



Englewood Schools

A Relentless Focus On Learning

ARAPAHOE COUNTY SCHOOL DISTRICT NO. 1

ENGLEWOOD SCHOOLS

ENGLEWOOD, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30, 2013

**ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2013

Prepared by: Finance Department

ENGLEWOOD SCHOOLS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION



Jon Kvale
Director of Budget and Finance
303-806-2014

November 6, 2013

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

The Comprehensive Annual Financial Report of Arapahoe County School District Number One (Englewood Schools or District) as of June 30, 2013 and for the fiscal year then ended is hereby submitted. Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the District. The data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's activities have been included.

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

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

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

Profile of the District

Arapahoe County School District Number One (Englewood Schools) was formed in 1916. Nine schools provide instruction and related services to approximately 3,000 students from pre-kindergarten through twelfth grade. The enrollment within the District has been declining for several years, but for 2012-2013 did see an increase in students for the first time in over ten years. The District encompasses approximately 6.9 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 powers to employ all personnel necessary to maintain the operations and carry out the educational programs of the District and pay their compensation; to fix attendance boundaries; to establish annual budgets; to determine the educational programs to be carried on in the schools of the District; to prescribe the textbooks of any course of instruction or study in such educational programs; and to levy a property tax on properties located within its boundaries.

District Mission

Englewood Schools is dedicated to a relentless focus on learning for all students and stakeholders. Through collaborative structures we will intentionally engage our community in a shared commitment to safety, wellness, accountability, communication, and transparency.

Factors Affecting Financial Condition

State and Local Economy. The unemployment rate in Colorado was 6.9% in April 2013 down from 8.2% the previous year, its lowest level since January 2009. The Consumer Price Index (CPI) for the Denver-Boulder-Greeley area is forecast to increase 2.4% in 2013. Colorado has maintained its economic momentum, making it among the best performing economies in the nation. The state's economic performance can be attributed to a high level of human capital and solid growth in most of its major industries. However, Colorado's economy can still be adversely affected by several outside factors, including potential further slowing in the national economy. The economy also continues to be vulnerable to the recession in Europe and the potential for adverse consequences from federal fiscal and monetary policies.

Long-term Financial Planning. The District continuously updates long-range financial projections, which are reviewed by the Board of Education. These include forecasts of student enrollment which drive school funding computations. Englewood Schools' enrollment has been declining for many years but is beginning to see signs of stabilizing. 2012 saw an increase of 27 students for the first increase in over 10 years. Student counts will be watched very closely in 2013 to see if this is a new trend or just an anomaly.

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

The District's financial policies also drive the budget process. The District must balance its ongoing expenditures with current revenues and use its reserves wisely. The District has a policy to maintain an emergency reserve of 12% of its revenue in addition to the 3% reserve required by the State Constitution.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Englewood School District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. 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 publishing of this document would not have been possible without the assistance of the Business Services staff; Tammy Hohn, Judy Wynn, Shaunie Wilson and Harla Knapp. Deserved recognition for their support, hard work and dedication to the District goes to them. Further special recognition is due the District's independent auditors, Dazzio & Plutt, LLC for their efforts and professional assistance in the preparation of this audit and for their support throughout the year.

Finally, a big thank you to Brian Ewert, Superintendent of Schools, and the Englewood Board of Education, for your leadership and support.

This report provides financial and other related information for the fiscal year 2012-2013 and has been prepared in a manner that is intended to assist management decision makers for the current and future budget years.

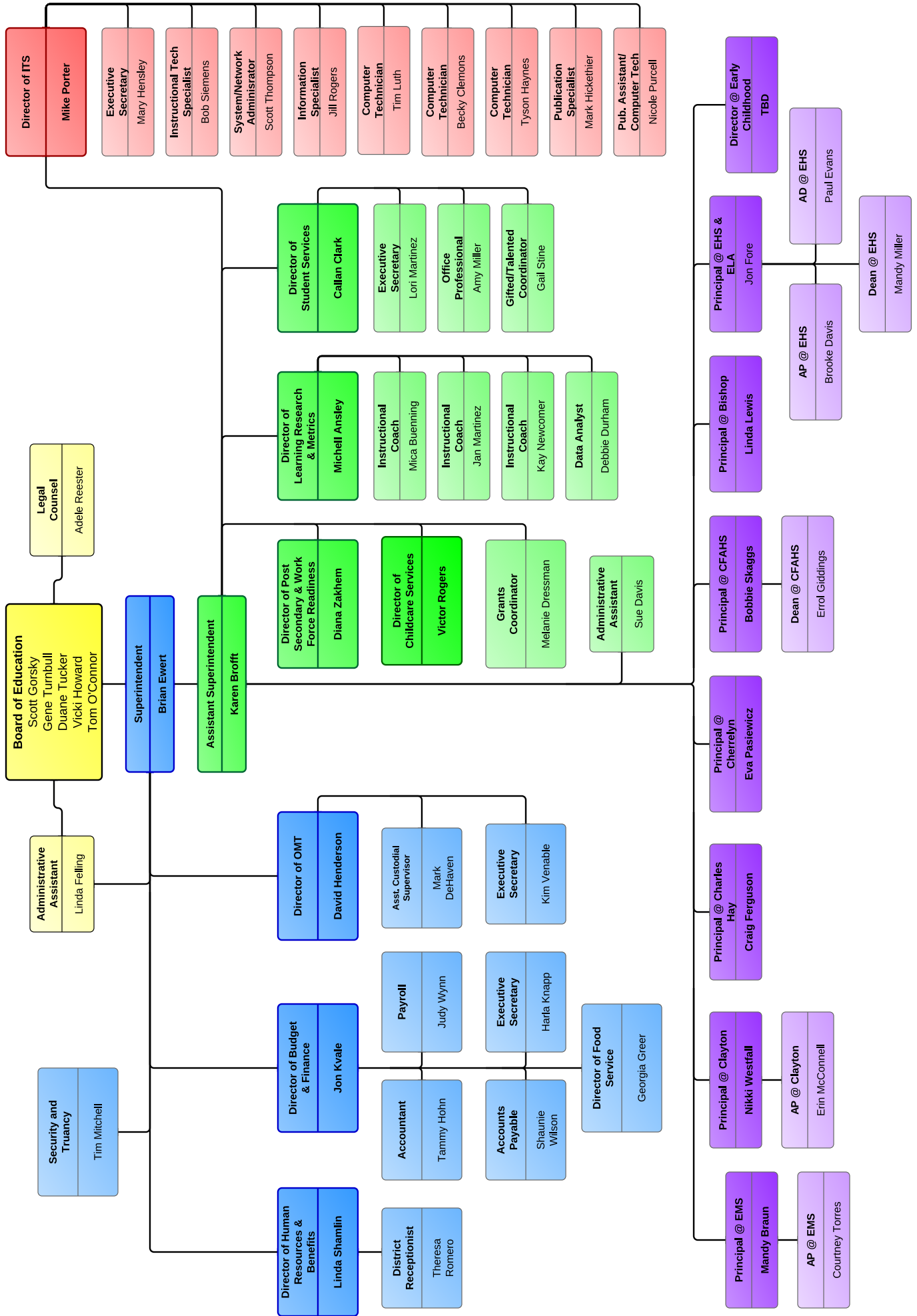
Respectfully submitted,



Jon W. Kvale
Director of Budget and Finance

Englewood Schools Organization Chart

2012-2013 (revised 08.08.12)



**ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO**

ROSTER OF SCHOOL OFFICIALS

June 30, 2013

BOARD OF EDUCATION

Scott Gorsky - President

Gene Turnbull - 1st Vice President

Tom O'Connor - 2nd Vice President

Vicki Howard - Secretary

Duane Tucker - Treasurer

OFFICIALS

Brian Ewert - Superintendent

Karen Brofft - Assistant Superintendent of Learning Services

Michell Ansley - Director Research, Metrics and Professional Development

Callan Clark - Director Student Services

David Henderson - Director Operations, Maintenance & Transportation

Jon Kvale - Director Budget and Finance

Mike Porter - Director Information Technology Services

Linda Shamlin - Director Human Resources

Diana Zakhem - Director Post Secondary and Workforce Readiness

Julie McGinley - Communications Coordinator



Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Englewood Schools
Englewood, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Englewood Schools (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–10 and 44–45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the supplementary information, the statistical section and the Colorado Department of Education Auditor's Integrity Report, as listed in the table of contents, are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, the schedule of expenditures of federal awards and the auditor's integrity report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedule of expenditures of federal awards and the auditor's integrity report are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Dazzio & Plutt, LLC

September 30, 2013

Management's Discussion and Analysis

As management of the Arapahoe County School District No. 1 (Englewood Schools or District), we offer readers of Englewood Schools' financial statements this narrative overview and analysis of the financial activities of Englewood Schools for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v - vii of this report.

Financial Highlights

The assets of Englewood Schools exceeded its liabilities at the close of the most recent fiscal year by \$24,371,939 (net position) up from \$15,805,998 the previous fiscal year.

Englewood Schools' net position increased by \$8,565,941.

At the close of the fiscal year, Englewood Schools' governmental funds reported a combined ending fund balance of \$55,951,917 a decrease of \$18,652,423 (\$17,290,785 as a result of the spending of the Building Fund on new construction projects).

The general fund ending fund balance was \$12,745,818, a decrease of \$366,942 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).

Both of the government-wide financial statements distinguish functions of Englewood Schools that are principally supported by taxes from other functions that are 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. The business-type activities of Englewood Schools include the food services fund and the tuition programs fund.

The government-wide financial statements can be found on pages 11-13 of this report.

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 be divided into three categories: governmental funds, proprietary 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 six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, the grants fund, the technology fund, the bond redemption fund, building 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.

Proprietary Funds. Englewood Schools maintains two proprietary funds, enterprise funds that are used to report the same functions presented as business-type activities in the government-wide financial statements. Englewood Schools uses enterprise funds to account for its food services program and its tuition programs (Preschool and Kid Quest – the District's before and after school program). Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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 (as amended in 1986).

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Englewood Schools, assets exceeded liabilities by \$24,371,939 at the close of the most recent fiscal year. The table below presents a two-year condensed statement of the District's net position.

Englewood Schools' Net Position

	Governmental Activities		Business-type Activities		Total		
	2012	2013	2012	2013	2012	2013	Change
Current and other assets	\$86,927,596	\$69,727,244	\$309,783	\$410,039	\$87,237,379	\$70,137,283	\$(17,100,096)
Capital assets	12,300,779	34,888,649	-	-	12,300,779	34,888,649	22,587,870
Total assets	99,228,375	104,615,893	309,783	410,039	99,538,158	105,025,932	5,487,774
Deferred Outflows of Resources	360,455	241,025	-	-	360,455	241,025	(119,430)
Long-term liabilities outstanding	68,985,302	65,695,317	-	-	68,985,302	65,695,317	(3,289,985)
Other liabilities	15,060,264	15,051,684	47,049	148,017	15,107,313	15,199,701	92,388
Total liabilities	84,045,566	80,747,001	47,049	148,017	84,092,615	80,895,018	(3,197,597)
Net position							
Net Investment in capital assets	(5,827,151)	2,545,616	-	-	(5,827,151)	2,545,616	8,372,767
Restricted for							
Emergencies	789,000	806,000	-	-	789,000	806,000	17,000
Debt service	4,957,829	4,848,290	-	-	4,957,829	4,848,290	(109,539)
Capital purposes	-	100,000	-	-	-	100,000	100,000
Technology	2,100,055	892,253	-	-	2,100,055	892,253	(1,207,802)
Preschool	70,380	40,109	-	-	70,380	40,109	(30,271)
Unrestricted	13,453,151	14,877,649	262,734	262,022	13,715,885	15,139,671	1,423,786
Total net position	\$15,543,264	\$24,109,917	\$262,734	\$262,022	\$15,805,998	\$24,371,939	\$8,565,941

The largest portion of the Englewood Schools' assets (63 percent) is cash and investments, the largest portion being in the building fund. Seven percent of the District's assets reflect its investment in capital assets, less accumulated depreciation. At the end of the current fiscal year Englewood Schools reports positive balances for governmental activities net position. Net position invested in capital assets, net of related debt is positive due to the new construction projects currently in progress.

