7,080
Business Services	441,202	495,699	532,498	(36,799)
Operations and Maintenance	3,486,225	3,416,065	3,296,695	119,370
Student Transportation	908,833	897,633	713,568	184,065
Central Support	2,082,933	1,995,201	1,902,802	92,399
Other Support	304,734	186,782	119,934	66,848
Community Services	5,225	4,001	4,496	(495)
Total Supporting Services	<u>13,567,235</u>	<u>13,738,027</u>	<u>13,204,942</u>	<u>533,085</u>
<i>Reserves</i>	<u>8,134,123</u>	<u>7,812,825</u>	<u>-</u>	<u>7,812,825</u>
Total Expenditures	<u>39,140,671</u>	<u>38,760,305</u>	<u>30,908,564</u>	<u>7,851,741</u>

(Continued)

Englewood Schools
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2018
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Excess Of Revenues Over (Under) Expenditures	(9,227,164)	(9,116,236)	(54,779)	9,061,457
Other Financing Sources (Uses)				
Transfers Out	(664,934)	(664,934)	(544,957)	119,977
Total Other Financing Sources (Uses)	(664,934)	(664,934)	(544,957)	119,977
Net Change In Fund Balance	(9,892,098)	(9,781,170)	(599,736)	9,181,434
Fund Balance, Beginning of year	9,892,098	10,688,691	10,688,691	-
Fund Balance, End of year	\$ -	\$ 907,521	\$ 10,088,955	\$ 9,181,434

Englewood Schools
 Budgetary Comparison Schedule
 Grants Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues				
Local Grants	\$ 56,000	\$ 56,000	\$ 96,056	40,056
State Grants	680,000	1,916,128	716,515	(1,199,613)
Federal Grants	<u>2,998,500</u>	<u>2,998,500</u>	<u>2,878,405</u>	<u>(120,095)</u>
Total Revenues	<u>3,734,500</u>	<u>4,970,628</u>	<u>3,690,976</u>	<u>(1,279,652)</u>
Expenditures				
Instruction	1,680,525	2,236,783	1,656,228	580,555
Supporting Services	<u>2,053,975</u>	<u>2,733,845</u>	<u>2,034,748</u>	<u>699,097</u>
Total Expenditures	<u>3,734,500</u>	<u>4,970,628</u>	<u>3,690,976</u>	<u>1,279,652</u>
Net Change In Fund Balance	-	-	-	-
Fund Balance, Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Englewood Schools
Notes to Required Supplementary Information
June 30, 2018

Note 1: Schedule of Proportionate Share of The Net Pension Liability and Contributions

The Public Employees' Retirement Association of Colorado (PERA) District 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, 2018, the total pension liability was determined by an actuarial valuation as of December 31, 2016. The following revised economic and demographic assumptions were effective as of 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, 2018

	Food Service	Tuition	Capital Reserve	Total
Assets				
Cash and Investments	\$ 64,264	\$ 147,148	\$ 976,931	\$ 1,188,343
Grants Receivable	23,051	-	-	23,051
Inventories	5,902	-	-	5,902
Total Assets	\$ 93,217	\$ 147,148	\$ 976,931	\$ 1,217,296
Liabilities and Fund Balances				
<i>Liabilities</i>				
Accounts Payable	\$ 1,676	\$ -	\$ 3,384	\$ 5,060
Accrued Salaries and Benefits	45,499	4,004	-	49,503
Unearned Revenues	16,989	-	-	16,989
Interfund Payables	23,151	-	-	23,151
Total Liabilities	87,315	4,004	3,384	94,703
<i>Fund Balances</i>				
Nonspendable Inventories	5,902	-	-	5,902
Restricted for Capital Reserve			200,000	200,000
Assigned to:				
Tuition Programs	-	143,144	-	143,144
Capital Projects	-	-	773,547	773,547
Total Fund Balances	5,902	143,144	973,547	1,122,593
Total Liabilities and Fund Balances	\$ 93,217	\$ 147,148	\$ 976,931	\$ 1,217,296

Englewood Schools
Combining Statement of Revenues, Expenditures and Change in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2018

