



ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2010

Prepared by: Finance Department

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Table of Contents	i - iv
Letter of Transmittal	v - vii
Organizational Chart	viii
Roster of School Officials	ix
Certificate of Achievement	x
FINANCIAL SECTION	
Independent Auditors' Report	
Management's Discussion and Analysis	a - g
Basic Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	5
Statement of Net Assets - Proprietary Funds	6
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	7
Statement of Cash Flows - Proprietary Funds	8
Statement of Fiduciary Net Assets - Fiduciary Funds	9
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	10
Notes to Financial Statements	11 - 23

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
FINANCIAL SECTION (Continued)	
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	24
Budgetary Comparison Schedule - Grants Fund	25
Budgetary Comparison Schedule - Technology Fund	26
Notes to Required Supplementary Information	27
Individual Fund Financial Statements and Schedules	
Budgetary Comparison Schedule - Bond Redemption Fund	28
Budgetary Comparison Schedule - Capital Reserve Fund	29
Budgetary Comparison Schedule - Food Services Fund	30
Budgetary Comparison Schedule - Tuition Fund	31
Statement of Changes in Assets and Liabilities - Agency Fund	32
STATISTICAL SECTION	
Table of Contents	33
Financial Trends	
Net Assets by Component	34
Changes in Net Assets	35
Fund Balances, Governmental Funds	36
Changes in Fund Balances, Governmental Funds	37
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	38
Property Tax Rates - Direct and Overlapping Governments	39
Principal Property Tax Payers	40
Property Tax Levies and Collections - All Funds	41

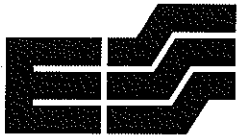
TABLE OF CONTENTS

(Continued)

	<u>PAGE</u>
STATISTICAL SECTION (Continued)	
Debt Capacity	
Outstanding Debt by Type	42
Direct and Overlapping Governmental Activities Debt	43
Legal Debt Margin Information	44
Demographic and Economic Information	
Demographic and Economic Statistics	45
Principal Employers	46
Operating Information	
Full-Time Equivalent Employees by Type	47
Operating Statistics	48
Schedule of Insurance	49
Capital Asset Information	50
COMPLIANCE SECTION	
Single Audit	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51 - 52
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	53 - 54
Schedule of Findings and Questioned Costs	55
Independent Auditors' Report on Schedule of Expenditures of Federal Awards	56
Schedule of Expenditures of Federal Awards	57
Notes to Schedule of Expenditures of Federal Awards	58

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
COMPLIANCE SECTION (Continued)	
State Compliance	
Independent Auditors' Report on Auditor's Integrity Report	59
Auditor's Integrity Report	60



November 3, 2010

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, 2010 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 with it.

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

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

Profile of the District

Arapahoe County School District Number One (Englewood Schools) was formed in 1916. Nine schools provide instruction and related services to approximately 3,000 students from pre-kindergarten through twelfth grade. The enrollment within the District has been declining for several years and is expected to continue to decline in the foreseeable future. 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 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

The mission of the Englewood Schools, dedicated to safe, caring, progressive, community-centered schools, is to develop the full potential of all students as contributing members of a rapidly changing world through academically excellent educational programs.

Factors Affecting Financial Condition

State and Local Economy. Colorado, along with the rest of the nation, is suffering from one of the most severe recessions since the Great Depression. The unemployment rate in Colorado rose to 8.2% in June 2010, up from 7.6% in 2009. The Consumer Price Index (CPI) for the Denver-Boulder-Greeley area decreased 0.6 percent from the first half of 2009 to the first half of 2010. Recent economic forecasts continue to disappoint the state as tax revenues remain sluggish. School districts' funding across Colorado will be severely reduced in the future due to the economic slowdown. The Colorado economy is challenged by declines in residential construction, oil and gas production and tourism.

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 drives school funding computations. Englewood Schools' enrollment has been declining for many years and is projected to continue declining for many years to come which leads the District to make the appropriate budget adjustments.

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 increases, and 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. It only uses reserves for one-time expenditures that do not lead to an ongoing deficit. The District also 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, 2009. 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, Harla Knapp and Mary Hensley. 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, Swanhorst & Company, LLC for their efforts and professional assistance in the preparation of this audit and for their support throughout the year.

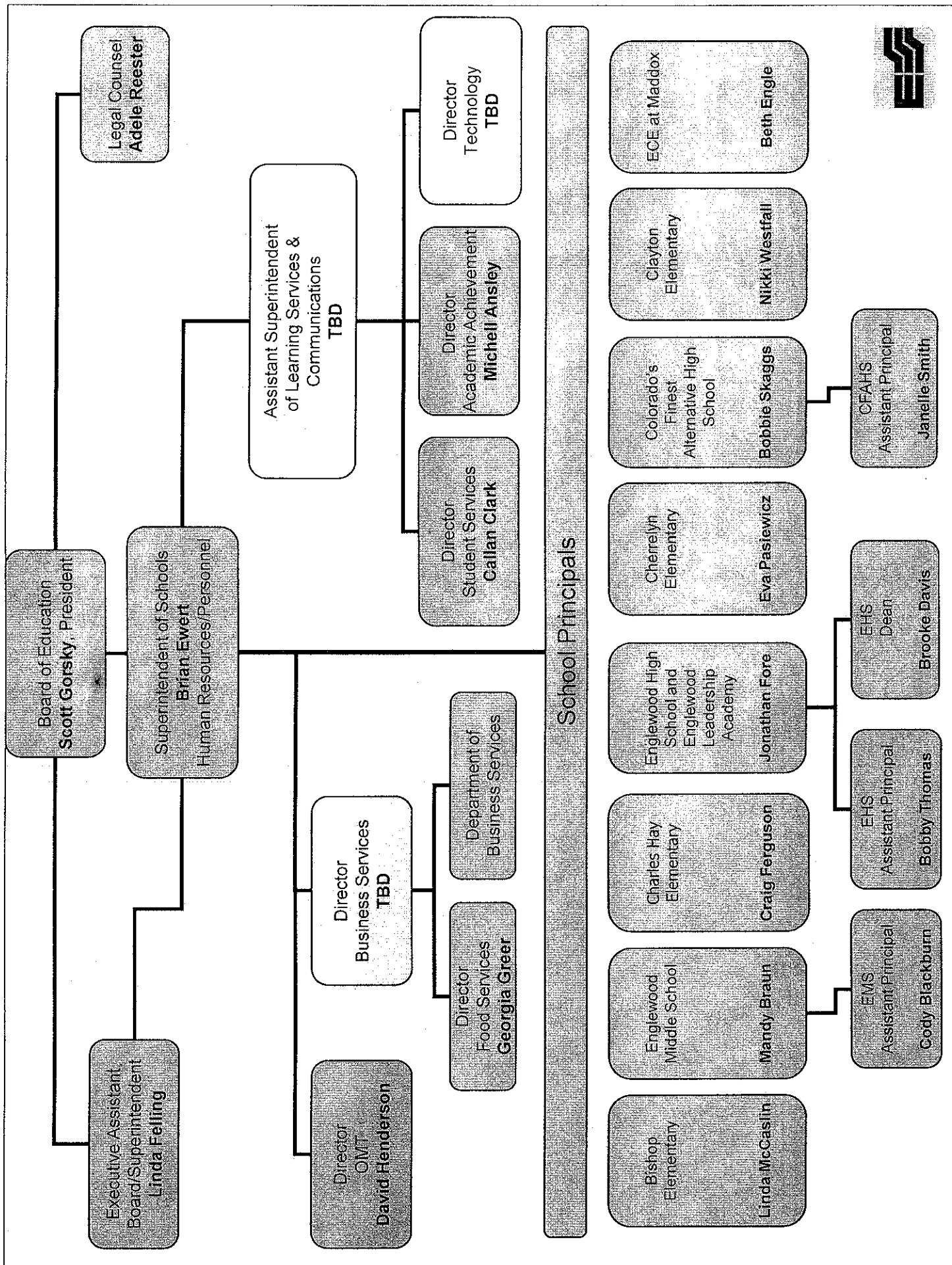
Finally, without the leadership and support of Brian Ewert, Superintendent of Schools, and the Board of Education of Englewood Schools, preparation of this report would not have been possible.