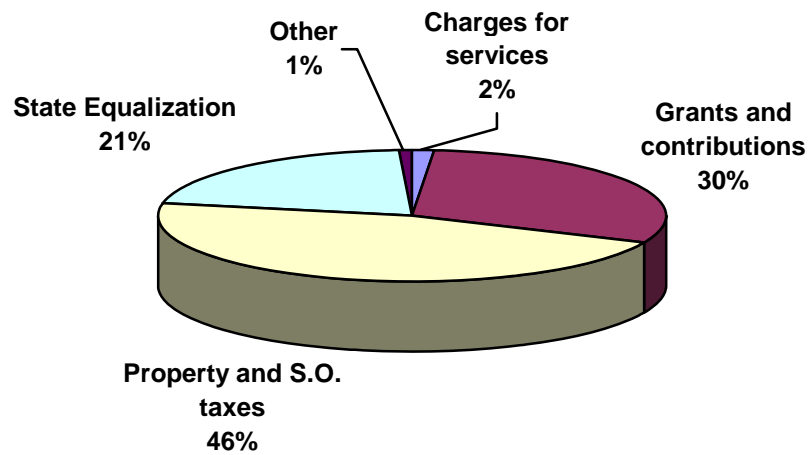
Governmental Activities. Governmental activities increased Englewood Schools' net position by \$8,566,653, again due to the capital construction projects currently underway in the District. Revenues increased by \$7,450,248 over prior year with over \$7M of that coming from the BEST building improvement project. While revenues saw a 21% increase over prior year, expenses saw only a 5% increase. Between the two, the District was able to increase its net position.

Business-type Activities. Business-type activities net position decreased slightly by (\$712) from the prior year.

Englewood Schools' Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Program revenues:						
Charges for services	\$69,866	\$93,444	\$503,992	\$559,317	\$573,858	\$652,761
Capital grants and contributions	249,605	7,539,397	-	-	249,605	7,539,397
Operating grants and contributions	4,588,147	4,729,856	907,937	970,239	5,496,084	5,700,095
General revenues:						
Property taxes	18,427,279	19,104,915	-	-	18,427,279	19,104,915
Specific Ownership taxes	1,058,274	1,253,944	-	-	1,058,274	1,253,944
State Equalization	10,084,015	9,343,027	-	-	10,084,015	9,343,027
Other	458,470	321,321	-	-	458,470	321,321
Total revenues	34,935,656	42,385,904	1,411,929	1,529,556	36,347,585	43,915,460
Expenses:						
Instruction	17,495,595	17,896,118	-	-	17,495,595	17,896,118
Supporting Services	12,627,729	13,423,963	-	-	12,627,729	13,423,963
Interest Expense	2,001,675	2,499,170	-	-	2,001,675	2,499,170
Food Services	-	-	1,068,992	1,137,015	1,068,992	1,137,015
Tuition	-	-	340,042	393,253	340,042	393,253
Total Expenses	32,124,999	33,819,251	1,409,034	1,530,268	33,534,033	35,349,519
Change in net position	2,810,657	8,566,653	2,895	(712)	2,813,552	8,565,941
Net position – beginning	12,732,607	15,543,264	259,839	262,734	12,992,446	15,805,998
Net position – ending	\$15,543,264	\$24,109,917	\$262,734	\$262,022	\$15,805,998	\$24,371,939

Sources of Revenues for Fiscal Year 2013



Financial Analysis of the District's Funds

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 \$55,951,917, a decrease of (\$18,652,423). The general fund balance decreased slightly, but the majority of the decrease, (\$17,290,785) was due to the spend down of the Building Fund for fiscal year 12-13 as construction projects got underway. State Equalization was down due to continued reductions to the State's overall budget, while Property taxes and Specific Ownership taxes saw increases.

The general fund is the major operating fund of Englewood Schools. At the end of the current fiscal year, fund balance decreased by (\$366,942) to \$12,745,818 due to an intentional spend-down of fund balance in order to maintain programming. The Building Fund had a fund balance of \$36,003,451, down from \$53,294,236 as construction of the new 7-12 campus at the current Englewood High School site and renovation of Englewood Middle School for the future use by Colorado's Finest Alternative High School began. The District's bond redemption fund had an ending fund balance of \$5,075,936, reflecting the increase in debt payments due to the passage of the Bond election in November 2011. The grants fund balance did not change.

The Capital Reserve fund had an ending fund balance of \$1,234,459, an increase of \$331,201 as dollars were once again allocated from the General Fund in preparation of future capital needs. The Technology Fund had an ending fund balance of \$892,253 a decrease of (\$1,207,802) which is in-line with the multi-year spend down plan.

Proprietary Funds. The food services program finished the 2013 fiscal year with a net position of \$193,087, an increase of \$36,436. The District contracted with a food service management program in the 2009-10 school year and in 2010-11 went to a fixed-cost per meal costing model for that service.

The District uses the tuition program fund to record tuition-based early childhood and before & after school programs. Net position for this fund totaled \$68,935 at fiscal year end, a decrease of (\$37,148). This decrease is due to the use of fund balance in the tuition-based early childhood program as other funding such as Head Start and Title funds have been reduced at the federal level due to sequestration.

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 was under budget in both instruction and support service expenses and was able to return some funds to its general fund reserves.

Capital Assets and Long-Term Debt

Capital Assets. Englewood Schools' investment in capital assets for governmental and business type activities as of June 30, 2013 amounts to \$34,888,649 (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		Business-type Activities		Total		
	2012	2013	2012	2013	2012	2013	Change
Land & Improvements	\$1,503,033	\$1,503,033	\$ -	\$ -	\$1,503,033	\$1,503,033	\$ -
Construction in Process	1,630,049	26,487,909	-	-	1,630,049	26,487,909	24,857,860
Buildings	49,845,516	42,081,152	-	-	49,845,516	42,081,152	(7,764,364)
Machinery & Equipment	1,908,607	1,838,165	266,468	266,468	2,175,075	2,104,633	(70,442)
Accumulated Depreciation	(42,586,426)	(37,021,610)	(266,468)	(266,468)	(42,852,894)	(37,288,078)	5,564,816
Total Governmental Funds Capital Assets	\$12,300,779	\$34,888,649	\$ -	\$ -	\$12,300,779	\$34,888,649	\$22,587,870

Long-Term Debt.

As of June 30, 2013, the District had outstanding debt of \$68,587,509. Of this amount, \$63,794,667 is general obligation bonded debt, which is backed by the full faith and credit of the District. In 2011, the District passed a \$50 million bond election. Additional information can be found in Note 5 in the Notes to the Financial Statements section.

	2012	2013	Change
General Obligation Bonds	\$66,591,986	\$63,794,667	(\$2,797,319)
Deferred Premium	5,190,635	4,792,842	(397,793)
Sick Leave	418,519	457,522	39,003
Totals	\$72,201,140	\$69,045,031	(\$3,156,109)

Economic Factors Bearing on the District's Future

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. 2012-13 saw a negative factor of 16.1% an increase from the prior years' 12.9%. Projected negative factor for 13-14 is estimated to be 15.5%.

In November 2004, the District passed an override mill levy election that provides an additional \$1.6 million to the District's general fund annually. In spite of this additional infusion of funding, Englewood Schools is experiencing continued declining enrollment which adversely affects its annual funding. After more than a decade of declining enrollment, Englewood Schools Board of Education voted to close Flood Middle School for the 2007-08 school year and

combine Sinclair Middle School and Flood Middle School student bodies to be housed in the Sinclair building and renamed Englewood Middle School. For the 2008-09 school year, the District consolidated five elementary schools into four and repurposed an elementary school to serve as a state-of-the-art early childhood center. In addition to the negative factor and the negative funding effects of declining enrollment; employer contributions to Colorado's Public Employees' Retirement Association (PERA), the pension plan that covers District employees, will increase 0.9% each year until 2015 placing more strain on District finances. In November 2011, the District passed another override mill levy election that provides an additional \$1.5 million to the District's general fund annually. These funds will be used to help mitigate the losses in funding the District is currently experiencing.

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 the Director of Budget and Finance, 4101 South Bannock Street, Englewood, Colorado 80110.

BASIC FINANCIAL STATEMENTS

ENGLEWOOD SCHOOLS
STATEMENT OF NET POSITION
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 15,204,724	\$ 408,442	\$ 15,613,166
Cash and Investments - Restricted	50,919,638	-	50,919,638
Accounts Receivable	56,122	282	56,404
Taxes Receivable	1,300,404	-	1,300,404
Grants Receivable	493,856	1,315	495,171
Loans Receivable	1,752,500	-	1,752,500
Capital Assets Not Being Depreciated	27,990,942	-	27,990,942
Capital Assets, Net of Accumulated Depreciation	6,897,707	-	6,897,707
Total Assets	104,615,893	410,039	105,025,932
Deferred Outflows of Resources			
Deferred Charge on Refundings	241,025	-	241,025
Liabilities			
Accounts Payable	343,207	106,477	449,684
Accounts Payable from Restricted Assets	7,370,735	-	7,370,735
Accrued Liabilities	685,782	-	685,782
Accrued Salaries and Benefits	1,490,109	34,998	1,525,107
Accrued Interest Payable	227,646	-	227,646
Unearned Revenues	1,584,491	6,542	1,591,033
Noncurrent Liabilities:			
Due Within One Year	3,349,714	-	3,349,714
Due in More Than One Year	65,695,317	-	65,695,317
Total Liabilities	80,747,001	148,017	80,895,018
Net Position			
Net Investment in Capital Assets	2,545,616	-	2,545,616
Restricted for:			
Debt Service	4,848,290	-	4,848,290
Preschool	40,109	-	40,109
Capital Purposes	100,000	-	100,000
Technology	892,253	-	892,253
Emergencies	806,000	-	806,000
Unrestricted	14,877,649	262,022	15,139,671
Total Net Position	\$ 24,109,917	\$ 262,022	\$ 24,371,939

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

ENGLEWOOD SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 17,896,118	\$ 54,090	\$ 4,571,196	\$ -
Supporting Services	13,423,963	39,354	158,660	7,539,397
Interest on Long-Term Debt	2,499,170	-	-	-
Total Governmental Activities	33,819,251	93,444	4,729,856	7,539,397
Business-Type Activities:				
Food Services	1,137,015	203,212	970,239	-
Tuition	393,253	356,105	-	-
Total Business-Type Activities	1,530,268	559,317	970,239	-
Total	\$ 35,349,519	\$ 652,761	\$ 5,700,095	\$ 7,539,397