	Food Service	Tuition	Capital Reserve	Total
Revenues				
Local Sources	\$ 192,000	\$ 135,291	\$ 102,401	\$ 429,692
State Sources	18,731	-	-	18,731
Federal Sources	934,274	-	-	934,274
Total Revenues	<u>1,145,005</u>	<u>135,291</u>	<u>102,401</u>	<u>1,382,697</u>
Expenditures				
Instruction	-	58,174	-	58,174
Supporting Services	1,190,847	-	400,975	1,591,822
Total Expenditures	<u>1,190,847</u>	<u>58,174</u>	<u>400,975</u>	<u>1,649,996</u>
Excess of Revenues Over (Under) Expenditures	(45,842)	77,117	(298,574)	(267,299)
Other Financing Sources				
Transfers In	44,957	-	500,000	544,957
Net Change in Fund Balance	(885)	77,117	201,426	277,658
Fund Balances, Beginning of year	<u>6,787</u>	<u>66,027</u>	<u>772,121</u>	<u>844,935</u>
Fund Balances, End of year	<u>\$ 5,902</u>	<u>\$ 143,144</u>	<u>\$ 973,547</u>	<u>\$ 1,122,593</u>

Englewood Schools
 Budgetary Comparison Schedule
 Food Service Fund
 Year Ended June 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Charges for Services			
Student Meals	\$ 192,043	\$ 179,745	\$ (12,298)
Catering	-	1,121	1,121
Other	170	11,134	10,964
State Sources			
Grants	24,471	18,731	(5,740)
Federal Sources			
Grants	<u>1,067,802</u>	<u>934,274</u>	<u>(133,528)</u>
 Total Revenues	 <u>1,284,486</u>	 <u>1,145,005</u>	 <u>(139,481)</u>
Expenditures			
Salaries	461,091	441,726	19,365
Benefits	209,681	165,812	43,869
Purchased Services	32,532	25,070	7,462
Supplies and Materials	566,034	552,571	13,463
Property	12,556	5,318	7,238
Reserves	<u>2,592</u>	<u>350</u>	<u>2,242</u>
 Total Expenditures	 <u>1,284,486</u>	 <u>1,190,847</u>	 <u>93,639</u>
 Excess of Revenues Over (Under) Expenditures	 -	 (45,842)	 (45,842)
Other Financing Sources			
Transfers In	<u>-</u>	<u>44,957</u>	<u>44,957</u>
 Net Change in Fund Balance	 -	 (885)	 (885)
 Fund Balance, Beginning of year	 <u>6,787</u>	 <u>6,787</u>	 <u>-</u>
 Fund Balance, End of year	 <u>\$ 6,787</u>	 <u>\$ 5,902</u>	 <u>\$ (885)</u>

Englewood Schools
 Budgetary Comparison Schedule
 Tuition Fund
 Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Local Sources			
Charges for Services	\$ 99,905	\$ 135,291	\$ 35,386
Total Revenues	99,905	135,291	35,386
Expenditures			
Salaries	48,503	40,202	8,301
Benefits	17,248	13,594	3,654
Purchased Services	5,000	861	4,139
Supplies and Materials	27,654	3,300	24,354
Other	1,500	217	1,283
Reserves	-	-	-
Total Expenditures	99,905	58,174	41,731
Net Change in Fund Balance	-	77,117	77,117
Fund Balance, Beginning of year	66,026	66,027	1
Fund Balance, End of year	\$ 66,026	\$ 143,144	\$ 77,118

Englewood Schools
 Budgetary Comparison Schedule
 Bond Redemption Fund
 Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local Sources			
Property Taxes	\$ 9,319,288	\$ 10,162,671	\$ 843,383
Investment Income	29,000	109,718	80,718
	<u>9,348,288</u>	<u>10,272,389</u>	<u>924,101</u>
Total Revenues			
Expenditures			
Debt Service			
Principal	6,021,922	3,366,632	2,655,290
Interest and Fiscal Charges	6,784,607	6,716,834	67,773
Reserves	5,000	-	5,000
	<u>12,811,529</u>	<u>10,083,466</u>	<u>2,728,063</u>
Total Expenditures			
Net Change in Fund Balance	(3,463,241)	188,923	3,652,164
Fund Balance, Beginning of year	<u>8,608,705</u>	<u>8,608,704</u>	<u>(1)</u>
Fund Balance, End of year	<u>\$ 5,145,464</u>	<u>\$ 8,797,627</u>	<u>\$ 3,652,163</u>