This report provides financial and other related information for the fiscal year 2009-2010 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 SCHOOL DISTRICT
ENGLEWOOD, COLORADO

ROSTER OF SCHOOL OFFICIALS

June 30, 2010

BOARD OF EDUCATION

Scott Gorsky - President

Karen Miller - 1st Vice President

Michelle Gonzalez - 2nd Vice President

Gene Turnbull - Treasurer

Vicki Howard - Secretary

OFFICIALS

Brian Ewert - Superintendent

Callan Clark - Director of Student Services

Michell Ansley - Director of Academic Achievement

David Henderson - Director of Operations, Maintenance & Transportation

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, 2009

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



President

Executive Director

FINANCIAL SECTION

Board of Education
Englewood School District
Englewood, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood School District as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the Englewood School District, as listed in the table of contents. These financial statements are the responsibility of the Englewood School District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of the Englewood School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2010, on our consideration of the Englewood School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Englewood School District's basic financial statements. The individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.



October 21, 2010

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, 2010. 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 \$11,986,021 (net assets) up from \$9,675,615 the previous fiscal year.

Englewood Schools' total net assets increased by \$2,310,406.

At the close of the fiscal year, Englewood Schools' governmental funds reported a combined ending fund balances of \$21,020,711 an increase of \$1,445,001.

The general fund ending fund balance was \$11,882,196, an increase of \$723,053 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 assets presents information on all of Englewood Schools' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 1-2 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 five 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, and the bond redemption fund (major funds) and the capital reserve fund (non-major 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. 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.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Englewood Schools, assets exceeded liabilities by \$11,986,021 at the close of the most recent fiscal year. The table below presents a two-year condensed statement of the District's net assets.

Englewood Schools' Net Assets

	Governmental Activities		Business-type Activities		Total		Change
	2009	2010	2009	2010	2009	2010	
Current and other assets	\$24,286,658	\$25,959,213	\$276,383	\$352,549	\$24,563,041	\$26,311,762	\$1,748,721
Capital assets	13,559,376	12,080,584	-	-	13,559,376	12,080,584	(1,478,792)
Total assets	37,846,034	38,039,797	276,383	352,549	38,122,417	38,392,346	269,929
Long-term liabilities outstanding	21,987,581	19,417,092	-	-	21,987,581	19,417,092	(2,570,489)
Other liabilities	6,393,573	6,848,871	65,648	140,362	6,459,221	6,989,233	530,012
Total liabilities	28,381,154	26,265,963	65,648	140,362	28,446,802	26,406,325	(2,040,477)
Net assets	(9,493,937)	(9,520,604)	-	-	(9,493,937)	(9,520,604)	(26,667)
Invested in capital assets, net of related debt							
Restricted for Emergencies	895,000	849,000	-	-	895,000	849,000	(46,000)
Debt service	3,312,653	4,004,486	-	-	3,312,653	4,004,486	691,833
Capital purposes	1,098,672	1,155,287	-	-	1,098,672	1,155,287	56,615
Extended Term contract	47,505	44,531	-	-	47,505	44,531	(2,974)
Preschool	80,862	57,310	-	-	80,862	57,310	(23,552)
Unrestricted	13,524,125	15,183,824	210,735	212,187	13,734,860	15,396,011	1,661,151
Total net assets	\$9,464,880	\$11,773,834	\$210,735	\$212,187	\$9,675,615	\$11,986,021	2,310,406

The largest portion of the Englewood Schools' assets (69 percent) is cash and investments, the largest portion being in the general fund. Thirty-one 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 assets. Net assets invested in capital assets, net of related debt is negative due to the age of the District's capital assets with no construction in new buildings for many years. The District's long-term debt represents bonds used to maintain older, existing buildings.

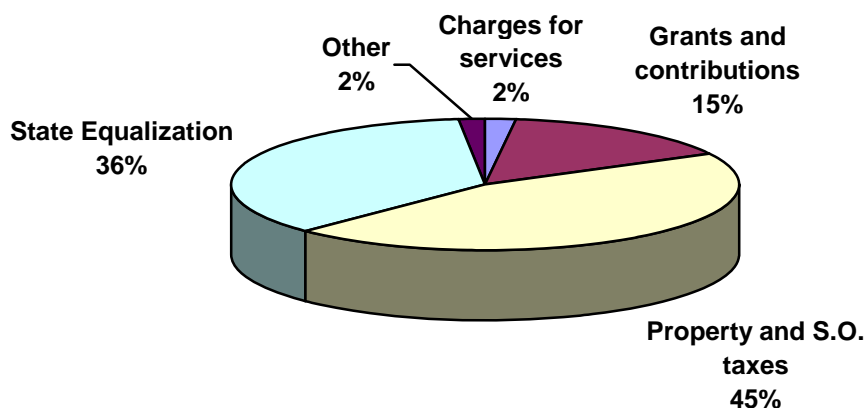
Governmental Activities. Governmental activities increased Englewood Schools' net assets by \$2,308,954. Revenues and expenses are budgeted according to funding levels from the State and enrollment projections. Both revenues and expenses were reduced due to declining enrollment. Actual expenses were reduced beyond the adjusted budget from the previous year, e.g. the District was able to increase its reserves.

Business-type Activities. Business-type activities net assets increased \$1,452 from the prior year reflecting minimal change.

Englewood Schools' Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Program revenues:						
Charges for services	\$160,717	\$71,492	\$706,691	\$638,267	\$867,408	\$709,759
Operating grants and contributions	3,589,399	4,892,767	674,267	734,954	4,263,666	5,627,721
General revenues:						
Property taxes	15,230,399	15,686,164	-	-	15,230,399	15,686,164
Specific Ownership taxes	1,128,455	1,051,599	-	-	1,128,455	1,051,599
State Equalization	13,489,379	13,258,128	-	-	13,489,379	13,258,128
Other	1,474,828	579,110	258	4	1,475,086	579,114
Total revenues	<u>35,073,177</u>	<u>35,539,260</u>	<u>1,381,216</u>	<u>1,373,225</u>	<u>36,454,393</u>	<u>36,912,485</u>
Expenses:						
Instruction	20,353,908	20,699,372	-	-	20,353,908	20,699,372
Supporting Services	12,184,195	11,816,820	-	-	12,184,195	11,816,820
Interest Expense	1,122,250	714,114	-	-	1,122,250	714,114
Food Services	-	-	922,878	945,906	922,878	945,906
Tuition	-	-	517,522	425,867	517,522	425,867
Total Expenses	<u>33,660,353</u>	<u>33,230,306</u>	<u>1,440,400</u>	<u>1,371,773</u>	<u>35,100,753</u>	<u>34,602,079</u>
Increase/decrease in net assets	<u>1,412,824</u>	<u>2,308,954</u>	<u>(59,184)</u>	<u>1,452</u>	<u>1,353,640</u>	<u>2,310,406</u>
Net assets – beginning of year	<u>8,052,056</u>	<u>9,464,880</u>	<u>269,919</u>	<u>210,735</u>	<u>8,321,975</u>	<u>9,675,615</u>
Net assets – end of year	<u>\$9,464,880</u>	<u>\$11,773,834</u>	<u>\$ 210,735</u>	<u>\$212,187</u>	<u>\$9,675,615</u>	<u>\$11,986,021</u>

Sources of Revenues for Fiscal Year 2010



Financial Analysis of the District's Fund

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

Governmental Funds. The focus of Englewood Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Englewood Schools' financing requirements. In particular, unreserved 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 \$21,020,711, an increase of \$1,445,001. The general fund, technology fund and capital reserve fund balances increased. Due to negative economic forecasts, the District intentionally under spent many general fund budget line items in order to increase its reserves. The capital reserve fund balance increase was due to starting some projects after the end of the fiscal year. All other revenues categories were close to budget.