General Revenues:
Local Property Taxes
Specific Ownership Taxes
State Equalization - Unrestricted
Unrestricted Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenues and Changes In Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (13,270,832)	\$ -	\$ (13,270,832)
(5,686,552)	-	(5,686,552)
(2,499,170)	-	(2,499,170)
<u>(21,456,554)</u>	<u>-</u>	<u>(21,456,554)</u>
-	36,436	36,436
-	(37,148)	(37,148)
<u>-</u>	<u>(712)</u>	<u>(712)</u>
<u>(21,456,554)</u>	<u>(712)</u>	<u>(21,457,266)</u>
19,104,915	-	19,104,915
1,253,944	-	1,253,944
9,343,027	-	9,343,027
1,998	-	1,998
319,323	-	319,323
<u>30,023,207</u>	<u>-</u>	<u>30,023,207</u>
8,566,653	(712)	8,565,941
15,543,264	262,734	15,805,998
<u>\$ 24,109,917</u>	<u>\$ 262,022</u>	<u>\$ 24,371,939</u>

ENGLEWOOD SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2013

	<u>General</u>	<u>Grants</u>	<u>Bond Redemption</u>	<u>Capital Reserve</u>
Assets				
Cash and Investments	\$ 13,843,016	\$ -	\$ -	\$ 1,361,708
Cash and Investments - Restricted	-	7,344	4,892,083	100,000
Accounts Receivable	56,122	-	-	-
Taxes Receivable	961,446	-	338,958	-
Grants Receivable	-	493,856	-	-
Due from Other Funds	427,221	-	-	-
Loans Receivable	-	-	-	1,752,500
Total Assets	<u>\$ 15,287,805</u>	<u>\$ 501,200</u>	<u>\$ 5,231,041</u>	<u>\$ 3,214,208</u>
Liabilities				
Accounts Payable	\$ 116,953	\$ -	\$ -	\$ 226,254
Accounts Payable from Restricted Assets	-	-	-	-
Accrued Liabilities	684,787	-	-	995
Accrued Salaries and Benefits	1,346,849	143,260	-	-
Unearned Revenues	-	7,344	-	-
Due to Other Funds	-	350,596	-	-
Total Liabilities	<u>2,148,589</u>	<u>501,200</u>	<u>-</u>	<u>227,249</u>
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	393,398	-	155,105	-
Unavailable Revenue - Loan Proceeds	-	-	-	1,752,500
Total Deferred Inflows of Resources	<u>393,398</u>	<u>-</u>	<u>155,105</u>	<u>1,752,500</u>
Fund Balances:				
Restricted:				
Colorado Preschool Program	40,109	-	-	-
Debt Service	-	-	5,075,936	-
Capital Purposes	-	-	-	100,000
Technology	-	-	-	-
Emergencies	806,000	-	-	-
Assigned:				
Subsequent Year's Expenditures	3,717,773	-	-	-
Capital Purposes	-	-	-	1,134,459
Unassigned	<u>8,181,936</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>12,745,818</u>	<u>-</u>	<u>5,075,936</u>	<u>1,234,459</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,287,805</u>	<u>\$ 501,200</u>	<u>\$ 5,231,041</u>	<u>\$ 3,214,208</u>

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

Technology	Building	Total
\$ -	\$ -	\$ 15,204,724
892,940	45,027,271	50,919,638
-	-	56,122
-	-	1,300,404
-	-	493,856
-	-	427,221
-	-	1,752,500
<u>\$ 892,940</u>	<u>\$ 45,027,271</u>	<u>\$ 70,154,465</u>
\$ -	\$ -	\$ 343,207
687	7,370,048	7,370,735
-	-	685,782
-	-	1,490,109
-	1,577,147	1,584,491
-	76,625	427,221
<u>687</u>	<u>9,023,820</u>	<u>11,901,545</u>
-	-	548,503
-	-	1,752,500
<u>-</u>	<u>-</u>	<u>2,301,003</u>
-	-	40,109
-	-	5,075,936
-	36,003,451	36,103,451
892,253	-	892,253
-	-	806,000
-	-	3,717,773
-	-	1,134,459
-	-	8,181,936
<u>892,253</u>	<u>36,003,451</u>	<u>55,951,917</u>
<u>\$ 892,940</u>	<u>\$ 45,027,271</u>	<u>\$ 70,154,465</u>

ENGLEWOOD SCHOOLS

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

June 30, 2013

Total Fund Balances of Governmental Funds \$ 55,951,917

Total net position reported for governmental activities in the statement
of net position are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds:

Capital Assets Cost	\$ 71,910,259	
Accumulated Depreciation	<u>(37,021,610)</u>	34,888,649

Other long-term assets are not available to pay current year
expenditures and, therefore, are deferred in the funds.

Property taxes	548,503
Notes Receivable	1,752,500

Long-term liabilities applicable to the District's governmental activities are
not due and payable in the current period and accordingly are not
reported as fund liabilities. Interest on long-term debt is not accrued in
governmental funds, but rather is recognized as an expenditure when
due. All liabilities - both current and long-term - are reported in the
statement of net position.

Balances at June, 30, 2013 are:

Bonds Payable	(63,794,667)	
Bond Premium (to be amortized as interest expense)	(4,792,842)	
Deferred Loss on Refunding (to be amortized as interest expense)	241,025	
Compensated Absences	(457,522)	
Accrued Interest Payable	<u>(227,646)</u>	<u>(69,031,652)</u>

Total Net Position of Governmental Activities	<u>\$ 24,109,917</u>
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The notes to the financial statements are an integral part of this statement.

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ENGLEWOOD SCHOOLS

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

For the Year Ended June 30, 2013

	<u>General</u>	<u>Grants</u>	<u>Bond Redemption</u>	<u>Capital Reserve</u>
Revenues				
Local Sources	\$ 15,443,462	\$ 130,201	\$ 5,465,313	\$ 41,254
State Sources	10,733,689	493,657	-	-
Federal Sources	-	2,694,954	-	-
Total Revenues	<u>26,177,151</u>	<u>3,318,812</u>	<u>5,465,313</u>	<u>41,254</u>
Expenditures				
Current:				
Instruction	14,990,417	2,112,047	-	-
Supporting Services	10,875,002	1,206,765	-	-
Capital Outlay	-	-	-	438,727
Debt Service:				
Principal	-	-	2,797,319	-
Interest and Fiscal Charges	-	-	2,786,089	-
Total Expenditures	<u>25,865,419</u>	<u>3,318,812</u>	<u>5,583,408</u>	<u>438,727</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>311,732</u>	<u>-</u>	<u>(118,095)</u>	<u>(397,473)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	-	50,000
Transfers In	-	-	-	678,674
Transfers Out	(678,674)	-	-	-
Total Other Financing Sources (Uses)	<u>(678,674)</u>	<u>-</u>	<u>-</u>	<u>728,674</u>
Net Change in Fund Balances	<u>(366,942)</u>	<u>-</u>	<u>(118,095)</u>	<u>331,201</u>
Fund Balances, Beginning	<u>13,112,760</u>	<u>-</u>	<u>5,194,031</u>	<u>903,258</u>
Fund Balances, Ending	<u>\$ 12,745,818</u>	<u>\$ -</u>	<u>\$ 5,075,936</u>	<u>\$ 1,234,459</u>

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

Technology	Building	Total
\$ 10,506	\$ 7,539,397	\$ 28,630,133
-	-	11,227,346
-	-	2,694,954
10,506	7,539,397	42,552,433
-	-	17,102,464
311,654	-	12,393,421
906,654	24,830,182	26,175,563
-	-	2,797,319
-	-	2,786,089
1,218,308	24,830,182	61,254,856
(1,207,802)	(17,290,785)	(18,702,423)
-	-	50,000
-	-	678,674
-	-	(678,674)
-	-	50,000
(1,207,802)	(17,290,785)	(18,652,423)
2,100,055	53,294,236	74,604,340
\$ 892,253	\$ 36,003,451	\$ 55,951,917

ENGLEWOOD SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2013

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

Net Change in Fund Balance of Governmental Funds	\$ (18,652,423)
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Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital Outlay	\$ 25,162,394	
Depreciation Expense	<u>(843,329)</u>	24,319,065

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and transfers) is to increase net position. In the statement of activities, only the gain on the disposition of capital assets is reported. However, in the governmental funds, the proceeds from the disposition, if any, increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the asset disposed.

Gain on disposition of assets	21,305
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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.

Change in property taxes not available at year end.	(166,529)
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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.

Decrease in compensated absences liability	(39,003)
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The issuance of long-term debt and capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and capital leases consume current financial resources of governmental funds. These transactions, however, have no effect on net position.

Repayments of General Obligation Bond Principal	2,797,319
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Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued interest, amortization of bond premiums, issue costs and refunding losses.

Decrease in accrued interest on long-term debt	8,556	
Amortization of bond premium	397,793	
Amortization of deferred loss on refunding	<u>(119,430)</u>	286,919

Change in Net Position of Governmental Activities		<u><u>\$ 8,566,653</u></u>
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The notes to the financial statements are an integral part of this statement.

ENGLEWOOD SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Food Services	Tuition	Total
Assets			
Current Assets			
Cash and Investments	\$ 305,678	\$ 102,764	\$ 408,442
Accounts Receivable	282	-	282
Grants Receivable	1,315	-	1,315
	<hr/>	<hr/>	<hr/>
Total Assets	307,275	102,764	410,039
Liabilities			
Current Liabilities			
Accounts Payable	98,707	7,770	106,477
Accrued Salaries and Benefits	8,939	26,059	34,998
Deferred Revenue	6,542	-	6,542
	<hr/>	<hr/>	<hr/>
Total Liabilities	114,188	33,829	148,017
Net Position			
Unrestricted	<hr/> 193,087	<hr/> 68,935	<hr/> 262,022
	<hr/>	<hr/>	<hr/>
Total Net Position	<u><u>\$ 193,087</u></u>	<u><u>\$ 68,935</u></u>	<u><u>\$ 262,022</u></u>

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

ENGLEWOOD SCHOOLS

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended June 30, 2013

	Food Services	Tuition	Total
Operating Revenues			
Charges for Services	\$ 203,212	\$ -	\$ 203,212
Tuition	-	356,105	356,105
Total Operating Revenues	203,212	356,105	559,317
Operating Expenses			
Salaries	86,474	274,801	361,275
Benefits	20,846	74,843	95,689
Purchased Services	982,139	29,599	1,011,738
Commodities	41,604	-	41,604
Supplies and Materials	5,952	13,257	19,209
Other	-	753	753
Total Operating Expenses	1,137,015	393,253	1,530,268
Operating Income (Loss)	(933,803)	(37,148)	(970,951)
Nonoperating Revenues			
State Sources	19,640	-	19,640
Federal Sources:			
School Breakfast Program	325,842	-	325,842
National School Lunch Program	583,153	-	583,153
Donated Commodities	41,604	-	41,604
Total Nonoperating Revenues	970,239	-	970,239
Change in Net Position	36,436	(37,148)	(712)
Net Position, Beginning	156,651	106,083	262,734
Net Position, Ending	\$ 193,087	\$ 68,935	\$ 262,022