Englewood Schools
 Budgetary Comparison Schedule
 Building Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Sources				
Investment Income	\$ 590,986	\$ 1,315,590	\$ 1,438,737	\$ 123,147
Total Revenues	<u>590,986</u>	<u>1,315,590</u>	<u>1,438,737</u>	<u>123,147</u>
Expenditures				
Capital Outlay	108,780,045	107,966,094	41,803,464	66,162,630
Debt Service				
Debt Issuance Costs	-	-	-	-
Reserves	-	-	-	-
Total Expenditures	<u>108,780,045</u>	<u>107,966,094</u>	<u>41,803,464</u>	<u>66,162,630</u>
Excess of Revenues Over (Under) Expenditures	<u>(108,189,059)</u>	<u>(106,650,504)</u>	<u>(40,364,727)</u>	<u>66,285,777</u>
Other Financing Sources				
Debt Issued	-	-	-	-
Debt Premium	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(108,189,059)	(106,650,504)	(40,364,727)	66,285,777
Fund Balance, Beginning of year	<u>108,189,059</u>	<u>106,650,504</u>	<u>106,650,504</u>	<u>-</u>
Fund Balance, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,285,777</u>	<u>\$ 66,285,777</u>

Englewood Schools
 Budgetary Comparison Schedule
 Capital Reserve Fund
 Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Local Sources			
Investment Income	\$ 8,000	\$ 9,453	\$ 1,453
Rental Income	-	995	995
Other	91,953	91,953	-
	<u>99,953</u>	<u>102,401</u>	<u>2,448</u>
Total Revenues	<u>99,953</u>	<u>102,401</u>	<u>2,448</u>
Expenditures			
Purchased Services	819,545	282,286	537,259
Property	96,767	118,689	(21,922)
Other	255,762	-	255,762
Reserves	-	-	-
	<u>1,172,074</u>	<u>400,975</u>	<u>771,099</u>
Total Expenditures	<u>1,172,074</u>	<u>400,975</u>	<u>771,099</u>
Excess of Revenues Over (Under) Expenditures	(1,072,121)	(298,574)	773,547
Other Financing Sources			
Transfers In	500,000	500,000	-
	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	(572,121)	201,426	773,547
Fund Balance, Beginning of year	<u>772,121</u>	<u>772,121</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 200,000</u>	<u>\$ 973,547</u>	<u>\$ 773,547</u>

See the accompanying Independent Auditors' Report.

Englewood Schools
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2018

	Balances 6/30/17	Additions	Deductions	Balances 6/30/18
<u>Pupil Activities</u>				
Assets				
Cash and Investments	\$ 217,068	\$ 352,661	\$ 292,918	\$ 276,811
Total Assets	\$ 217,068	\$ 352,661	\$ 292,918	\$ 276,811
Liabilities				
Accounts Payable	\$ 2,506	\$ 2,454	\$ 2,506	\$ 2,454
Due to Student Groups	214,562	350,207	290,412	274,357
Total Liabilities	\$ 217,068	\$ 352,661	\$ 292,918	\$ 276,811

Statistical Section
Englewood Schools
(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.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time..... 48

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue sources. 52

Debt Capacity

These schedules present information to help the reader assess the District's ability to service current levels of outstanding debt and the District's ability to issue additional debt in the future. 53

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. 60

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..... 62

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 Assets by Components
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ (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	\$ 14,668,006
Restricted	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	10,049,864
Unrestricted	13,524,125	15,183,824	12,340,853	13,453,151	14,877,649	11,985,937	(52,487,652)	(50,195,974) *	(77,737,085)	(103,377,587)
Total governmental activities net assets	9,464,880	11,773,834	12,732,607	15,543,264	24,109,917	24,467,235	(38,543,769)	(38,951,145)	(56,831,991) **	(78,659,717)
Business-type activities										
Net investment in capital assets	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	210,735	212,187	259,839	262,734	262,022	178,488	-	-	-	-
Total business-type activities net assets	210,735	212,187	259,839	262,734	262,022	178,488	-	-	-	-
Totals										
Net investment in capital assets	(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	14,668,006
Restricted	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	10,049,864
Unrestricted	13,734,860	15,396,011	12,600,692	13,715,885	15,139,671	12,164,425	(52,487,652)	(50,195,974)	(77,737,085)	(103,377,587)
Total primary government net assets	\$ 9,675,615	\$ 11,986,021	\$ 12,992,446	\$ 15,805,998	\$ 24,371,939	\$ 24,645,723	\$ (38,543,769)	\$ (38,951,145)	\$ (56,831,991)	\$ (78,659,717)