The general fund is the major operating fund of Englewood Schools. At the end of the current fiscal year fund balance increased by \$723,053 to \$11,882,196 due to the District's efforts to freeze spending mid-year, except for salaries, benefits, utilities and other basic necessities, in anticipation of several years of financial challenges due to the economic recession. The technology fund balance at June 30, 2010 was \$4,130,695, a slight increase of \$11,317 from the prior year. The District's other major fund, the bond redemption fund, had an ending fund balance of \$3,852,533, an increase of \$654,016. The grants fund balance did not change.

The District expended \$641,311 in the capital reserve fund on various capital projects and asset acquisitions. The capital reserve fund had an ending fund balance of \$1,155,287, an increase of \$56,615 due to some projects were not started until after the end of the fiscal year. The District is also escrowing dollars for future turf replacement at its District athletic stadium.

Proprietary Funds. The food services program finished the 2010 fiscal year with net assets of \$52,724, an increase of \$19,404. The District contracted with a food service management program in the 2009-10 school year.

This is the sixth year the District used the tuition program fund to record tuition-based early childhood and before and after school programs. Net assets for this fund totaled \$159,463 at fiscal year end, a decrease of \$17,952. This decrease is due to the intentional use of fund balance to assist in waiving tuition for families based on income levels.

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In October after enrollment stabilizes, adjustments are made to the budget. The District projected declining enrollment and reduced both revenue and expense budgetary line items. Due to mid-year economic forecasts projecting tax revenue shortfalls at the State level, the District enforced a spending freeze in anticipation of a deep recession. The District was under budget in both instruction and supporting 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, 2010 amounts to \$12,080,584 (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 Activities		Total		Change
	2009	2010	2009	2010	2009	2010	
Land & Improvements	\$1,522,157	\$1,522,157	\$ -	\$ -	\$1,522,157	\$1,522,157	\$0
Buildings	51,313,129	51,528,900	-	-	51,313,129	51,528,900	215,771
Machinery & equipment	1,900,291	2,022,495	266,468	266,468	2,166,759	2,288,963	122,204
Accumulated depreciation	<u>(41,176,201)</u>	<u>(42,992,968)</u>	<u>(266,468)</u>	<u>(266,468)</u>	<u>(41,442,669)</u>	<u>(43,259,436)</u>	<u>(1,816,767)</u>
Total Governmental funds capital assets	\$13,559,376	\$12,080,584	\$ -	\$ -	\$13,559,376	\$12,080,584	\$(1,478,792)

Long-Term Debt.

As of June 30, 2010, the District had outstanding debt of \$22,170,160. Of this amount, \$21,407,619 is general obligation bonded debt and accrued interest on this debt, which is backed by the full faith and credit of the District. In 2008 and 2005, the District refunded a portion of its bonds producing a present value savings of over \$1 million for Englewood taxpayers in the next ten years. Additional information can be found in Note 6 in the Notes to the Financial Statements section.

	2009	2010	Change
General Obligation Bonds	\$23,020,496	\$21,407,619	\$(1,612,877)
Bond Premium	923,584	773,992	(149,592)
Loss on Refunding	(718,745)	(599,315)	119,430
EPA Note	28,336	18,892	(9,444)
Sick Leave	621,778	496,972	(124,806)
Deferred Compensation	287,036	72,000	(215,036)
Totals	\$24,162,485	\$22,170,160	\$(1,992,325)

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. This provision was intended to stabilize funding for school districts. However, the state experienced serious financial problems arising from the post-9/11 recession. 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. The passage of this ballot initiative is widely viewed as having a positive impact for education funding. 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 in prior years, and the legislature considered those ballot issues to also encompass taxation matters. Opponents argued that this was a tax increase that violated the TABOR constitutional amendment.

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. This move eased some of the budget adjustments that had to be made to cover the decrease in revenue due to declining enrollment. For the 2008-09 school year, the District consolidated five elementary schools into four and repurposed an elementary school to serve as a state-of-the-art early childhood center. The District achieved significant annual savings from this consolidation. In addition to 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 0.5% each year until 2013 placing more strain on District finances.

The Colorado and national economies are currently in one of the deepest recessions since the Great Depression. This has 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 anticipates deep cuts for the 2010-11 fiscal year and at least three to five years beyond that. The District has positioned itself for this type of economic downturn by increasing general fund reserves when it could.

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 SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 23,784,306	\$ 238,336	\$ 24,022,642
Accounts Receivable	45,268	644	45,912
Taxes Receivable	1,399,783	-	1,399,783
Grants Receivable	535,988	81,797	617,785
Interest Receivable	23,286	-	23,286
Inventories	-	31,772	31,772
Bond Issuance Costs, Net of Accumulated Amorization	170,582	-	170,582
Capital Assets, Not Being Depreciated	1,522,157	-	1,522,157
Capital Assets, Net of Accumulated Depreciation	10,558,427	-	10,558,427
TOTAL ASSETS	38,039,797	352,549	38,392,346
LIABILITIES			
Accounts Payable	114,243	84,785	199,028
Accrued Liabilities	777,114	-	777,114
Accrued Salaries and Benefits	3,036,079	47,002	3,083,081
Deferred Revenues	99,752	8,575	108,327
Accrued Interest Payable	68,615	-	68,615
Noncurrent Liabilities			
Due Within One Year	2,753,068	-	2,753,068
Due in More Than One Year	19,417,092	-	19,417,092
TOTAL LIABILITIES	26,265,963	140,362	26,406,325
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	(9,520,604)	-	(9,520,604)
Restricted for Debt Service	4,004,486	-	4,004,486
Restricted for Capital Purposes	1,155,287	-	1,155,287
Restricted for Extended Term Contract	44,531	-	44,531
Restricted for Preschool	57,310	-	57,310
Restricted for Emergencies	849,000	-	849,000
Unrestricted	15,183,824	212,187	15,396,011
TOTAL NET ASSETS	\$ 11,773,834	\$ 212,187	\$ 11,986,021

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT			
Governmental Activities			
Instruction	\$ 20,699,372	\$ 71,492	\$ 3,790,728
Supporting Services	11,816,820	-	1,102,039
Interest on Long-Term Debt	714,114	-	-
Total Governmental Activities	33,230,306	71,492	4,892,767
Business-Type Activities			
Food Services	945,906	230,352	734,954
Tuition	425,867	407,915	-
Total Business-Type Activities	1,371,773	638,267	734,954
TOTAL PRIMARY GOVERNMENT	\$ 34,602,079	\$ 709,759	\$ 5,627,721
GENERAL REVENUES			
Property Taxes			
Specific Ownership Taxes			
State Equalization			
Investment Income			
Other			
TOTAL GENERAL REVENUES			
CHANGE IN NET ASSETS			
NET ASSETS, Beginning			
NET ASSETS, Ending			

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

NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (16,837,152)	\$ -	\$ (16,837,152)
(10,714,781)	-	(10,714,781)
<u>(714,114)</u>	<u>-</u>	<u>(714,114)</u>
<u>(28,266,047)</u>	<u>-</u>	<u>(28,266,047)</u>
-	19,400	19,400
<u>-</u>	<u>(17,952)</u>	<u>(17,952)</u>
-	1,448	1,448
<u>(28,266,047)</u>	<u>1,448</u>	<u>(28,264,599)</u>
15,686,164	-	15,686,164
1,051,599	-	1,051,599
13,258,128	-	13,258,128
157,455	4	157,459
<u>421,655</u>	<u>-</u>	<u>421,655</u>
<u>30,575,001</u>	<u>4</u>	<u>30,575,005</u>
2,308,954	1,452	2,310,406
<u>9,464,880</u>	<u>210,735</u>	<u>9,675,615</u>
\$ <u><u>11,773,834</u></u>	\$ <u><u>212,187</u></u>	\$ <u><u>11,986,021</u></u>