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

ENGLEWOOD SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	Food Services	Tuition	Total
Cash Flows From Operating Activities:			
Cash Received from Operations	\$ 212,957	\$ 356,105	\$ 569,062
Cash Paid to Employees	(105,388)	(339,778)	(445,166)
Cash Paid to Suppliers	(900,800)	(41,388)	(942,188)
Net Cash (Used) for Operating Activities	(793,231)	(25,061)	(818,292)
Cash Flows From Noncapital Financing Activities:			
Cash Received from Federal Programs	908,995	-	908,995
Cash Received from State Programs	19,640	-	19,640
Net Cash Provided by Noncapital Financing Activities	928,635	-	928,635
Net Increase (Decrease) in Cash and Cash Equivalents	135,404	(25,061)	110,343
Cash and Cash Equivalents - Beginning	170,274	127,825	298,099
Cash and Cash Equivalents - Ending	\$ 305,678	\$ 102,764	\$ 408,442
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:			
Operating Income (Loss)	\$ (933,803)	\$ (37,148)	\$ (970,951)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Donated Commodities included in Operating Expenses	41,604	-	41,604
Changes in Assets and Liabilities Related to Operations:			
Accounts Receivable	400	-	400
Grants Receivables	9,687	-	9,687
Accounts Payable	87,291	2,221	89,512
Accrued Salaries and Benefits	1,932	9,866	11,798
Deferred Revenue	(342)	-	(342)
Total Adjustments	140,572	12,087	152,659
Net Cash Provided (Used) for Operating Activities	\$ (793,231)	\$ (25,061)	\$ (818,292)
Schedule of Non-Cash Items			
The District received food supplies through the federal commodity distribution program	\$ 41,604	\$ -	\$ 41,604

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

ENGLEWOOD SCHOOLS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2013

	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
Assets		
Cash and Investments	\$ 79,421	\$ 158,778
Total Assets	<u>79,421</u>	<u><u>158,778</u></u>
Liabilities		
Accounts Payable	-	\$ 2,104
Due to Student Groups	-	156,674
Total Liabilities	<u>-</u>	<u><u>158,778</u></u>
Net Position Held In Trust for Scholarships	<u><u>\$ 79,421</u></u>	

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

ENGLEWOOD SCHOOLS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
June 30, 2013

	Private Purpose Trust Fund
Additions	
Investment Income	\$ 128
Total Additions	<u>128</u>
Deductions	
Scholarships	<u>6,000</u>
Total Deductions	<u>6,000</u>
Change in Net Position	(5,872)
Net Position - Beginning	<u>85,293</u>
Net Position - Ending	<u><u>\$ 79,421</u></u>

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

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. In addition, any 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 provides benefits to, or imposes financial burdens on, the District.

Based upon the application of these criteria, no additional organizations are included within the District's reporting entity.

B. Basis of Presentation - Government-wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

C. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

ENGLEWOOD SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

The government reports the following major funds:

Major Governmental Funds

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

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

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

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

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

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

Major Proprietary Funds

The ***Food Service Enterprise Fund*** accounts for the financial activities associated with the District's breakfast and lunch programs.

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

Additionally, the District reports the following fund type:

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

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

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

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

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between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

1. Deposits and Investments

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

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

2. Restricted Cash and Investments

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

3. Accounts Receivable

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

4. Interfund Receivables/Payables

Receivables and payables between individual funds are classified in the fund financial statements as interfund receivables and interfund payables. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

5. Capital Assets

Capital assets, which include buildings, site improvements, vehicles and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Accrued Salaries and Benefits

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

8. Unearned Revenues

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

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9. Long-term Obligations

In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bonds payable are reported net of the applicable bond premium and discount. Bond premiums, discounts and deferred losses on bond refundings are deferred and amortized over the life of the bonds using the straight line method and charged to interest expense. The unamortized deferred loss on refundings is reflected as reduction of bonds payable.

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

10. Fund Equity

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

Net Position

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

The District reports the following restricted net positions:

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

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

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

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

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

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

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

Fund Balance

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

Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes determined by a formal action of the Board of Education. The Board of Education is the highest level of decision making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Education.
- ***Assigned*** – Fund balances are reported as assigned when the Board of Education intends to use resources for a specific action but without a formal action.
- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion.

Minimum Fund Balance Policy

The District has a policy which establishes a minimum unassigned fund balance in the General Fund of 12% of estimated revenues.

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Flow Assumptions

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

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

3. Compensated Absences

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

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

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

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4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2013, the District had the following cash and investments:

Cash on Hand	\$ 789
Deposits	1,529,222
Investments	65,240,992
	<u>\$ 66,771,003</u>

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

Cash and Investments	\$ 15,613,166
Cash and Investments - Restricted	50,919,638
Fiduciary Fund Cash and Investments	238,199
	<u>\$ 66,771,003</u>

Deposits

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2013, the District's

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bank deposits amounting to \$1,692,069, were insured by either federal depository insurance or collateralized by the financial institution's agent but not in the District's name and consequently were not exposed to custodial credit risk.

Investments

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

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

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's safekeeping bank must meet the following requirements under District policy: the purchase and sale of securities and repurchase agreements shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the District. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices. As of June 30, 2013, none of the District's investments were exposed to custodial credit risk.

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

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The following schedule indicates the interest rate risk of the District's investments at June 30, 2013.

	Fair Value	Investment Maturities	
		Less than 1 year	1 to 5 years
U.S. Treasury Bills	\$ 1,200,000	\$ 1,200,000	\$ -
Federal Home Loan Bank (FHLB)	4,711,241	3,424,688	1,286,552
Federal National Mortgage Association (FNMA)	13,583,277	12,674,217	909,059
Federal Home Loan Mortgage Corporation (FHLMC)	9,660,726	7,650,093	2,010,634
Federal Farm Credit Bank (FFCB)	4,120,617	2,228,894	1,891,724
Small Business Administration (SBA) Loan Pool	122,578	122,578	-
Colorado Treasury Pool (GIC)	12,282,354	12,282,354	-
Money Market Mutual Funds	210,509	210,509	-
Local Government Investment Pools:			
Colorado Local Government Liquid			
Asset Trust (COLOTRUST)	19,270,269	19,270,269	-
Colorado Surplus Asset Fund Trust (CSAFE)	79,421	79,421	-
Total Investments	<u>\$ 65,240,992</u>	<u>\$ 59,143,023</u>	<u>\$ 6,097,969</u>

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit risk in the portfolio is minimized by investing the majority of assets in U.S. Treasury and Instrumentalities which have the support of the U.S. government and failure to receive maturing funds is remote. Presented below are the actual ratings as of June 30, 2013 for each investment type.

Investment Type	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio
U.S. Treasury Bills	N/A	N/A	1.8%
Federal Home Loan Bank (FHLB)	AA+	Aaa	7.2%
Federal National Mortgage Association (FNMA)	AA+	Aaa	20.8%
Federal Home Loan Mortgage Corporation (FHLMC)	AA+	Aaa	14.8%
Federal Farm Credit Bank (FFCB)	AA+	Aaa	6.3%
Small Business Administration (SBA) Loan Pool	AA+	Aaa	0.2%
Colorado Treasury Pool (GIC)	N/A	N/A	18.8%
Money Market Mutual Funds	AA+	Aaa	0.3%
Local Government Investment Pools (a):			
Colorado Local Government Liquid			
Asset Trust (COLOTRUST PLUS+)	AAAm	Aaa	29.5%
Colorado Surplus Asset Fund Trust (CSAFE)	AAAm	Aaa	0.1%

N/A - Not Applicable

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Concentration of Credit Risk – State Statutes do not limit the amount the District may invest in one issuer. Of the District's total investments, 20.8% were FNMA Notes and 14.8% were FHLMC Notes and 18.8% were invested with Zions First National Bank under a Guaranteed Investment Contract. Additionally, 29.5% of the internal investment pool was held by COLOTRUST.

At June 30, 2013, the District had \$19,270,269 and \$79,421 invested in Colotrust and 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 as promulgated under the Investment Company Act of 1940, as amended. 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.

In December 2011, the District received a Building Excellent Schools Today (BEST) grant from the State of Colorado in the amount of \$9,220,857 and issued General Obligation bonds in the amount of \$8,176,986 (See Note 5) to provide funds for the renovation of Englewood Middle School in preparation for occupancy by Colorado's Finest Alternative High School (CFAHS). The total proceeds of \$17,397,843 were deposited on December 8, 2011, under a guaranteed investment contract (GIC) with Zions First National Bank (Zions), who invests the funds with the State of Colorado Treasury Pool. Information regarding the investments of the Colorado Treasury Pool may be obtained from the Colorado State Treasurer. At June 30, 2013, the District had \$12,282,354 of funds remaining. At the conclusion of the project, the District may be required to return any unspent proceeds to the State of Colorado. At June 30, 2013, the amount of unspent proceeds has not been determined.

Restricted Cash and Investments

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

Grants Fund	Unspent grant proceeds	\$ 7,344
Bond Redemption Fund	Principal and interest on long-term debt	4,892,083
Technology Fund	Unspent bond proceeds	892,940
Capital Reserve Fund	Capital renewal reserve for CFAHS	100,000
Building Fund	Unspent bond proceeds - Englewood High School Project	32,744,917
Building Fund	Unspent bond and grant proceeds - CFAHS Project	12,282,354
	Total	<u>\$ 50,919,638</u>

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NOTES TO THE FINANCIAL STATEMENTS June 30, 2013

NOTE 3: INTERFUND BALANCES

Interfund balances as of June 30, 2013, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	\$ 350,596
General Fund	Building Fund	76,625
		<u>\$ 427,221</u>

The amount due the General Fund from the Grants Fund and the Building Fund represents expenditures that have been financed by the General Fund. The amount due from the Grants Fund represents transactions took place due to grant reimbursement cycles. The amount due from the Building Fund represents expenditures paid by the General Fund yet to be reimbursed through construction draws.

The General Fund transferred \$678,674 to the Capital Reserve Fund to finance the renovation of buildings and purchase of equipment.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013, is summarized below.