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

*2016 Restated

** 2017 Beginning balance restated for adoption of GASB Statement 75 - Financial Reporting got Postemployment Benefits (OPEB) Other than Pension

ENGLEWOOD SCHOOLS

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018
Expenses										
Governmental activities:										
Instruction	\$ 20,353,908	\$ 20,699,372	\$ 18,921,262	\$ 17,495,595	\$ 17,896,118	\$ 18,737,280	\$ 22,485,723	\$ 20,067,010	\$ 31,910,508	\$ 36,406,821
Supporting Services	12,184,195	11,816,820	13,130,895	12,627,729	13,423,963	13,920,935	17,110,664	16,527,157	24,456,894	27,666,561
Depreciation, unallocated	-	-	-	-	-	-	-	-	-	-
Interest Expense	1,122,250	714,114	775,296	2,001,675	2,499,170	2,392,566	2,277,186	6,331,270	2,344,382	6,022,085
Total governmental activities expenses	33,660,353	33,230,306	32,827,453	32,124,999	33,819,251	35,050,781	41,873,573	42,925,437	58,711,784	70,095,467
Business-type activities:										
Food Services	922,878	945,906	979,160	1,068,992	1,137,015	1,174,040	-	-	-	-
Tuition	517,522	425,867	403,378	340,042	393,253	397,343	-	-	-	-
Total business-type activities expenses	1,440,400	1,371,773	1,382,538	1,409,034	1,530,268	1,571,383	-	-	-	-
Total primary government expenses	35,100,753	34,602,079	34,209,991	33,534,033	35,349,519	36,622,164	41,873,573	42,925,437	58,711,784	70,095,467
Program revenues:										
Governmental activities:										
Charges for services	160,717	71,492	70,380	69,866	93,444	254,449	1,095,984	934,623	647,207	706,173
Operating/Capital grants and contributions	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	6,117,723
Total governmental activities program revenue	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	6,823,896
Business-type activities:										
Charges for services	706,691	638,267	624,096	503,992	559,317	506,956	-	-	-	-
Operating grants and contributions	674,267	734,954	806,094	907,937	970,239	980,893	-	-	-	-
Total business-type activities program revenue	1,380,958	1,373,221	1,430,190	1,411,929	1,529,556	1,487,849	-	-	-	-
Total primary government revenues	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	6,823,896
Net (Expenses) Revenue										
Governmental activities	(29,910,237)	(28,266,047)	(27,843,726)	(27,217,381)	(21,456,554)	(29,793,955)	(35,016,256)	(35,569,018)	(52,507,394)	(63,271,571)
Business-type activities	(59,442)	1,448	47,652	2,895	(712)	(83,534)	-	-	-	-
Total primary government net expense	(29,969,679)	(28,264,599)	(27,796,074)	(27,214,486)	(21,457,266)	(29,877,489)	(35,016,256)	(35,569,018)	(52,507,394)	(63,271,571)
General revenues:										
Governmental Activities										
Property taxes	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	28,649,327
Specific ownership taxes	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	2,214,391
State equalization	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	8,384,015
Investment income	388,886	157,455	60,787	19,093	1,998	4,603	9,245	18,213	183,014	1,658,346
Other revenues	1,085,942	421,655	1,643,176	439,377	319,323	493,681	438,351	453,148	817,453	537,766
Total general revenues	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	41,443,845
Business-type activities										
Investment income	258	4	-	-	-	-	-	-	-	-
Change in net position										
Governmental activities	1,412,824	2,308,954	958,773	2,810,657	8,566,653	357,318	(3,953,004)	(3,737,812)	(14,670,206)	(21,827,726)
Business-type activities	(59,184)	1,452	47,652	2,895	(712)	(83,534)	-	-	-	-
Total primary government change in net position	\$ 1,353,640	\$ 2,310,406	\$ 1,006,425	\$ 2,813,552	\$ 8,565,941	\$ 273,784	\$ (3,953,004)	\$ (3,737,812)	\$ (14,670,206)	\$ (21,827,726)