ENGLEWOOD SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	<u>GENERAL</u>	<u>GRANTS</u>	<u>TECHNOLOGY</u>
ASSETS			
Cash and Investments	\$ 14,743,296	\$ 27,720	\$ 4,117,441
Accounts Receivable	45,268	-	-
Taxes Receivable	1,134,040	-	-
Grants Receivable	-	535,988	-
Interest Receivable	10,032	-	13,254
Due From Other Funds	<u>140,000</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 16,072,636</u>	<u>\$ 563,708</u>	<u>\$ 4,130,695</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 102,075	\$ 10,349	\$ -
Accrued Liabilities	777,114	-	-
Accrued Salaries and Benefits	2,722,472	313,607	-
Deferred Revenues	588,779	99,752	-
Due to Other Funds	<u>-</u>	<u>140,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>4,190,440</u>	<u>563,708</u>	<u>-</u>
FUND BALANCES			
Reserved for Extended Term Contract	44,531	-	-
Reserved for Preschool	57,310	-	-
Reserved for Emergencies	849,000	-	-
Unreserved, Reported In			
General Fund	10,931,355	-	-
Special Revenue Funds	-	-	4,130,695
Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>11,882,196</u>	<u>-</u>	<u>4,130,695</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,072,636</u>	<u>\$ 563,708</u>	<u>\$ 4,130,695</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balances of Governmental Funds

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

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

Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds. This amount includes long-term debt (\$22,170,160), accrued interest payable (\$68,615), and bond issuance costs \$170,582.

Total Net Assets of Governmental Activities

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

BOND REDEMPTION	CAPITAL RESERVE	TOTAL
\$ 3,738,743	\$ 1,157,106	\$ 23,784,306
-	-	45,268
265,743	-	1,399,783
-	-	535,988
-	-	23,286
-	-	140,000
<u>\$ 4,004,486</u>	<u>\$ 1,157,106</u>	<u>\$ 25,928,631</u>

\$ -	\$ 1,819	\$ 114,243
-	-	777,114
-	-	3,036,079
151,953	-	840,484
-	-	140,000
<u>151,953</u>	<u>1,819</u>	<u>4,907,920</u>

-	-	44,531
-	-	57,310
-	-	849,000
-	-	10,931,355
-	1,155,287	5,285,982
3,852,533	-	3,852,533
<u>3,852,533</u>	<u>1,155,287</u>	<u>21,020,711</u>
<u>\$ 4,004,486</u>	<u>\$ 1,157,106</u>	<u>\$ 25,928,631</u>

\$ 21,020,711

12,080,584

740,732

(22,068,193)

\$ 11,773,834

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

	GENERAL	GRANTS	TECHNOLOGY
REVENUES			
Local Sources	\$ 13,920,471	\$ 64,319	\$ 88,975
State Sources	14,296,097	327,213	-
Federal Sources	-	3,463,266	-
TOTAL REVENUES	28,216,568	3,854,798	88,975
EXPENDITURES			
Current			
Instruction	16,568,671	2,775,914	-
Supporting Services	10,080,280	1,233,408	39,019
Capital Outlay	-	-	38,639
Debt Service			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
TOTAL EXPENDITURES	26,648,951	4,009,322	77,658
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,567,617	(154,524)	11,317
OTHER FINANCING SOURCES (USES)			
Transfers In	-	154,524	-
Transfers Out	(844,564)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(844,564)	154,524	-
NET CHANGE IN FUND BALANCES	723,053	-	11,317
FUND BALANCES, Beginning	11,159,143	-	4,119,378
FUND BALANCES, Ending	\$ 11,882,196	\$ -	\$ 4,130,695

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

<u>BOND REDEMPTION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
\$ 3,186,623	\$ 7,886	\$ 17,268,274
-	-	14,623,310
<u>-</u>	<u>-</u>	<u>3,463,266</u>
<u>3,186,623</u>	<u>7,886</u>	<u>35,354,850</u>
-	-	19,344,585
-	-	11,352,707
-	641,311	679,950
1,699,444	-	1,699,444
<u>833,163</u>	<u>-</u>	<u>833,163</u>
<u>2,532,607</u>	<u>641,311</u>	<u>33,909,849</u>
<u>654,016</u>	<u>(633,425)</u>	<u>1,445,001</u>
-	690,040	844,564
<u>-</u>	<u>-</u>	<u>(844,564)</u>
<u>-</u>	<u>690,040</u>	<u>-</u>
654,016	56,615	1,445,001
<u>3,198,517</u>	<u>1,098,672</u>	<u>19,575,710</u>
\$ <u><u>3,852,533</u></u>	\$ <u><u>1,155,287</u></u>	\$ <u><u>21,020,711</u></u>

ENGLEWOOD SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances of Governmental Funds	\$ 1,445,001
Capital outlays to purchase or construct capital assets are reported in the governmental funds as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation expense (\$1,816,767) exceeded capital outlay \$337,975 in the current year.	(1,478,792)
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents property tax revenues not available at year end.	184,410
Repayments of bond principal \$1,690,000 and note principal \$9,444 are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	1,699,444
Proceeds from debt issued and the related costs are revenues and expenditures in the governmental funds, but are long-term liabilities and assets in the statement of net assets and do not affect the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items: amortization of bond premium \$149,592, amortization of loss on refunding (\$119,430), and amortization of bond issuance costs (\$29,776).	386
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 the governmental funds. This includes the change in accrued compensated absences \$124,806, deferred compensation \$215,036, accrued interest payable \$195,786, and accrued interest on capital appreciation bonds (\$77,123).	458,505
Change in Net Assets of Governmental Activities	\$ <u>2,308,954</u>

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
 June 30, 2010

	FOOD SERVICES	TUITION	TOTAL
ASSETS			
Current Assets			
Cash	\$ 52,830	\$ 185,506	\$ 238,336
Accounts Receivable	644	-	644
Grants Receivable	81,797	-	81,797
Inventories	31,772	-	31,772
TOTAL ASSETS	167,043	185,506	352,549
LIABILITIES			
Current Liabilities			
Accounts Payable	84,785	-	84,785
Accrued Salaries and Benefits	20,959	26,043	47,002
Deferred Revenues	8,575	-	8,575
TOTAL LIABILITIES	114,319	26,043	140,362
NET ASSETS			
Unrestricted	52,724	159,463	212,187
TOTAL NET ASSETS	\$ 52,724	\$ 159,463	\$ 212,187

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
 Year Ended June 30, 2010

	FOOD SERVICES	TUITION	TOTAL
OPERATING REVENUES			
Charges for Services			
Student and Adult Meals	\$ 230,352	\$ -	\$ 230,352
Tuition	-	407,915	407,915
TOTAL OPERATING REVENUES	230,352	407,915	638,267
OPERATING EXPENSES			
Salaries	101,702	321,801	423,503
Employee Benefits	26,639	71,912	98,551
Purchased Services	754,372	10,422	764,794
Commodities	54,495	-	54,495
Supplies and Materials	8,698	3,931	12,629
Other	-	17,801	17,801
TOTAL OPERATING EXPENSES	945,906	425,867	1,371,773
OPERATING INCOME (LOSS)	(715,554)	(17,952)	(733,506)
NONOPERATING REVENUES			
Federal Sources			
School Breakfast and Lunch Program	659,405	-	659,405
Commodities	54,495	-	54,495
State Sources	21,054	-	21,054
Investment Income	4	-	4
TOTAL NONOPERATING REVENUES	734,958	-	734,958
CHANGE IN NET ASSETS	19,404	(17,952)	1,452
NET ASSETS, Beginning	33,320	177,415	210,735
NET ASSETS, Ending	\$ 52,724	\$ 159,463	\$ 212,187