	Balances 6/30/2012	Additions	Deletions	Balances 6/30/2013
Governmental Activities				
Capital Assets Not Being Depreciated				
Land and Easements	\$ 1,503,033	\$ -	\$ -	\$ 1,503,033
Construction in Process	1,630,049	24,857,860	-	26,487,909
Total Capital Assets Not Being Depreciated	<u>3,133,082</u>	<u>24,857,860</u>	<u>-</u>	<u>27,990,942</u>
Capital Assets Being Depreciated				
Buildings and Improvements	49,845,516	260,437	(8,024,801)	42,081,152
Machinery and Equipment	1,908,607	44,097	(114,539)	1,838,165
Total Capital Assets Being Depreciated	<u>51,754,123</u>	<u>304,534</u>	<u>(8,139,340)</u>	<u>43,919,317</u>
Less Accumulated Depreciation				
Buildings and Improvements	(41,384,540)	(754,651)	6,314,822	(35,824,369)
Machinery and Equipment	(1,201,886)	(88,678)	93,323	(1,197,241)
Total Accumulated Depreciation	<u>(42,586,426)</u>	<u>(843,329)</u>	<u>6,408,145</u>	<u>(37,021,610)</u>
Total Capital Assets Being Depreciated, Net	<u>9,167,697</u>	<u>(538,795)</u>	<u>(1,731,195)</u>	<u>6,897,707</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,300,779</u>	<u>\$ 24,319,065</u>	<u>\$ (1,731,195)</u>	<u>\$ 34,888,649</u>

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NOTES TO THE FINANCIAL STATEMENTS June 30, 2013

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

Instruction	\$ 696,080
Supporting Services	<u>147,249</u>
Total	<u>\$ 843,329</u>

	Balances 6/30/2012	Additions	Deletions	Balances 6/30/2013
Business-Type Activities				
Capital Assets Being Depreciated				
Machinery and Equipment	\$ 266,468	\$ -	\$ -	\$ 266,468
Less Accumulated Depreciation	(266,468)	-	-	(266,468)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2013.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Series 2005, Refunding	\$ 7,745,000	\$ -	\$ 2,490,000	\$ 5,255,000	\$ 2,580,000
Series 2008, Refunding	8,850,000	-	30,000	8,820,000	30,000
Series 2011	41,820,000	-	-	41,820,000	-
Series 2011	8,176,986	-	277,319	7,899,667	282,192
Deferred Premium	5,190,635	-	397,793	4,792,842	-
Subtotal General Obligation Bonds	<u>71,782,621</u>	<u>-</u>	<u>3,195,112</u>	<u>68,587,509</u>	<u>2,892,192</u>
Compensated Absences	<u>418,519</u>	<u>368,657</u>	<u>329,654</u>	<u>457,522</u>	<u>457,522</u>
Governmental Activities Total					
Long-term liabilities	<u>\$ 72,201,140</u>	<u>\$ 368,657</u>	<u>\$ 3,524,766</u>	<u>\$ 69,045,031</u>	<u>\$ 3,349,714</u>

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

General Obligation Bonds

\$12,454,993 General Obligation Refunding Bonds, Series 2005, were issued on February 1, 2005 to refund all of its then outstanding 1992 bonds and a portion of its outstanding 1998 bonds. Principal payments are due annually on December 1, through 2014. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 3.625% to 5% per annum. A portion of the bonds were capital appreciation bonds. The original issue amount of the capital

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appreciation bonds was \$599,993 and interest accrued annually. The capital appreciation bonds were due in five installments between 2005 and 2010, with payments totaling \$1,205,000. The bonds are not subject to redemption prior to maturity. Repayment of both principal and interest on the bonds are insured by MBIA Insurance Corporation. The bonds are rated "Aa2" by Moody's. The underlying rating by Moody's is "Aa3".

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

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

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

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Bond payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 2,892,192	\$ 2,677,049	\$ 5,569,241
2015	2,998,814	2,548,887	5,547,701
2016	3,110,915	2,413,037	5,523,952
2017	3,238,514	2,285,679	5,524,193
2018	3,366,632	2,149,397	5,516,029
2019-2023	14,189,637	9,219,281	23,408,918
2024-2028	17,163,805	6,155,494	23,319,299
2029-2032	16,834,158	1,693,836	18,527,994
Total	<u>\$ 63,794,667</u>	<u>\$ 29,142,661</u>	<u>\$ 92,937,328</u>

NOTE 6: RISK MANAGEMENT

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

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

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

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 7: DEFINED BENEFIT PENSION PLAN

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). The SDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy – The contribution requirements of Plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8% of covered salaries. The District’s contribution rate for calendar years 2013, 2012 and 2011 was 15.65%, 14.75% and 13.85% of covered salaries, respectively. Also, a portion of the District’s contribution (1.02% of covered salaries) was allocated to the Health Care Trust Fund (See Note 8). The District’s contributions to the SDTF for the years ended June 30, 2013, 2012 and 2011 were \$2,720,391, \$2,796,785 and \$2,711,645, respectively, equal to the required contributions for each year.

NOTE 8: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy – The District was required to contribute at the rate of 1.02% of covered salaries for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The District’s apportionment to the HCTF for the years ended June 30, 2013, 2012 and 2011 were \$195,972, \$199,484 and \$206,328, respectively, equal to the required amounts for each year.

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2013, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Construction Commitments

During the year ended June 30, 2013, the District entered into construction contracts relating to construction and major repairs of the Englewood High and Middle Schools. The contracts will be paid in future periods as work is performed. Payment will be made with proceeds remaining from the 2011 bond issues and the 2011 BEST Grant (see Note 2). Additionally, subsequent to year-end, the District entered into a contract for the construction of new softball fields located adjacent to the high school. At June 30, 2013, the remaining commitment on these construction contracts was \$30,301,326.

Operating Lease Obligation

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

Termination Year	Fee
1	\$ 190,737
2	155,415
3	120,093
4	84,772
5	49,450
6	7,500

Tabor Amendment

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

ENGLEWOOD SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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

The Amendment requires the District to establish a reserve for emergencies. At June 30, 2013, the District's reserve of \$806,000 was reported as restricted fund balance in the General Fund.

Litigation

The District is involved in various threatened or pending litigation. The outcome of this litigation cannot be determined at this time.

NOTE 10: NEW PRONOUNCEMENT

The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions (Statement No. 68), which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).

Statement No. 68 requires cost-sharing employers participating in the PERA program, such as the District, to record their proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits, or annual required contribution decisions made by PERA. The requirement of Statement No. 68 to record a portion of PERA's unfunded liability will negatively impact the District's future unrestricted net position. Statement No. 68 is effective for the fiscal year 2015. At this time, District management is unable to estimate the magnitude of this impact. Information regarding PERA's current funding status can be found in its Comprehensive Annual Financial Report.

REQUIRED SUPPLEMENTARY INFORMATION

ENGLEWOOD SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local Sources			
Property Taxes	\$ 13,527,640	\$ 13,814,107	\$ 286,467
Specific Ownership Taxes	900,000	1,253,944	353,944
Delinquent Property Taxes	(100,000)	(17,010)	82,990
Tuition and Fees	70,000	54,090	(15,910)
Net Investment Income	30,000	19,008	(10,992)
Other	286,954	319,323	32,369
Total Local Sources	<u>14,714,594</u>	<u>15,443,462</u>	<u>728,868</u>
State Sources			
State Equalization	9,448,570	9,343,027	(105,543)
Hold Harmless Kindergarten	168,284	167,412	(872)
Vocational Education	45,000	221,352	176,352
Exceptional Children's Education Act	640,000	812,397	172,397
English Language Proficiency Assessment (ELPA)	36,000	51,223	15,223
Transportation	130,000	138,278	8,278
Total State Sources	<u>10,467,854</u>	<u>10,733,689</u>	<u>265,835</u>
Total Revenues	<u>25,182,448</u>	<u>26,177,151</u>	<u>994,703</u>
Expenditures			
Current			
Instruction	15,795,737	14,990,417	805,320
Students	1,572,713	1,655,777	(83,064)
Instructional Staff	1,355,608	1,126,855	228,753
General Administration	415,883	382,800	33,083
School Administration	1,817,719	1,833,027	(15,308)
Business Services	545,400	485,637	59,763
Operations and Maintenance	3,302,321	3,107,746	194,575
Student Transportation	673,929	710,909	(36,980)
Central Support	980,590	1,078,523	(97,933)
Other Support	486,259	474,932	11,327
Community Services	72,704	18,796	53,908
Reserves	9,920,323	-	9,920,323
Total Expenditures	<u>36,939,186</u>	<u>25,865,419</u>	<u>11,073,767</u>
Excess Revenues			
Over (Under) Expenditures	(11,756,738)	311,732	12,068,470
Other Financing Sources (Uses)			
Transfers Out	(678,674)	(678,674)	-
Net Change in Fund Balance	(12,435,412)	(366,942)	12,068,470
Fund Balance - Beginning	<u>12,435,412</u>	<u>13,112,760</u>	<u>677,348</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 12,745,818</u>	<u>\$ 12,745,818</u>

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS
SPECIAL REVENUE FUND - GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Grants	\$ 200,000	\$ 135,279	\$ 130,201	\$ (5,078)
State Grants	375,000	495,343	493,657	(1,686)
Federal Grants	4,000,000	3,196,425	2,694,954	(501,471)
Total Revenues	4,575,000	3,827,047	3,318,812	(508,235)
Expenditures				
Current				
Instruction	4,575,000	2,446,958	2,112,047	334,911
Supporting Services	-	1,380,089	1,206,765	173,324
Total Expenditures	4,575,000	3,827,047	3,318,812	508,235
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2013**

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the enterprise fund which budgets on a non-GAAP basis. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

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

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

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

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

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

During the year ended June 30, 2013, the District amended the budget for the Grants Fund from \$4,575,000 to \$3,827,047 and the Building Fund from \$44,592,391 to \$60,206,464.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

ENGLEWOOD SCHOOLS
BOND REDEMPTION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local Sources			
Property Taxes	\$ 5,500,000	\$ 5,457,337	\$ (42,663)
Net Investment Income	-	7,976	7,976
Total Revenues	<u>5,500,000</u>	<u>5,465,313</u>	<u>(34,687)</u>
Expenditures			
Debt Service:			
Principal	2,797,319	2,797,319	-
Interest and Fiscal Charges	2,813,089	2,786,089	27,000
Reserves	5,117,534	-	5,117,534
Total Expenditures	<u>10,727,942</u>	<u>5,583,408</u>	<u>5,144,534</u>
Net Change in Fund Balance	(5,227,942)	(118,095)	5,109,847
Fund Balance, Beginning	<u>5,227,942</u>	<u>5,194,031</u>	<u>(33,911)</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ 5,075,936</u></u>	<u><u>\$ 5,075,936</u></u>

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS
CAPITAL RESERVE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local Sources			
Net Investment Income	\$ 1,000	\$ 1,900	\$ 900
Other	14,750	39,354	24,604
Total Revenues	15,750	41,254	25,504
Expenditures			
Capital Outlay			
Buildings	200,000	194,764	5,236
Equipment	275,000	55,748	219,252
Other	250,000	188,215	61,785
Reserves	802,856	-	802,856
Total Expenditures	1,527,856	438,727	1,089,129
Excess Revenues Over (Under) Expenditures	(1,512,106)	(397,473)	1,114,633
Other Financing Sources			
Proceeds from Sale of Capital Assets	-	50,000	(50,000)
Transfers In	678,674	678,674	-
Total Other Financing Sources	678,674	728,674	(50,000)
Net Change in Fund Balance	(833,432)	331,201	1,064,633
Fund Balance, Beginning	833,432	903,258	69,826
Fund Balance, Ending	\$ -	\$ 1,234,459	\$ 1,134,459

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS
TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local Sources			
Net Investment Income	\$ 10,000	\$ 10,506	\$ 506
Total Revenues	<u>10,000</u>	<u>10,506</u>	<u>506</u>
Expenditures			
Supporting Services			
Purchased Services	415,000	260,931	154,069
Supplies and Materials	140,000	50,723	89,277
Capital Outlay	445,000	906,654	(461,654)
Reserves	1,125,918	-	1,125,918
Total Expenditures	<u>2,125,918</u>	<u>1,218,308</u>	<u>907,610</u>
 Net Change in Fund Balance	 (2,115,918)	 (1,207,802)	 908,116
Fund Balance, Beginning	<u>2,115,918</u>	<u>2,100,055</u>	<u>(15,863)</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ 892,253</u></u>	<u><u>\$ 892,253</u></u>