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

ENGLEWOOD SCHOOLS
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,023,367	\$ 950,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,135,776	10,931,355	-	-	-	-	-	-	-	-
Restricted	-	-	885,159	859,380	846,109	860,601	912,947	1,054,569	1,090,490	1,168,809
Assigned	-	-	-	-	3,717,773	3,378,687	1,793,201	1,508,699	2,150,444	3,267,597
Unassigned	-	-	11,338,572	12,253,380	8,181,936	6,230,118	6,335,574	6,701,270	7,447,757	5,652,549
Total general fund	<u>11,159,143</u>	<u>11,882,196</u>	<u>12,223,731</u>	<u>13,112,760</u>	<u>12,745,818</u>	<u>10,469,406</u>	<u>9,041,722</u>	<u>9,264,538</u>	<u>10,688,691</u>	<u>10,088,955</u>
All Other Governmental Funds										
Nonspendable inventory								7,350	6,787	5,902
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	5,218,050	5,285,982	-	-	-	-	-	-	-	-
Debt service fund	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	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	8,797,627
Building fund									106,650,504	66,285,777
Assigned, reported in:										
Food Services			-	-	-	-	142,964	-	-	-
Tuition Fund			-	-	-	-	25,819	21,986	66,027	143,144
Capital projects fund	-	-	1,003,164	903,258	1,134,459	2,355,394	744,940	1,147,432	572,121	773,547
Total all other governmental funds	<u>8,416,567</u>	<u>9,138,515</u>	<u>7,984,757</u>	<u>61,491,580</u>	<u>43,206,099</u>	<u>18,481,631</u>	<u>5,985,923</u>	<u>6,692,250</u>	<u>116,104,143</u>	<u>76,205,997</u>
Total all governmental funds	<u>\$ 19,575,710</u>	<u>\$ 21,020,711</u>	<u>\$ 20,208,488</u>	<u>\$ 74,604,340</u>	<u>\$ 55,951,917</u>	<u>\$ 28,951,037</u>	<u>\$ 15,027,645</u>	<u>\$ 15,956,788</u>	<u>\$ 126,792,834</u>	<u>\$ 86,294,952</u>

* The implementation of GASB Statement No. 54

ENGLEWOOD SCHOOLS

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Local Sources	\$ 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	\$ 33,136,846
State Sources	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	10,689,059
Federal Sources	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	3,812,679
Charges for Services	-	-	-	-	-	-	501,975	457,757	-	-
Total revenues	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	47,638,584
Expenditures:										
Instruction	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	19,418,024
Support services	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	16,831,512
Capital outlay	962,147	679,950	1,608,740	2,455,029	26,175,563	27,404,795	13,642,683	804,075	3,597,358	41,803,464
Debt service:										
Principal	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	3,366,632
Interest and fiscal charges	944,473	833,163	797,763	1,660,049	2,786,089	2,680,048	2,551,137	6,960,456	2,323,042	6,716,834
Bond issuance costs	-	-	-	311,637	-	-	-	-	588,725	-
Total expenditures	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	88,136,466
Other Financing Services (Uses)										
Bonds issued	-	-	-	49,996,986	-	-	-	24,835,000	97,500,000	-
Bond premium	-	-	-	4,964,028	-	-	-	4,198,757	13,239,460	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	400,333	25,303	50,000	1,752,500	-	-	-	-
Transfers in	1,068,511	844,564	384,242	200,000	678,674	650,000	900,000	469,194	235,652	544,957
Transfers out	(1,068,511)	(844,564)	(384,242)	(200,000)	(678,674)	(650,000)	(900,000)	(469,194)	(235,652)	(544,957)
Total other financing sources (uses)	-	-	400,333	54,986,317	50,000	1,752,500	-	29,033,757	110,739,460	-
Net change in fund balances	\$ 890,527	\$ 1,445,001	\$ (812,223)	\$ 54,395,852	\$ (18,652,423)	\$ (27,000,880)	\$ (14,101,880)	\$ 929,143	\$ 110,836,046	\$ (40,497,882)
Debt service as a percentage of noncapital expenditures	9.9%	7.5%	9.2%	11.6%	9.1%	8.7%	10.6%	50.3%	13.9%	11.4%