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Increase (Decrease) in Cash

Year Ended June 30, 2010

	FOOD SERVICES	TUITION	TOTAL
Cash Flows From Operating Activities			
Cash Received from Operations	\$ 232,347	\$ 407,915	\$ 640,262
Cash Paid to Employees	(128,228)	(392,877)	(521,105)
Cash Paid to Suppliers	(682,647)	(32,154)	(714,801)
Net Cash Provided (Used) by Operating Activities	(578,528)	(17,116)	(595,644)
Cash Flows From Noncapital Financing Activities			
Cash Received from Federal Sources	588,689	-	588,689
Cash Received from State Sources	20,045	-	20,045
Net Cash Provided by Noncapital Financing Activities	608,734	-	608,734
Cash Flows From Investing Activities			
Earnings on Investments	4	-	4
NET INCREASE (DECREASE) IN CASH	30,210	(17,116)	13,094
CASH, Beginning	22,620	202,622	225,242
CASH, Ending	\$ 52,830	\$ 185,506	\$ 238,336
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (715,554)	\$ (17,952)	\$ (733,506)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Commodities	54,495	-	54,495
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	(644)	-	(644)
Inventories	9,297	-	9,297
Accounts Payable	71,126	-	71,126
Accrued Salaries and Benefits	113	836	949
Deferred Revenues	2,639	-	2,639
Total Adjustments	137,026	836	137,862
Net Cash Provided (Used) by Operating Activities	\$ (578,528)	\$ (17,116)	\$ (595,644)
NON-CASH ACTIVITIES			
Commodities	\$ 54,495	\$ -	\$ 54,495

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

ENGLEWOOD SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2010

	PRIVATE PURPOSE TRUST	AGENCY
ASSETS		
Cash and Investments	\$ 94,040	\$ 213,649
TOTAL ASSETS	94,040	213,649
LIABILITIES		
Due to Student Groups	-	213,649
TOTAL LIABILITIES	-	213,649
NET ASSETS		
Reserved for Scholarships	94,040	-
TOTAL NET ASSETS	\$ 94,040	\$ -

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
 Year Ended June 30, 2010

	PRIVATE PURPOSE TRUST
ADDITIONS	
Investment Income	\$ <u>174</u>
DELETIONS	
Scholarships	<u>3,000</u>
CHANGE IN NET ASSETS	(2,826)
NET ASSETS, Beginning	<u>96,866</u>
NET ASSETS, Ending	\$ <u><u>94,040</u></u>

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

ENGLEWOOD SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The 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 this criteria, no additional organizations are includable within the District’s reporting entity.

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major 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 local, state and federal grant revenues and the related expenditures.

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

The *Bond Redemption Fund* accounts for resources accumulated for, and payments made on, long-term debt obligations of the District.

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

Additionally, the District reports the following fund types:

The *Private-Purpose Trust Fund* accounts for the activities of various scholarship programs. The District holds all resources in a purely custodial capacity.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

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 for enterprise funds 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.

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.

Assets, Liabilities and Net Assets/Fund Balances

Investments - Investments are reported at fair value.

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

Capital Assets - Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds 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 the estimated fair market value at the date of donation.

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

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives.

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

Accrued Salaries and Benefits - Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from September to August, 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 accompanying financial statements.

Deferred Revenues - Deferred revenues include grants that have been collected but corresponding expenditures have not been incurred. Property taxes not collected within 60 days of year end are deferred in the governmental fund financial statements.

Long-Term Debt - In the government-wide financial statements, and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Compensated Absences - The District's policy allows all employees to accumulate sick and vacation leave. Accumulated leave is paid upon termination of employment if the employee has accrued a minimum number of hours.

These compensated absences are recognized as current salary costs when earned in the proprietary funds 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.

Deferred Compensation - The District has agreed to pay early retirement benefits to employees. The amount of this benefit varies depending on the length of service. A long-term liability has been reported in the government-wide financial statements for the benefits earned and accepted.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Assets/Fund Balances - In the government-wide financial statements and the proprietary funds in the fund financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The District has restricted net assets for emergency reserves and extended term contracts as required by the Tabor Amendment (See Note 10).

Property Tax Revenues

Property taxes are levied on January 1 based on the assessed value of property as determined by the County Assessor. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

State Equalization Revenues

The District receives unrestricted State equalization revenues as required by State statutes.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2010, the District had the following cash and investments:

Cash on Hand	\$ 818
Deposits	2,735,870
Investments	<u>21,593,643</u>
Total	<u>\$ 24,330,331</u>

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

Cash and Investments	\$ 24,022,642
Fiduciary Funds Cash and Investments	<u>307,689</u>
Total	<u>\$ 24,330,331</u>

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2010, the District had bank deposits of \$3,015,570 collateralized with securities held by the financial institutions' agents but not in the District's name.

Investments

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

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

At June 30, 2010, the District had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Investment Maturities (in Years)</u>		<u>Fair Value</u>
		<u>Less Than 1</u>	<u>1 - 5</u>	
Wells Fargo Money Market Fund	Not Rated	\$ 1,069,569	\$ -	\$ 1,069,569
Local Government Investment Pools	AAAm	16,280,989	-	16,280,989
FHLB	AAA	1,128,630	614,735	1,743,365
FNMA	AAA	-	990,405	990,405
FHLMC	AAA	-	1,509,315	1,509,315
Total		<u>\$ 18,479,188</u>	<u>\$ 3,114,455</u>	<u>\$ 21,593,643</u>

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk - State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in one issuer. At June 30, 2010, the District's investments in the Federal Home Loan Bank, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation were 8%, 5%, and 7%, respectively, of total investments.

Local Government Investment Pools - At June 30, 2010, the District had \$16,186,949 and \$94,040 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate similarly to a money market fund with each share equal in value to \$1.00. 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.

NOTE 3: INTERFUND BALANCES AND TRANSACTIONS

At June 30, 2010, the General Fund had temporarily loaned \$140,000 to the Grants Fund to cover negative cash balances until grant receivables are collected.

Interfund transfers for the year ended June 30, 2010, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	
Grants Fund	General Fund	\$ 154,524
Capital Reserve Fund	General Fund	<u>690,040</u>
Total		<u>\$ 844,564</u>

The General Fund routinely transfers the required grant matching amounts to the Grants Fund, and provides financing for certain capital outlays in the Capital Reserve Fund.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 4: CAPITAL ASSETS

Activity for capital assets of the District is summarized below:

	Balances 6/30/09	Additions	Deletions	Balances 6/30/10
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land and Easements	\$ 1,522,157	\$ -	\$ -	\$ 1,522,157
Capital Assets, Being Depreciated				
Buildings and Improvements	51,313,129	215,771	-	51,528,900
Machinery and Equipment	1,900,291	122,204	-	2,022,495
Total Capital Assets, Being Depreciated	53,213,420	337,975	-	53,551,395
Less Accumulated Depreciation				
Buildings and Improvements	(40,083,077)	(1,713,668)	-	(41,796,745)
Machinery and Equipment	(1,093,124)	(103,099)	-	(1,196,223)
Total Accumulated Depreciation	(41,176,201)	(1,816,767)	-	(42,992,968)
Total Capital Assets, Being Depreciated, Net	12,037,219	(1,478,792)	-	10,558,427
Governmental Activities Capital Assets, Net	<u>\$ 13,559,376</u>	<u>\$ (1,478,792)</u>	<u>\$ -</u>	<u>\$ 12,080,584</u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Machinery and Equipment	\$ 266,468	\$ -	\$ -	\$ 266,468
Less Accumulated Depreciation	(266,468)	-	-	(266,468)
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Instruction	\$ 1,522,940
Supporting Services	293,827
Total	<u>\$ 1,816,767</u>

Impairment

At June 30, 2010, the District owned two school buildings with a carrying value of \$1,878,047 that were idle.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2010.