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS
BUILDING FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Sources				
Net Investment Income	\$ 150,000	\$ 150,000	\$ 97,795	\$ (52,205)
Other	-	9,018,749	7,441,602	(1,577,147)
Total Revenues	<u>150,000</u>	<u>9,168,749</u>	<u>7,539,397</u>	<u>(1,629,352)</u>
Expenditures				
Capital Outlay				
Buildings	27,250,000	42,864,073	24,830,182	18,033,891
Reserves	17,342,391	17,342,391	-	17,342,391
Total Expenditures	<u>44,592,391</u>	<u>60,206,464</u>	<u>24,830,182</u>	<u>35,376,282</u>
Net Change in Fund Balance	(44,442,391)	(51,037,715)	(17,290,785)	33,746,930
Fund Balance, Beginning	<u>44,442,391</u>	<u>51,037,715</u>	<u>53,294,236</u>	<u>2,256,521</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,003,451</u>	<u>\$ 36,003,451</u>

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS
ENTERPRISE FUND - FOOD SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Charges for Services			
Student Fees	\$ 221,500	\$ 203,212	\$ (18,288)
State Sources	15,500	19,640	4,140
Federal Sources:			
School Breakfast Program	325,000	325,842	842
National School Lunch Program	800,000	583,153	(216,847)
Donated Commodities	60,000	41,604	(18,396)
Total Revenues	<u>1,422,000</u>	<u>1,173,451</u>	<u>(248,549)</u>
Expenditures			
Salaries	85,000	86,474	(1,474)
Benefits	36,500	20,846	15,654
Purchased Services	1,232,250	982,139	250,111
Commodities	60,000	41,604	18,396
Supplies and Materials	-	5,952	(5,952)
Reserves	133,329	-	133,329
Total Expenditures	<u>1,547,079</u>	<u>1,137,015</u>	<u>410,064</u>
Change in Net Position, Budgetary Basis	<u>\$ (125,079)</u>	36,436	<u>\$ 161,515</u>
Net Position, Beginning		<u>156,651</u>	
Net Position, Ending		<u>\$ 193,087</u>	

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS
ENTERPRISE FUND - TUITION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local Sources			
Tuition	\$ 388,804	\$ 356,105	\$ (32,699)
Contributions	-	-	-
Total Revenues	<u>388,804</u>	<u>356,105</u>	<u>(32,699)</u>
Expenditures			
Salaries	257,171	274,801	(17,630)
Benefits	65,640	74,843	(9,203)
Purchased Services	32,769	29,599	3,170
Supplies and Materials	12,663	13,257	(594)
Other	15,392	753	14,639
Reserves	114,535	-	114,535
Total Expenditures	<u>498,170</u>	<u>393,253</u>	<u>104,917</u>
Change in Net Position, Budgetary Basis	<u><u>\$ (109,366)</u></u>	<u>(37,148)</u>	<u><u>\$ 72,218</u></u>
Net Position, Beginning		<u>106,083</u>	
Net Position, Ending		<u><u>\$ 68,935</u></u>	

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

For the Year Ended June 30, 2013

	<u>Balance 6/30/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/13</u>
PUPIL ACTIVITIES				
Assets				
Cash and Investments	\$ 195,563	\$ 335,467	\$ 372,252	\$ 158,778
Total Assets	<u>\$ 195,563</u>	<u>\$ 335,467</u>	<u>\$ 372,252</u>	<u>\$ 158,778</u>
Liabilities				
Accounts Payable	\$ 2,351	\$ 2,104	\$ 2,351	\$ 2,104
Accrued Salaries and Benefits	510	-	510	-
Due to Student Groups	<u>192,702</u>	<u>333,363</u>	<u>369,391</u>	<u>156,674</u>
Total Liabilities	<u>\$ 195,563</u>	<u>\$ 335,467</u>	<u>\$ 372,252</u>	<u>\$ 158,778</u>

See the accompanying Independent Auditor's Report.

STATISTICAL SECTION
(Unaudited)

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ENGLEWOOD SCHOOLS

Statistical Section

(Unaudited)

This part of Englewood Schools' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	55-60
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	62-66
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	67-69
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.	70-71
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.	72-75

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

ENGLEWOOD SCHOOLS

**Net Position by Components
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
Governmental activities					
Net investment in capital assets	\$ (12,084,164)	\$ (11,799,981)	\$ (10,851,284)	\$ (10,641,157)	\$ (10,231,564)
Restricted	4,181,700	4,314,767	4,103,468	4,296,941	4,554,606
Unrestricted	10,040,698	12,239,773	12,092,020	12,919,127	13,729,014
Total governmental activities net position	2,138,234	4,754,559	5,344,204	6,574,911	8,052,056
Business-type activities					
Net investment in capital assets	19,254	10,810	2,366	-	-
Restricted					
Unrestricted	(28,312)	(5,932)	239,513	222,755	269,919
Total business-type activities net position	(9,058)	4,878	241,879	222,755	269,919
Totals					
Net investment in capital assets	(12,064,910)	(11,789,171)	(10,848,918)	(10,641,157)	(10,231,564)
Restricted	4,181,700	4,314,767	4,103,468	4,296,941	4,554,606
Unrestricted	10,012,386	12,233,841	12,331,533	13,141,882	13,998,933
Total net position	\$ 2,129,176	\$ 4,759,437	\$ 5,586,083	\$ 6,797,666	\$ 8,321,975

2009	2010	2011	2012	2013
\$ (9,493,937)	\$ (9,520,604)	\$ (7,600,450)	\$ (5,827,151)	\$ 2,545,616
5,434,692	6,110,614	7,992,204	7,917,264	6,686,652
13,524,125	15,183,824	12,340,853	13,453,151	14,877,649
9,464,880	11,773,834	12,732,607	15,543,264	24,109,917
-	-	-	-	-
210,735	212,187	259,839	262,734	262,022
210,735	212,187	259,839	262,734	262,022
(9,493,937)	(9,520,604)	(7,600,450)	(5,827,151)	2,545,616
5,434,692	6,110,614	7,992,204	7,917,264	6,686,652
13,734,860	15,396,011	12,600,692	13,715,885	15,139,671
\$ 9,675,615	\$ 11,986,021	\$ 12,992,446	\$ 15,805,998	\$ 24,371,939

ENGLEWOOD SCHOOLS

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

	Fiscal Year Ended June 30,					
	2004	2005	2006	2007	2008	2009
Expenses						
Governmental activities						
Instruction	\$ 19,869,059	\$ 20,835,648	\$ 20,691,842	\$ 20,406,654	\$ 20,339,331	\$ 20,353,908
Supporting Services	11,382,208	11,098,696	11,548,906	11,509,511	12,104,630	12,184,195
Interest Expense	1,810,821	1,596,895	1,612,253	1,530,064	1,137,741	1,122,250
Total governmental activities expenses	33,062,088	33,531,239	33,853,001	33,446,229	33,581,702	33,660,353
Business-type activities						
Food Services	866,182	816,143	845,520	776,410	868,402	922,878
Tuition	-	-	567,418	557,401	583,588	517,522
Total business-type activities expenses	866,182	816,143	1,412,938	1,333,811	1,451,990	1,440,400
Total expenses	33,928,270	34,347,382	35,265,939	34,780,040	35,033,692	35,100,753
Program revenues						
Governmental activities						
Charges for services	93,484	74,668	118,408	83,074	174,855	160,717
Operating/Capital grants and contributions	3,832,283	4,041,732	3,032,985	3,475,498	3,482,975	3,589,399
Total governmental activities program revenue	3,925,767	4,116,400	3,151,393	3,558,572	3,657,830	3,750,116
Business-type activities						
Charges for services	366,043	334,779	1,113,096	810,829	913,231	706,691
Operating grants and contributions	500,139	495,300	536,843	503,858	585,923	674,525
Total business-type activities program revenue	866,182	830,079	1,649,939	1,314,687	1,499,154	1,381,216
Total revenues	4,791,949	4,946,479	4,801,332	4,873,259	5,156,984	5,131,332
Net (Expenses) Revenue						
Governmental activities	(29,136,321)	(29,414,839)	(30,701,608)	(29,887,657)	(29,923,872)	(29,910,237)
Business-type activities	-	13,936	237,001	(19,124)	47,164	(59,184)
Total primary government net expense	(29,136,321)	(29,400,903)	(30,464,607)	(29,906,781)	(29,876,708)	(29,969,421)
General revenues						
Governmental Activities						
Property taxes	13,500,985	15,274,974	14,256,414	14,792,044	15,724,141	15,230,399
Specific ownership taxes	1,376,127	1,432,193	1,427,668	1,360,226	1,263,404	1,128,455
State equalization	14,457,890	14,525,813	14,499,224	13,752,655	13,019,552	13,489,379
Investment income	372,826	486,277	742,073	872,425	714,228	388,886
Other revenues	635,277	311,907	365,874	341,014	679,692	1,085,942
Total general revenues	30,343,105	32,031,164	31,291,253	31,118,364	31,401,017	31,323,061
Change in net position						
Governmental activities	1,206,784	2,616,325	589,645	1,230,707	1,477,145	1,412,824
Business-type activities	-	13,936	237,001	(19,124)	47,164	(59,184)
Total primary government change in net position	\$ 1,206,784	\$ 2,630,261	\$ 826,646	\$ 1,211,583	\$ 1,524,309	\$ 1,353,640

2010	2011	2012	2013
\$ 20,699,372	\$ 18,921,262	\$ 17,495,595	\$ 17,896,118
11,816,820	13,130,895	12,627,729	13,423,963
714,114	775,296	2,001,675	2,499,170
33,230,306	32,827,453	32,124,999	33,819,251
945,906	979,160	1,068,992	1,137,015
425,867	403,378	340,042	393,253
1,371,773	1,382,538	1,409,034	1,530,268
34,602,079	34,209,991	33,534,033	35,349,519
71,492	70,380	69,866	93,444
4,892,767	4,913,347	4,837,752	12,269,253
4,964,259	4,983,727	4,907,618	12,362,697
638,267	624,096	503,992	559,317
734,958	806,094	907,937	970,239
1,373,225	1,430,190	1,411,929	1,529,556
6,337,484	6,413,917	6,319,547	13,892,253
(28,266,047)	(27,843,726)	(27,217,381)	(21,456,554)
1,452	47,652	2,895	(712)
(28,264,595)	(27,796,074)	(27,214,486)	(21,457,266)
15,686,164	15,524,629	18,427,279	19,104,915
1,051,599	967,885	1,058,274	1,253,944
13,258,128	10,606,022	10,084,015	9,343,027
157,455	60,787	19,093	1,998
421,655	1,643,176	439,377	319,323
30,575,001	28,802,499	30,028,038	30,023,207
2,308,954	958,773	2,810,657	8,566,653
1,452	47,652	2,895	(712)
\$ 2,310,406	\$ 1,006,425	\$ 2,813,552	\$ 8,565,941

ENGLEWOOD SCHOOLS

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

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ 845,109	\$ 927,620	\$ 912,039	\$ 958,453	\$ 966,650
Unreserved	6,041,910	8,564,258	8,305,209	8,883,743	9,708,572
Total general fund	6,887,019	9,491,878	9,217,248	9,842,196	10,675,222
All Other Governmental Funds					
Unreserved, reported in:					
Special revenue funds	4,148,575	4,440,710	4,530,283	4,432,905	4,613,289
Debt service fund	2,945,594	3,270,221	3,103,306	3,116,006	3,396,672
Capital projects fund	832,103	-	-	-	-
Total all other governmental funds	7,926,272	7,710,931	7,633,589	7,548,911	8,009,961
Total all governmental funds	\$ 14,813,291	\$ 17,202,809	\$ 16,850,837	\$ 17,391,107	\$ 18,685,183