ENGLEWOOD SCHOOLS

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

Year	Total Taxable Assessed Value	Total Direct Tax Rate (in mills)	Estimated Actual Value			Percentage of Assessed Value to Estimated Actual Value
			Residential Property	Commercial Property	Total Estimated Actual Value	
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%
2018	550,926,301	52.372	3,124,651,929	1,124,026,641	4,248,678,570	12.97%

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
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
2018	7.20%	29.00%	2017

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

Collection 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
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
2018	33.371	18.807	52.178	13.817	10.745	6.662	13.559	5.853	9.250	8.496	0.557	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 Nine Years Ago

2017				2008			
Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Columbia HealthOne LLC	\$ 22,620,000	1	4.11%	Columbia HealthOne	\$ 31,867,590	1	7.57%
Swedish Medical Center	10,187,250	2	1.85%	Public Service Company	6,298,130	2	1.50%
Qwest Corp	8,324,200	3	1.51%	Qwest Corporation	6,205,000	3	1.47%
Public SVC CO of Colorado	6,400,290	4	1.16%	TSA Corporate Services	4,691,630	4	1.12%
Oxford Station Investors LLC	3,638,610	5	0.66%	First Industrial LP	2,900,000	5	0.69%
Northern Englewood Limited	3,470,300	6	0.63%	First Industrial LP	2,900,000	6	0.69%
Situs Enterprises LLC	3,462,600	7	0.63%	WallMart	2,710,520	7	0.64%
SCG Atlas Marks LLC	3,245,760	8	0.59%	First Industrial LP	2,609,990	8	0.62%
Spuds8 Englewood LP	3,175,142	9	0.58%	Omni Development Corp	2,609,990	9	0.62%
HealthOne & Swedish MOB	3,153,170	10	0.57%	Situs Enterprises	2,607,100	10	0.62%
	<u>\$ 67,677,322</u>		<u>12.28%</u>	Total	<u>\$ 65,399,950</u>		<u>15.54%</u>
Total Assessed Valuation	\$550,926,301				\$420,770,900		

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
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%	785,192 (2)	24,766,266	97.5%
2018	28,823,080	26,525,937	92.0%	1,120,434 (2)	23,030,021	79.9%

(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 2018 subsequent collections, received in August-January, are not known at this time.

Source: Arapahoe County Assessor's Office, District Audited Financial Statements 2009-2018.

ENGLEWOOD SCHOOLS

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

Fiscal Year	<u>Governmental Activities</u>			Total Primary Government	Population	Per Capita	Personal Income	Percent of Personal Income	Actual Value	Percent of Actual Value
	General Obligation	EPA Note	Capital Leases							
2009	23,020,496	28,336	-	23,048,832	32,532	708	680,048,928	3.4%	2,724,901,580	0.8%
2010	21,407,619	18,892	-	21,426,511	32,532	659	680,048,928	3.2%	2,913,114,482	0.7%
2011	19,035,000	9,448	-	19,044,448	30,255	629	632,450,520	3.0%	2,804,447,783	0.7%
2012	71,782,621	-	-	71,782,621	30,255	2,373	793,528,140	9.0%	2,715,549,476	2.6%
2013	68,587,509	-	-	68,587,509	30,930	2,218	831,460,260	8.2%	2,737,764,361	2.5%
2014	65,297,523	-	-	65,297,523	30,534	2,139	784,174,188	8.3%	2,719,155,066	2.4%
2015	62,006,602	-	-	62,006,602	31,516	1,967	817,682,620	7.6%	2,718,212,294	2.3%
2016	63,489,915	-	-	63,489,915	31,516	2,015	825,971,328	7.7%	3,273,965,078	1.9%
2017	168,402,491	-	-	168,402,491	32,301	5,214	846,544,608	19.9%	3,284,495,147	5.1%
2018	154,140,978	-	-	154,140,978	32,301	4,772	907,690,401	17.0%	4,248,678,570	3.6%

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.