	Balances 6/30/09	Additions	Payments	Balances 6/30/10	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 21,095,000	\$ -	\$ 330,000	\$ 20,765,000	\$ 1,730,000
Capital Appreciation Bonds	1,925,496	77,123	1,360,000	642,619	655,000
Bond Premium	923,584	-	149,592	773,992	-
Loss on Refunding	(718,745)	-	(119,430)	(599,315)	-
EPA Note	28,336	-	9,444	18,892	9,444
Compensated Absences	621,778	199,505	324,311	496,972	286,624
Deferred Compensation	287,036	22,000	237,036	72,000	72,000
Total	<u>\$ 24,162,485</u>	<u>\$ 298,628</u>	<u>\$ 2,290,953</u>	<u>\$ 22,170,160</u>	<u>\$ 2,753,068</u>

Accrued compensated absences and deferred compensation are expected to be liquidated with revenues of the General Fund.

General Obligation Bonds

\$8,924,306 General Obligation Refunding Bonds, Series 1995, were issued to refund the Series 1990 and 1989 General Obligation Bonds. Principal payments are due annually on November 1, through 2010. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at rates ranging from 3.95% to 5.1%. A portion of the bonds are capital appreciation bonds. The original issue amount of the capital appreciation bonds was \$759,306 and interest accrues annually. The capital appreciation bonds are due in four installments between 2007 and 2010, with payments totaling \$4,070,000. The outstanding balance of the bonds at June 30, 2010, was \$642,619, including accrued interest on the capital appreciation bonds.

\$22,016,000 General Obligation Bonds, Series 1998, were issued to finance various capital projects within the District. Principal payments were due annually on December 1, through 2018. Interest payments were due semi-annually on June 1 and December 1. Interest accrued at rates ranging from 3.8% to 5.25%. The bonds were partially refunded and were due and paid in full during the year ended June 30, 2010.

\$12,454,993 General Obligation Refunding Bonds, Series 2005, were issued to refund various outstanding 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 3.25% to 5.0%. A portion of the bonds are capital appreciation bonds. The original issue amount of the capital appreciation bonds was \$599,993 and interest accrues annually. The capital appreciation bonds are due in five installments between 2005 and 2010, with payments totaling \$1,205,000. The outstanding balance of the bonds at June 30, 2010, was \$11,855,000. The capital appreciation bonds were paid in full during the year ended June 30, 2010.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 5: **LONG-TERM DEBT** (Continued)

General Obligation Bonds (Continued)

\$9,075,000 General Obligation Refunding Bonds, Series 2008, were issued to partially refund the General Obligation Bonds, Series 1998. Principal payments are due annually on December 1, through 2017. Interest accrues at rates ranging from 3.25% to 4.20% and is payable semi-annually on December 1 and June 1. The outstanding balance of the bonds at June 30, 2010, was \$8,910,000.

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,827,587	\$ 1,352,675	\$ 3,180,262
2012	2,440,000	724,488	3,164,488
2013	2,520,000	636,206	3,156,206
2014	2,610,000	541,688	3,151,688
2015	2,705,000	425,388	3,130,388
2016 - 2019	<u>8,760,000</u>	<u>553,770</u>	<u>9,313,770</u>
Total	<u>\$ 20,862,587</u>	<u>\$ 4,234,215</u>	<u>\$ 25,096,802</u>

EPA Note

The District has a note payable to the Environmental Protection Agency. The note is non-interest bearing and matures in April, 2012. Minimum payments on the note, to maturity, are as follows:

<u>Year Ended June 30,</u>	
2011	\$ 9,444
2012	<u>9,448</u>
Total	<u>\$ 18,892</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 plans to provide for or restore the economic damages of those losses through risk transfer. The District participates in the Colorado School Districts Self-Insurance Pool for all coverages except workers compensation for which it has utilized a commercial insurance carrier.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 6: **RISK MANAGEMENT** (Continued)

Colorado School Districts Self-Insurance Pool

The Colorado School Districts Self-Insurance Pool (CSDSIP), sponsored by the Colorado Association of School Boards (CASB), 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 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.

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%. The District's contribution rate for calendar years 2008, 2009 and 2010 was 12.05%, 12.95% and 13.85% of covered salaries, respectively. A portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 8). The District's contributions to the SDTF for the years ended June 30, 2010, 2009 and 2008 were \$2,711,645, \$2,570,037, and \$2,319,166, respectively, equal to the required contributions for each year.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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 is required to contribute at a 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 contributions to the HCTF for the years ended June 30, 2010, 2009 and 2008 were \$206,328, \$209,759, and \$200,233, respectively, equal to the required contributions for each year.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2010, 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.

Tabor Amendment

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

Fiscal year 1993 provides the basis for limits 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.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 9: **COMMITMENTS AND CONTINGENCIES** (Continued)

Tabor Amendment (Continued)

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2010, the District's reserve of \$849,000 was reported as a reservation of 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.

REQUIRED SUPPLEMENTARY INFORMATION

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2010

	BUDGET			VARIANCE
	ORIGINAL	FINAL	ACTUAL	Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 12,104,715	\$ 12,104,715	\$ 12,315,433	\$ 210,718
Specific Ownership Taxes	1,000,000	1,000,000	1,051,599	51,599
Delinquent Property Taxes	150,000	150,000	6,221	(143,779)
Tuition	85,000	85,000	70,317	(14,683)
Pupil Activities	40,000	40,000	1,175	(38,825)
Investment Income	150,000	150,000	62,428	(87,572)
Other	285,000	285,000	413,298	128,298
Total Local Sources	13,814,715	13,814,715	13,920,471	105,756
State Sources				
State Equalization	13,730,530	13,730,530	13,072,728	(657,802)
Hold Harmless Kindergarten	182,000	182,000	185,400	3,400
Vocational Education	-	-	101,472	101,472
ECEA	760,000	760,000	763,893	3,893
ELPA	20,000	20,000	35,011	15,011
Transportation	100,000	100,000	137,593	37,593
Total State Sources	14,792,530	14,792,530	14,296,097	(496,433)
TOTAL REVENUES	28,607,245	28,607,245	28,216,568	(390,677)
EXPENDITURES				
Instruction	16,648,343	16,639,236	16,568,671	70,565
Supporting Services				
Students	1,643,667	1,570,871	1,529,865	41,006
Instructional Staff	829,683	919,691	844,243	75,448
General Administration	475,358	475,358	421,445	53,913
School Administration	1,827,065	1,827,065	1,797,442	29,623
Business Services	687,620	687,620	549,999	137,621
Operations and Maintenance	3,441,079	3,441,079	3,063,344	377,735
Student Transportation	785,053	785,453	681,239	104,214
Central Support	663,487	663,487	674,198	(10,711)
Other Support	681,084	681,084	509,696	171,388
Community Services	833	1,925	8,809	(6,884)
Reserves	9,824,719	11,228,955	-	11,228,955
TOTAL EXPENDITURES	37,507,991	38,921,824	26,648,951	12,272,873
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,900,746)	(10,314,579)	1,567,617	11,882,196
OTHER FINANCING SOURCES (USES)				
Transfers Out	(844,564)	(844,564)	(844,564)	-
NET CHANGE IN FUND BALANCE	(9,745,310)	(11,159,143)	723,053	11,882,196
FUND BALANCE, Beginning	9,745,310	11,159,143	11,159,143	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 11,882,196	\$ 11,882,196

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2010

	BUDGET			VARIANCE
	ORIGINAL	FINAL	ACTUAL	Positive (Negative)
REVENUES				
Local Sources	\$ 250,000	\$ 253,488	\$ 64,319	\$ (189,169)
State Sources	240,000	341,333	327,213	(14,120)
Federal Sources	2,800,000	4,505,745	3,463,266	(1,042,479)
TOTAL REVENUES	3,290,000	5,100,566	3,854,798	(1,245,768)
EXPENDITURES				
Current				
Instruction	2,066,902	2,952,024	2,775,914	176,110
Supporting Services	1,377,934	1,695,362	1,233,408	461,954
Reserves	-	453,180	-	453,180
TOTAL EXPENDITURES	3,444,836	5,100,566	4,009,322	1,091,244
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(154,836)	-	(154,524)	(154,524)
OTHER FINANCING SOURCES				
Transfers In	154,836	-	154,524	154,524
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