	Fiscal Year				
	2009	2010	2011	2012	2013
General Fund					
Reserved	\$ 1,023,367	\$ 950,841	\$ -	\$ -	\$ -
Unreserved	10,135,776	10,931,355	-	-	-
Restricted	-	-	885,159	859,380	846,109
Assigned	-	-	-	-	3,717,773
Unassigned	-	-	11,338,572	12,253,380	8,181,936
Total general fund	11,159,143	11,882,196	12,223,731	13,112,760	12,745,818
All Other Governmental Funds					
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
Debt service fund	-	-	3,814,491	5,194,031	5,075,936
Assigned, reported in:					
Capital projects fund	-	-	1,003,164	903,258	1,134,459
Total all other governmental funds	8,416,567	9,138,515	7,984,757	61,491,580	43,206,099
Total all governmental funds	\$ 19,575,710	\$ 21,020,711	\$ 20,208,488	\$ 74,604,340	\$ 55,951,917

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ENGLEWOOD SCHOOLS

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Revenues:				
Local Sources	\$ 16,435,590	\$ 18,327,683	\$ 17,049,490	\$ 16,939,077
State Sources	15,325,784	15,633,951	15,380,545	14,894,756
Federal Sources	2,298,070	2,344,908	2,068,055	2,263,847
Total revenues	34,059,444	36,306,542	34,498,090	34,097,680
Expenditures:				
Instruction	18,420,576	18,793,151	18,141,882	18,061,928
Support services	10,759,749	10,624,116	11,083,341	11,110,338
Capital outlay	1,224,634	1,189,084	2,165,237	1,082,756
Debt service:				
Principal	2,025,660	2,028,620	2,305,163	2,262,528
Interest and fiscal charges	1,561,588	1,282,053	1,154,439	1,039,860
Bond issuance costs	-	166,545	-	-
Total expenditures	33,992,207	34,083,569	34,850,062	33,557,410
Other Financing Services (Uses)				
Bonds issued	-	12,454,993	-	-
Bond premium	-	1,056,861	-	-
Payments to escrow agent	-	(13,345,309)	-	-
Capital Lease	91,232	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers in	1,110,898	861,623	2,382,986	988,769
Transfers out	(1,110,898)	(861,623)	(2,382,986)	(988,769)
Total other financing sources (uses)	91,232	166,545	-	-
Net change in fund balances	\$ 158,469	\$ 2,389,518	\$ (351,972)	\$ 540,270
Debt service as a percentage of noncapital expenditures	10.6%	9.7%	9.9%	9.8%

2008	2009	2010	2011	2012	2013
\$ 18,734,956	\$ 18,439,858	\$ 17,268,274	\$ 17,464,305	\$ 20,285,110	\$ 28,630,133
13,963,522	14,641,751	14,623,310	11,868,112	11,562,690	11,227,346
2,429,715	2,393,389	3,463,266	4,189,730	2,971,123	2,694,954
35,128,193	35,474,998	35,354,850	33,522,147	34,818,923	42,552,433
18,408,034	18,739,912	19,344,585	18,287,304	16,967,332	17,102,464
11,504,378	11,443,495	11,352,707	11,646,452	11,570,619	12,393,421
863,782	962,147	679,950	1,608,740	2,455,029	26,175,563
2,314,444	2,494,444	1,699,444	2,394,444	2,444,722	2,797,319
749,852	944,473	833,163	797,763	1,660,049	2,786,089
128,697	-	-	-	311,637	-
33,969,187	34,584,471	33,909,849	34,734,703	35,409,388	61,254,856
9,075,000	-	-	-	49,996,986	-
439,060	-	-	-	4,964,028	-
(9,378,990)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	400,333	25,303	50,000
774,079	1,068,511	844,564	384,242	200,000	678,674
(774,079)	(1,068,511)	(844,564)	(384,242)	(200,000)	(678,674)
135,070	-	-	400,333	54,986,317	50,000
\$ 1,294,076	\$ 890,527	\$ 1,445,001	\$ (812,223)	\$ 54,395,852	\$ (18,652,423)

9.0%

9.9%

7.5%

9.2%

11.6%

9.1%

ENGLEWOOD SCHOOLS

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

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	
2004	\$ 342,455,342	39.431	\$ 1,567,452,350	\$ 647,429,238	\$ 2,214,881,588	15.46%
2005	342,688,020	44.419	1,770,586,023	674,260,176	2,444,846,199	14.02%
2006	339,906,040	40.141	1,774,121,288	700,824,325	2,474,945,613	13.73%
2007	358,907,480	40.354	1,855,094,065	743,437,745	2,598,531,810	13.81%
2008	358,484,270	37.211	2,005,430,059	757,467,138	2,762,897,197	12.97%
2009	421,381,030	37.195	2,015,631,030	709,270,550	2,724,901,580	15.46%
2010	420,770,900	37.199	2,015,443,630	897,670,852	2,913,114,482	14.44%
2011	419,880,340	37.495	1,869,911,551	934,536,232	2,804,447,783	14.97%
2012	404,882,670	45.858	1,818,642,994	896,906,482	2,715,549,476	14.91%
2013	411,108,940	46.719	1,819,669,002	918,095,359	2,737,764,361	15.02%

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
2004	7.96%	29.00%	2003
2005	7.96%	29.00%	2004
2006	7.96%	29.00%	2005
2007	7.96%	29.00%	2006
2008	7.96%	29.00%	2006
2009	7.96%	29.00%	2008
2010	7.96%	29.00%	2008
2011	7.96%	29.00%	2010
2012	7.96%	29.00%	2011
2013	7.96%	29.00%	2012

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ENGLEWOOD SCHOOLS

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

<u>Year</u>	<u>Englewood Schools</u>			<u>Overlapping Rates</u>			
	<u>General Fund Millage</u>	<u>Bond Redemption Fund Millage</u>	<u>Total School Millage</u>	<u>Arapahoe County</u>	<u>City of Englewood</u>	<u>City of Littleton</u>	<u>City of Cherry Hills Village</u>
2004	29.697	9.734	39.431	15.140	8.310	6.662	7.300
2005	34.605	9.814	44.419	15.451	8.320	6.662	7.300
2006	31.513	8.628	40.141	15.451	8.320	6.662	7.300
2007	31.388	8.966	40.354	16.083	8.400	6.662	13.117
2008	29.580	7.631	37.211	15.217	8.173	6.662	13.117
2009	29.564	7.631	37.195	15.676	8.400	6.662	13.117
2010	29.568	7.631	37.199	15.672	7.911	6.662	13.402
2011	29.952	7.543	37.495	15.949	8.010	6.662	13.402
2012	32.027	13.831	45.858	17.316	7.621	6.662	13.295
2013	33.511	13.208	46.719	17.150	7.794	6.662	13.304

Source: Arapahoe County Assessor's Office.

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

Arapahoe Regional Library <u>District</u>	South Metro Fire & Rescue	South Suburban Recreation <u>District</u>	Urban Drainage & Flood Control <u>District</u>	South Englewood Sanitation District <u>No. 1</u>	Littleton Fire <u>District</u>
4.916	-	7.197	0.533	1.100	6.678
4.900	-	7.134	0.538	1.100	7.678
4.963	-	7.117	0.532	-	7.678
4.893	-	7.008	0.542	-	7.678
4.814	-	6.868	0.507	-	7.678
4.814	-	6.868	0.507	-	7.678
4.783	9.362	6.777	0.569	-	-
4.869	9.541	6.869	0.576	-	-
4.981	9.661	7.034	0.623	-	-
4.903	9.519	6.960	0.657	-	-

ENGLEWOOD SCHOOLS

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

2012				2003			
Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Columbia HealthOne	\$ 23,200,010	1	6.50%	Columbia HealthOne	\$ 21,750,010	1	5.37%
Qwest Corp	9,641,900	2	2.70%	Qwest Communications, Inc	10,293,700	2	2.54%
Swedish Medical Ctr	7,792,480	3	2.18%	Public Service Company	7,527,030	3	1.86%
Public Svc Co of Colorado	4,983,190	4	1.40%	Swedish Medical Center	6,020,600	4	1.49%
All Recycling Inc	3,451,520	5	0.97%	Wal-Mart Real Estate Business	3,038,370	5	0.75%
Sprint Nextel Wireless	3,286,050	6	0.92%	Wilkerson Corp	2,931,310	6	0.72%
HTA - Hampden Place LLC	3,190,000	7	0.89%	HealthOne & Swedish	2,610,000	7	0.64%
Situs Enterprises LLC	2,755,000	8	0.77%	ODC Limited No 4	2,610,000	8	0.64%
Englewood Meridian LP	2,742,230	9	0.77%	Healthone	2,610,000	9	0.64%
ODC Limited No.4	2,711,510	10	0.76%	Northern Englewood Limited	2,465,000	10	0.61%
	<u>\$ 63,753,890</u>		<u>17.86%</u>	Total	<u>\$ 61,856,020</u>		<u>15.28%</u>
Total Assessed Valuation	\$404,882,670				\$356,977,230		

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
2004	\$ 13,512,531	\$ 12,745,043	94.3%	\$ 479,860	\$ 13,224,903	97.9%
2005	15,098,286	14,503,604	96.1%	525,010	15,028,614	99.5%
2006	14,406,905	13,853,271	96.2%	494,420	14,347,691	99.6%
2007	14,466,274	13,687,559	94.6%	722,847	14,410,406	99.6%
2008	15,680,010	14,818,921	94.5%	767,785	15,586,706	99.4%
2009	15,650,574	14,935,112	95.4%	621,548	15,556,660	99.4%
2010	15,772,176	14,893,494	94.4%	786,165	15,679,659	99.4%
2011	15,730,614	14,973,487	95.2%	618,457	15,591,944	99.1%
2012	18,567,109	17,570,985	94.6%	897,902	18,468,887	99.5%
2013	19,206,728	18,389,912	95.7%	- (2)	18,389,912	95.7%

(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 2013 subsequent collections, received in August-January, are not known at this time

Source: Arapahoe County Assessor's Office, District Audited Financial Statements 2004-2013.

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 Bonds	EPA Note	Capital Leases							
2004	\$ 32,460,089	\$ 75,556	\$ 368,145	\$ 32,903,790	32,410	\$ 1,015	\$ 682,682,832	4.8%	\$ 2,214,881,588	1.5%
2005	30,926,616	66,112	183,803	31,176,531	32,491	960	677,498,640	4.6%	2,444,846,199	1.3%
2006	29,214,143	56,668	58,084	29,328,895	32,491	903	679,191,864	4.3%	2,474,945,613	1.2%
2007	27,413,559	47,224	-	27,460,783	32,491	845	679,191,864	4.0%	2,598,531,810	1.1%
2008	25,322,550	37,780	-	25,360,330	32,286	785	679,191,864	3.7%	2,762,897,197	0.9%
2009	23,020,496	28,336	-	23,048,832	32,532	708	674,906,544	3.4%	2,724,901,580	0.8%
2010	21,407,619	18,892	-	21,426,511	32,191	666	680,048,928	3.2%	2,913,114,482	0.7%
2011	19,035,000	9,448	-	19,044,448	30,255	629	686,823,596	2.8%	2,804,447,783	0.7%
2012	71,782,621	-	-	71,782,621	30,255	2,373	602,499,375	11.9%	2,716,098,308	2.6%
2013	68,587,509	-	-	68,587,509	30,534	2,246	633,305,000	10.8%	2,716,787,000	2.5%

Source: District Audited Financial Statements 2004-2013.