ENGLEWOOD SCHOOLS

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

Fiscal <u>Year</u>	General	Less Amount	Total		Per <u>Capita</u>	Actual <u>Value</u>	Percent of <u>Actual Value</u>
	<u>Obligation Bonds</u>	Available in <u>Debt Service Fund</u>	Primary <u>Government</u>	<u>Population</u>			
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	63,489,915	(5,315,482)	58,174,433	31,516	1,846	3,273,965,078	1.8%
2017	168,402,491	(8,245,736)	160,156,755	32,301	4,958	3,284,495,147	4.9%
2018	154,140,978	(8,681,055)	145,459,923	32,301	4,503	4,248,678,570	3.4%

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.

ENGLEWOOD SCHOOLS

Direct and Overlapping Governmental Activities Debt

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to District</u>	<u>Overlapping Debt Applicable to District</u>
Overlapping Debt:			
City of Englewood		77.2%	\$ 42,505,000
South Suburban Metropolitan Recreation and Park District		3.5%	<u>6,715,000</u>
Total Overlapping Debt			<u>49,220,000</u>
Direct Debt:			
Englewood School District	154,140,978	100.0%	<u>154,140,978</u>
Total Direct and Overlapping Debt			<u><u>\$ 203,360,978</u></u>

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 To Limit	Legal Debt Margin	Total Net Debt Applicable To Limit
2009	84,154,180	19,821,979	64,332,201	23.55%
2010	84,798,924	17,555,086	67,243,838	20.70%
2011	83,907,798	15,220,509	68,687,289	18.14%
2012	80,976,534	61,397,955	19,578,579	75.82%
2013	82,221,788	58,718,731	23,503,057	71.42%
2014	81,723,146	55,995,393	25,727,753	68.52%
2015	81,265,335	53,152,296	28,113,039	65.41%
2016	93,267,370	50,427,264	42,840,106	54.07%
2017*	197,096,353	141,395,528	55,700,825	71.74%
2018	254,920,714	137,956,595	116,964,119	54.12%

Computation of Maximum Debt Allowed for Fiscal Year 2018

Taxable Actual Valuation	\$ 4,248,678,570
Debt Limit Percentage (1)	6%
Legal Debt Limit	<u>\$ 254,920,714</u>
Total Bonded Debt	\$ 146,637,600
Amount Available in Debt Service Fund	<u>8,681,005</u>
Net Bonded Debt	137,956,595
Legal Debt Margin	\$ 116,964,119

- (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**

<u>Fiscal Year</u>	<u>Englewood Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
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	31,516	\$ 825,971,328	\$ 26,208	37	2,854	4.4%
2017	32,301	\$ 846,544,608	\$ 26,208	37	2,775	3.4%
2018	32,301	\$ 907,690,401	\$ 28,101	37	2,633	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 Nine Years Ago**

Taxpayer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Columbia Swedish Medical Center	2,041	1	7.50%	1,800	1	7.69%
Craig Hospital	815	2	3.00%	650	4	2.78%
Encore Electric	560	3	2.06%	900	2	3.84%
Englewood Schools	491	4	1.80%	525	3	2.24%
City of Englewood	425	5	1.56%	520	5	2.22%
Groove Toyota	420	6	1.54%	450	6	1.92%
Kracher North America	367	7	1.35%	300	7	1.28%
Metro Community Providers	331	8	1.22%	300	8	1.28%
Veolia Transportation	295	9	1.08%	230	10	0.98%
Regional Transportation District	251	10	0.92%	238	9	1.02%
Total	<u>5,996</u>		<u>22.04%</u>	<u>5,913</u>		<u>25.25%</u>
Total Employees	27,205			23,418		

Source: City of Englewood Community Development Department

ENGLEWOOD SCHOOLS

**Full-Time Equivalent Employees by Type
Last Ten Fiscal Years
As of June 30**

Fiscal Year	Teachers	Classified	Administrators	Total
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
2018	199.34	115.21	27.59	342.14

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
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*	2,854	35,407,380	12,406	39,595,001	13,874	221.9	12.9	58.5%
2017*	2,775	56,367,402	20,313	58,711,784	21,157	182.4	15.2	67.4%
2018	2,759	64,073,382	23,223	70,095,467	25,406	199.3	13.8	66.0%