TECHNOLOGY FUND

Year Ended June 30, 2010

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Local Sources				
Investment Income	\$ 100,000	\$ 100,000	\$ 88,308	\$ (11,692)
Other	-	-	667	667
TOTAL REVENUES	100,000	100,000	88,975	(11,025)
EXPENDITURES				
Supporting Services				
Purchased Services	10,000	10,000	7,569	2,431
Supplies and Materials	20,000	20,000	31,450	(11,450)
Capital Outlay	70,000	70,000	38,639	31,361
Reserves	4,129,425	4,119,378	-	4,119,378
TOTAL EXPENDITURES	4,229,425	4,219,378	77,658	4,141,720
NET CHANGE IN FUND BALANCE	(4,129,425)	(4,119,378)	11,317	4,130,695
FUND BALANCE, Beginning	4,129,425	4,119,378	4,119,378	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 4,130,695	\$ 4,130,695

See the accompanying Independent Auditors' Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2010

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles, except the proprietary funds which utilize a non-GAAP budgetary basis.

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.
- All annual appropriations lapse at year end.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2010

	BUDGET			VARIANCE
	ORIGINAL	FINAL	ACTUAL	Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 3,250,000	\$ 3,250,000	\$ 3,180,100	\$ (69,900)
Investment Income	30,000	30,000	6,523	(23,477)
TOTAL REVENUES	3,280,000	3,280,000	3,186,623	(93,377)
EXPENDITURES				
Debt Service				
Principal	577,938	577,938	1,699,444	(1,121,506)
Interest and Fiscal Charges	1,942,224	1,942,224	833,163	1,109,061
Reserves	3,976,275	3,958,355	-	3,958,355
TOTAL EXPENDITURES	6,496,437	6,478,517	2,532,607	3,945,910
NET CHANGE IN FUND BALANCE	(3,216,437)	(3,198,517)	654,016	3,852,533
FUND BALANCE, Beginning	3,216,437	3,198,517	3,198,517	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 3,852,533	\$ 3,852,533

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2010

	BUDGET			VARIANCE
	ORIGINAL	FINAL	ACTUAL	Positive (Negative)
REVENUES				
Local Sources				
Investment Income	\$ 1,500	\$ 1,500	\$ 196	\$ (1,304)
Other	-	-	7,690	7,690
TOTAL REVENUES	1,500	1,500	7,886	6,386
EXPENDITURES				
Capital Outlay				
Land	40,000	40,000	18,300	21,700
Buildings	548,423	543,423	201,146	342,277
Equipment	215,000	336,000	158,749	177,251
Other	389,200	273,200	263,116	10,084
Reserves	703,104	597,589	-	597,589
TOTAL EXPENDITURES	1,895,727	1,790,212	641,311	1,148,901
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,894,227)	(1,788,712)	(633,425)	1,155,287
OTHER FINANCING SOURCES				
Transfers In	690,040	690,040	690,040	-
NET CHANGE IN FUND BALANCE	(1,204,187)	(1,098,672)	56,615	1,155,287
FUND BALANCE, Beginning	1,204,187	1,098,672	1,098,672	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 1,155,287	\$ 1,155,287

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2010

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Charges for Services				
Student and Adult Meals	\$ 320,000	\$ 325,000	\$ 230,352	\$ (94,648)
Federal Sources				
School Breakfast and Lunch Program	560,000	560,000	659,405	99,405
Commodities	60,000	60,000	54,495	(5,505)
State Sources	10,000	10,000	21,054	11,054
Investment Income	500	500	4	(496)
TOTAL REVENUES	950,500	955,500	965,310	9,810
EXPENDITURES				
Current				
Salaries	100,000	100,000	101,702	(1,702)
Employee Benefits	25,000	25,000	26,639	(1,639)
Purchased Services	750,000	750,000	754,372	(4,372)
Commodities	60,000	60,000	54,495	5,505
Supplies and Materials	-	-	8,698	(8,698)
Reserves	49,079	53,820	-	53,820
TOTAL EXPENDITURES	984,079	988,820	945,906	42,914
CHANGE IN NET ASSETS	\$ (33,579)	\$ (33,320)	19,404	\$ 52,724
NET ASSETS, Beginning			33,320	
NET ASSETS, Ending			\$ 52,724	

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

TUITION FUND

Year Ended June 30, 2010

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Local Sources				
Tuition	\$ <u>560,000</u>	\$ <u>560,000</u>	\$ <u>407,915</u>	\$ <u>(152,085)</u>
TOTAL REVENUES	<u>560,000</u>	<u>560,000</u>	<u>407,915</u>	<u>(152,085)</u>
EXPENDITURES				
Current				
Salaries	380,000	380,000	321,801	58,199
Employee Benefits	95,000	95,000	71,912	23,088
Purchased Services	17,000	17,000	10,422	6,578
Supplies and Materials	29,000	28,000	3,931	24,069
Other	-	1,000	17,801	(16,801)
Reserves	<u>352,553</u>	<u>216,415</u>	<u>-</u>	<u>216,415</u>
TOTAL EXPENDITURES	<u>873,553</u>	<u>737,415</u>	<u>425,867</u>	<u>311,548</u>
CHANGE IN NET ASSETS	(313,553)	(177,415)	(17,952)	159,463
NET ASSETS, Beginning	<u>313,553</u>	<u>177,415</u>	<u>177,415</u>	<u>-</u>
NET ASSETS, Ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>159,463</u></u>	\$ <u><u>159,463</u></u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended June 30, 2010

	BALANCE 6/30/09	ADDITIONS	DEDUCTIONS	BALANCE 6/30/10
ASSETS				
Cash	\$ <u>195,462</u>	\$ <u>405,942</u>	\$ <u>387,755</u>	\$ <u>213,649</u>
LIABILITIES				
Due to Student Groups	\$ <u>195,462</u>	\$ <u>405,942</u>	\$ <u>387,755</u>	\$ <u>213,649</u>

See the accompanying Independent Auditors' Report.

STATISTICAL SECTION
(Unaudited)

ENGLEWOOD SCHOOLS

Statistical Section

(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	34-37
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	38-41
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	42-44
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.	
Demographic and Economic Information	45-46
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	47-50
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.	

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; therefore, schedules presenting government-wide information include information beginning in that year.

ENGLEWOOD SCHOOLS

Net Assets by Component Last Seven Fiscal Years

(Unaudited)

	Fiscal Year Ended June 30,							
	2004	2005	2006	2007	2008	2009	2010	
Governmental activities:								
Invested in capital assets, net of related debt	\$ (12,084,164)	\$ (11,799,981)	\$ (10,851,284)	\$ (10,641,157)	\$ (10,231,564)	\$ (9,493,937)	\$ (9,520,604)	
Restricted	4,181,700	4,314,767	4,103,468	4,296,941	4,554,606	5,434,692	6,110,614	
Unrestricted	10,040,698	12,239,773	12,092,020	12,919,127	13,729,014	13,524,125	15,183,824	
Total governmental activities net assets	2,138,234	4,754,559	5,344,204	6,574,911	8,052,056	9,464,880	11,773,834	
Business-type activities								
Invested in capital assets, net of related debt	19,254	10,810	2,366	-	-	-	-	
Unrestricted	(28,312)	(5,932)	239,513	222,755	269,919	210,735	212,187	
Total business-type activities net assets	(9,058)	4,878	241,879	222,755	269,919	210,735	212,187	
Primary government activities:								
Invested in capital assets, net of related debt	(12,064,910)	(11,789,171)	(10,848,918)	(10,641,157)	(10,231,564)	(9,493,937)	(9,520,604)	
Restricted	4,181,700	4,314,767	4,103,468	4,296,941	4,554,606	5,434,692	6,110,614	
Unrestricted	10,012,386	12,233,841	12,331,533	13,141,882	13,998,933	13,734,860	15,396,011	
Total primary government net assets	\$ 2,129,176	\$ 4,759,437	\$ 5,586,083	\$ 6,797,666	\$ 8,321,975	\$ 9,675,615	\$ 11,986,021	