Source: Population from City of Englewood

Note: The District refunded \$8,925,000 of bond debt during the 1996 fiscal year, \$12,454,993 during the 2005 fiscal year and \$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.

ENGLEWOOD SCHOOLS

Direct and Overlapping Governmental Activities Debt Last Ten Fiscal Years

<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	\$ 25,219,292	77.2%	\$ 19,469,293
South Suburban Metropolitan Recreation and Park District	21,025,000	3.5%	735,875
Total Overlapping Debt			20,205,168
Direct Debt:			
Englewood School District	68,587,509	100.0%	68,587,509
Total Direct and Overlapping Debt			\$ 88,792,677

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	<u>Debt limit</u>	Total Net Debt Applicable <u>To Limit</u>	Legal Debt <u>Margin</u>	Total Net Debt Applicable <u>To Limit</u>
2004	\$ 67,981,208	\$ 29,514,495	\$ 38,466,713	43.42%
2005	67,981,208	27,656,395	40,324,813	40.68%
2006	71,781,496	26,110,837	45,670,659	36.38%
2007	71,696,854	24,297,553	47,399,301	33.89%
2008	84,276,206	21,925,878	62,350,328	26.02%
2009	84,154,180	19,821,979	64,332,201	23.55%
2010	84,798,924	17,555,086	67,243,838	20.70%
2011	83,907,798	15,220,509	68,687,289	18.14%
2012	80,976,534	61,397,955	19,578,579	75.82%
2013	81,585,714	61,516,050	20,069,664	75.40%

Computation of Maximum Debt Allowed for Fiscal Year 2012

Taxable Assessed Valuation	\$ 407,928,570
Debt Limit Percentage (1)	20%
Legal Debt Limit	\$ 81,585,714
Total Bonded Debt	\$ 66,591,986
Amount Available in Debt Service Fund	5,075,936
Net Bonded Debt	\$ 61,516,050
Legal Debt Margin	\$ 20,069,664

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

Source: District Audited Financial Statements 2004-2013

ENGLEWOOD SCHOOLS
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Englewood Population (1)</u>	<u>Household Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2004	32,410	\$ 677,498,640	\$ 20,904	36	4,085	5.3%
2005	32,491	\$ 679,191,864	\$ 20,904	36	3,883	5.2%
2006	32,491	\$ 679,191,864	\$ 20,904	36	3,733	4.5%
2007	32,491	\$ 679,191,864	\$ 20,904	36	3,495	3.5%
2008	32,286	\$ 674,906,544	\$ 20,904	36	3,427	4.8%
2009	32,532	\$ 680,048,928	\$ 23,307	36	3,298	7.3%
2010	32,191	\$ 686,823,596	\$ 23,307	36	3,124	8.2%
2011	30,255	\$ 602,499,375	\$ 25,617	37	2,992	10.2%
2012	30,255	\$ 602,499,375	\$ 25,617	37	2,954	8.2%
2013	30,534	\$ 633,305,000	\$ 25,682	38	2,981	7.9%

Sources:

- (1) City of Englewood
- (2) U.S. Census Bureau - 1990 Census; 2000 Census; 2010 Census
- (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	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Columbia Swedish Medical Center	1,705	1	7.65%	1,300	1	5.37%
The Sports Authority	829	2	3.72%			
Craig Hospital	744	3	3.34%	512	2	2.11%
City of Englewood	479	4	2.15%	483	4	1.99%
Encore Electric	433	5	1.94%			
Englewood Schools	427	6	1.91%	503	3	2.08%
Burt Automotive				475	5	1.96%
Groove Toyota	393	7	1.76%			
Denver Drywall				365	6	1.51%
Wilkerson Corporation				340	7	1.40%
Karcher North America	337	8	1.51%			
Veolia Transportation	308	9	1.38%			
Wal-Mart	281	10	1.26%			
Windsor Industries, Inc				270	8	1.11%
7-Up Bottling Company				250	9	1.03%
Riviera Electric Construction				250	10	1.03%
Total	<u>5,936</u>		<u>26.62%</u>	<u>4,748</u>		<u>19.60%</u>
Total Employees	24,230			22,300		

Source: City of Englewood Community Development Department

ENGLEWOOD SCHOOLS

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

Fiscal Year	Teachers	Classified	Administrators	Total
2004	246.20	114.26	19.50	379.96
2005	239.70	114.86	18.50	373.06
2006	246.40	113.09	19.50	378.99
2007	232.13	113.01	18.00	363.14
2008	215.90	102.20	18.00	336.10
2009	225.50	105.28	17.00	347.78
2010	209.80	106.00	18.00	333.80
2011	196.18	112.43	18.00	326.61
2012	191.68	113.64	19.60	324.92
2013	191.48	122.71	19.60	333.79

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
2004	4,085	\$ 25,587,763	\$ 6,264	\$ 33,992,207	\$ 8,321	236.6	17.3	33.5%
2005	3,883	25,861,019	6,660	34,083,569	8,778	230.1	16.9	39.0%
2006	3,733	32,240,748	8,637	35,265,939	9,447	230.7	16.2	42.1%
2007	3,495	31,916,165	9,132	34,780,040	9,951	216.4	16.2	40.3%
2008	3,427	32,443,971	9,467	35,033,702	10,223	203.1	16.9	44.2%
2009	3,298	32,538,103	9,866	35,100,753	10,643	212.7	15.5	49.0%
2010	3,124	32,516,192	10,409	34,602,079	11,076	197.8	15.8	54.9%
2011	2,992	32,052,157	10,713	34,209,991	11,434	194.8	15.4	55.8%
2012	2,954	30,123,324	10,197	33,534,033	11,352	191.7	15.4	57.9%
2013	2,981	31,320,081	10,507	35,349,519	11,858	191.5	15.6	56.1%

ENGLEWOOD SCHOOLS

Schedule of Insurance June 30, 2013

<u>Insurance Company</u>	<u>Policy Number</u>	<u>Term of Insurance</u>		<u>Type of Insurance</u>	<u>Amount of Coverage</u>	<u>07/1/12 -</u>
		<u>Start Date</u>	<u>Expire Date</u>			<u>07/1/13 Premium</u>
CSDSIP (1)	0301-01-00044	07/01/2012	07/01/2013	Comprehensive General Liability, Including Employee Benefit Programs and Athletic Participation	\$ 111,705,432	\$ 82,194
				School Leaders Errors & Omissions	2,000,000	31,909
CSDSIP	0301-01-00044	07/01/2012	07/01/2013	Equipment Breakdown	100,000,000	8,662
CSDSIP	0301-01-00044	07/01/2012	07/01/2013	Employee Blanket Bond	100,000	1,324
CSDSIP	0301-01-00044	07/01/2012	07/01/2013	Vehicle Insurance	1,000,000	<u>12,344</u>
						<u>\$ 136,433</u>

(1) Colorado School District Self-Insurance Pool.

Source: Englewood School District

ENGLEWOOD SCHOOLS
Capital Asset Information
June 30, 2013

Schools

Elementary

Buildings	4
Square feet	183,500
Capacity	1,668
Enrollment	1,447
Percent capacity	87%

Middle

Buildings	1
Square feet	98,600
Capacity	704
Enrollment	351
Percent capacity	50%

High

Buildings	2
Square feet	242,100
Capacity	1,358
Enrollment	969
Percent capacity	71%

Early Childhood Education Center

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

Administration

Buildings	1
Square feet	13,400

Operations, maintenance and transportation

Buildings	1
Square feet	8,500

Athletics

Athletic stadium	1
Baseball fields	1
Running tracks	1
Playgrounds	6

Excess property (vacant and rentals)

Buildings	2
Square feet	14,400

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

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SINGLE AUDIT

**Independent Auditor's Report on Internal Control Over
Financial Reporting and On Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Board of Education
Englewood Schools
Englewood, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Englewood Schools (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Dazzio & Plutt, LLC

September 30, 2013

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

Board of Education
Englewood Schools
Englewood, Colorado

Report on Compliance for Each Major Federal Program

We have audited Englewood Schools' (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Dazzio & Plutt, LLC

September 30, 2013

ENGLEWOOD SCHOOLS

Schedule of Findings and Questioned Costs Year Ended June 30, 2013

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

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

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

Identification of major programs:

10.553 and 10.555	Child Nutrition Cluster
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes _____ No

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

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

III. Findings and questioned costs for federal awards

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

ENGLEWOOD SCHOOLS

Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2013

Finding	Status	Corrective Action Plan or Other Explanation
None Reported		

ENGLEWOOD SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	District's Program Number	Federal CFDA Number	Total Expenditures
U.S. Department of Education			
Passed Through Colorado Department of Education			
Title I	4010 / 5010	84.010	\$ 1,136,791
Special Education	4027	84.027	770,380
Special Education Preschool	4173	84.173	34,017
Twenty-First Century Community Learning Centers	5287	84.287	117,567
IDEA Part D, Preschool Pyramid	6323	84.323	1,514
Colorado Graduation Pathways	5360	84.360	113,076
English Language Acquisition	4365 / 7365	84.365	47,175
Improving Teacher Quality	4367	84.367	157,631
Race to the Top Phase 3	4413	84.413	16,391
Passed Through Colorado Community College System			
Career and Technical Education	4048	84.048	19,736
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>2,414,278</u>
U.S. Department of Agriculture			
Passed Through Colorado Department of Education			
School Breakfast Program	4553	10.553	325,842
National School Lunch Program	4555	10.555	583,153
Passed Through Colorado Department of Human Services			
Food Commodities	4550	10.555	41,604
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>950,599</u>
U.S. Department of Health and Human Services			
Passed through Sheridan School District			
Head Start	8600	93.600	273,871
Passed through Tri-County Health Department			
ARRA - Prevention and Wellness Communities	7724	93.724	6,600
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>280,471</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 3,645,348</u></u>

See the accompanying Independent Auditor's Report.

ENGLEWOOD SCHOOLS

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2013

NOTE 1: BASIS OF PRESENTATION

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

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 0120 - ENGLEWOOD 1
 Fiscal Year 2012-13
 Colorado School District/BOCES

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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	13,042,380	24,950,360	25,297,030	12,705,709
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	70,380	538,118	568,389	40,109
Sub-Total	13,112,760	25,488,478	25,865,420	12,745,818
11 Charter School Fund	0	0	0	0
20.26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	3,318,813	3,318,813	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	5,194,031	5,465,314	5,583,408	5,075,936
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	55,394,291	7,549,903	26,048,490	36,895,704
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	903,258	769,928	438,727	1,234,460
Totals	74,604,340	42,602,435	61,254,857	55,951,918
Proprietary				
51 Food Service Fund	156,651	1,173,450	1,137,014	193,087
50 Other Enterprise Funds	106,083	356,105	393,253	68,935
64 (63) Risk-Related Activity Fund	0	0	0	0
60.65-69 Other Internal Service Funds	0	0	0	0
Totals	262,734	1,529,555	1,530,267	262,022
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	85,293	128	6,000	79,421
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	192,702	335,467	371,494	156,674
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	277,994	335,595	377,494	236,095

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

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