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

* Restated

ENGLEWOOD SCHOOLS

Schedule of Insurance

June 30, 2018

<u>Insurance Company</u>	<u>Policy Number</u>	<u>Term of Insurance</u>		<u>Type of Insurance</u>	<u>Amount of Coverage</u>	<u>07/1/17-07/1/18 Premium</u>
		<u>Start Date</u>	<u>Expire Date</u>			
CSDSIP (1)	0301-01-00044	07/01/2017	07/01/2018	Comprehensive General Liability, Including Employee Benefit Programs and Athletic Participation	\$ 139,787,532	\$ 113,718
				School Leaders Errors & Omissions	2,000,000	28,545
CSDSIP	0301-01-00044	07/01/2017	07/01/2018	Equipment Breakdown	250,000,000	11,388
CSDSIP	0301-01-00044	07/01/2017	07/01/2018	Employee Blanket Bond	250,000	894
CSDSIP	0301-01-00044	07/01/2017	07/01/2018	Vehicle Insurance	2,000,000	22,016
						<u>\$ 176,561</u>

(1) Colorado School District Self-Insurance Pool.

Source: Englewood School District

ENGLEWOOD SCHOOLS

Capital Asset Information
June 30, 2018

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



**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***

Board of Education
Englewood Schools
Englewood, Colorado

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, 2018, 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 11, 2018.

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.

Hick & Company, PC

December 11, 2018





**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**

Board of Education
Englewood Schools
Englewood, Colorado

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, 2018. 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, 2018.

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, 2018, 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 11, 2018, 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.

Hick & Company, PC

December 11, 2018



Englewood Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

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	\$ 655,242
Special Education Cluster			
Special Education	4027	84.027	661,154
Special Education Preschool	4173	84.173	35,724
Twenty-First Century Community Learning Centers	5287	84.287	633,469
Colorado Multi-Tiered Systems	5323	84.323A	11,874
Supporting Effective Instruction	4367	84.367	98,939
English Language Acquisition	4365	84.365	21,290
Race to the Top - Early Childhood Readiness Assessment	5412	84.412	1,959
Title IV-A	4424	84.424A	13,542
Passed through Colorado Community College System			
Career and Technical Education		84.048	<u>26,216</u>
Total U.S. Department of Education			<u>2,159,409</u>
U.S. Department of Agriculture			
Child Nutrition Cluster			
Passed through Colorado Department of Human Services			
Food Commodities		10.555	78,486
Passed through Colorado Department of Education			
School Breakfast Program	4553	10.553	299,625
National School Lunch Program	4555	10.555	533,112
Summer Food Service Program for Children	4559	10.559	<u>23,051</u>
Total U.S. Department of Agriculture			<u>934,274</u>
U.S. Department of Health and Human Services			
Passed through Sheridan School District			
Head Start		93.600	<u>520,437</u>
Total U.S. Department of Health and Human Services			<u>520,437</u>
Total Federal Financial Assistance			<u>\$ 3,614,120</u>

Englewood Schools
Notes to Schedule of Expenditures of Federal Awards
June 30, 2018

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.

Englewood Schools
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2018

Section I: Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? 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 program:

<u>CFDA Number</u>	<u>Name of Federal Cluster/Program</u>
84.010	Title I
84.027	Special Education
84.173	Special Education Preschool
93.600	Head Start

Dollar threshold used to distinguish
 Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Englewood Schools
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

State Compliance



**Colorado Department of
Education**

Auditors Integrity Report

District: 0120 - ENGLEWOOD 1

Fiscal Year 2017-18

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	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
Governmental	+			=
10 General Fund	10,536,201	29,563,828	30,237,882	9,862,147
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	152,491	745,000	670,682	226,809
Sub- Total	10,688,692	30,308,828	30,908,564	10,088,955
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	66,027	135,292	58,174	143,144
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	6,787	1,189,962	1,190,847	5,902
22 Govt Designated-Purpose Grants Fund	0	3,690,976	3,690,976	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	8,608,704	10,272,389	10,083,466	8,797,627
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	106,650,504	1,438,737	41,803,464	66,285,777
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	772,120	602,401	400,975	973,547
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	126,792,834	47,638,585	88,136,467	86,294,952
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	62,837	846	6,000	57,683
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	214,562	350,207	290,412	274,357
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	277,399	351,053	296,412	332,040

FINAL

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.
12/13/18