ENGLEWOOD SCHOOLS

Changes in Net Assets Last Seven Fiscal Years

(Unaudited)

	Fiscal Year Ended June 30,						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
Instruction	\$ 19,869,059	\$ 20,835,648	\$ 20,691,842	\$ 20,406,654	\$ 20,339,331	\$ 20,353,908	\$ 20,699,372
Supporting Services	11,382,208	11,098,696	11,548,906	11,509,511	12,104,630	12,184,195	11,816,820
Depreciation, unallocated	-	-	-	-	-	-	-
Interest Expense	1,810,821	1,596,895	1,612,253	1,530,064	1,137,741	1,122,250	714,114
Total governmental activities expenses	33,062,088	33,531,239	33,853,001	33,446,229	33,581,702	33,660,353	33,230,306
Business-type activities:							
Food Services	866,182	816,143	845,520	776,410	868,402	922,878	945,906
Tuition	-	-	567,418	557,401	583,588	517,522	425,867
Total business-type activities expenses	866,182	816,143	1,412,938	1,333,811	1,451,990	1,440,400	1,371,773
Total primary government expenses	33,928,270	34,347,382	35,265,939	34,780,040	35,033,692	35,100,753	34,602,079
Program revenues:							
Governmental activities:							
Charges for services	93,484	74,668	118,408	83,074	174,855	160,717	71,492
Operating grants and contributions	3,832,283	4,041,732	3,032,985	3,475,498	3,482,975	3,589,399	4,892,767
Total governmental activities program revenue	3,925,767	4,116,400	3,151,393	3,558,572	3,657,830	3,750,116	4,964,259
Business-type activities:							
Charges for services	366,043	334,779	1,113,096	810,829	913,231	706,691	638,267
Operating grants and contributions	499,564	494,474	534,985	501,388	584,518	674,267	734,954
Total business-type activities program revenue	865,607	829,253	1,648,081	1,312,217	1,497,749	1,380,958	1,373,221
Total primary government revenues	4,791,374	4,945,653	4,799,474	4,870,789	5,155,579	5,131,074	6,337,480
Net (Expenses) Revenue							
Governmental activities	(29,136,321)	(29,414,839)	(30,701,608)	(29,887,657)	(29,923,872)	(29,910,237)	(28,266,047)
Business-type activities	(575)	13,110	235,143	(21,594)	45,759	(59,442)	1,448
Total primary government net expense	(29,136,896)	(29,401,729)	(30,466,465)	(29,909,251)	(29,878,113)	(29,969,679)	(28,264,599)
General revenues and other changes in net assets:							
Governmental Activities							
Property taxes	13,500,985	15,274,974	14,256,414	14,792,044	15,724,141	15,230,399	15,686,164
Specific ownership taxes	1,376,127	1,432,193	1,427,668	1,360,226	1,263,404	1,128,455	1,051,599
State equalization	14,457,890	14,525,813	14,499,224	13,752,655	13,019,552	13,489,379	13,258,128
Investment income	372,826	486,277	742,073	872,425	714,228	388,886	157,455
Other revenues	635,277	311,907	365,874	341,014	679,692	1,085,942	421,655
Total governmental activities	30,343,105	32,031,164	31,291,253	31,118,364	31,401,017	31,323,061	30,575,001
Business-type activities							
Investment income	575	826	1,858	2,470	1,405	258	4
Change in net assets							
Governmental activities	1,206,784	2,616,325	589,645	1,230,707	1,477,145	1,412,824	2,308,954
Business-type activities	-	13,936	237,001	(19,124)	47,164	(59,184)	1,452
Total primary government change in net assets	\$ 1,206,784	\$ 2,630,261	\$ 826,646	\$ 1,211,583	\$ 1,524,309	\$ 1,353,640	\$ 2,310,406

ENGLEWOOD SCHOOLS

Fund Balances, Governmental Funds Last Ten Fiscal Years

(Unaudited)

	Fiscal Year				
	2001	2002	2003	2004	2005
General Fund					
Reserved	\$ 1,419,661	\$ 1,471,354	\$ 897,800	\$ 845,109	\$ 927,620
Unreserved	5,577,836	4,955,109	5,398,804	6,041,910	8,564,258
Total general fund	6,997,497	6,426,463	6,296,604	6,887,019	9,491,878
All Other Governmental Funds					
Reserved	165,975	37,575	37,575	-	-
Unreserved, reported in:					
Special revenue funds	4,570,905	4,808,076	4,654,927	4,148,575	4,440,710
Debt service fund	3,023,150	2,991,960	2,956,831	2,945,594	3,270,221
Capital projects fund	1,377,398	430,475	281,359	832,103	-
Total all other governmental funds	9,137,428	8,268,086	7,930,692	7,926,272	7,710,931
Total all governmental funds	\$ 16,134,925	\$ 14,694,549	\$ 14,227,296	\$ 14,813,291	\$ 17,202,809

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 912,039	\$ 958,453	\$ 966,650	\$ 1,023,367	\$ 950,841
Unreserved	8,305,209	8,883,743	9,708,572	10,135,776	10,931,355
Total general fund	9,217,248	9,842,196	10,675,222	11,159,143	11,882,196
All Other Governmental Funds					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	4,530,283	4,432,905	4,613,289	5,218,050	5,285,982
Debt service fund	3,103,306	3,116,006	3,396,672	3,198,517	3,852,533
Capital projects fund	-	-	-	-	-
Total all other governmental funds	7,633,589	7,548,911	8,009,961	8,416,567	9,138,515
Total all governmental funds	\$ 16,850,837	\$ 17,391,107	\$ 18,685,183	\$ 19,575,710	\$ 21,020,711

ENGLEWOOD SCHOOLS

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Unaudited)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Local Sources	\$ 15,683,958	\$ 16,320,816	\$ 15,756,599	\$ 16,435,590	\$ 18,327,683	\$ 17,049,490	\$ 16,939,077	\$ 18,734,956	\$ 18,439,858	\$ 17,268,274
State Sources	13,273,638	14,255,825	16,903,288	15,325,784	15,633,951	15,380,545	14,894,756	13,963,522	14,641,751	14,623,310
Federal Sources	1,563,558	2,012,090	696,870	2,298,070	2,344,908	2,068,055	2,263,847	2,429,715	2,393,389	3,463,266
Total revenues	30,521,154	32,588,731	33,356,757	34,059,444	36,306,542	34,498,090	34,097,680	35,128,193	35,474,998	35,354,850
Expenditures:										
Instruction	16,905,120	18,276,725	19,070,048	18,420,576	18,793,151	18,141,882	18,061,928	18,408,034	18,739,912	19,344,585
Support services	9,592,947	10,637,646	10,374,322	10,759,749	10,624,116	11,083,341	11,110,338	11,504,378	11,443,495	11,352,707
Capital outlay	15,092,281	1,460,342	755,559	1,224,634	1,189,084	2,165,237	1,082,756	863,782	962,147	679,950
Debt service:										
Principal	1,693,354	1,880,612	1,927,412	2,025,660	2,028,620	2,305,163	2,262,528	2,314,444	2,494,444	1,699,444
Interest and fiscal charges	1,874,176	1,773,782	1,696,667	1,561,588	1,282,053	1,154,439	1,039,860	749,852	944,473	833,163
Bond issuance costs	-	-	-	-	166,545	-	-	128,697	-	-
Total expenditures	45,157,878	34,029,107	33,824,008	33,992,207	34,083,569	34,850,062	33,557,410	33,969,187	34,584,471	33,909,849
Other Financing Services (Uses)										
Bonds issued	-	-	-	-	12,454,993	-	-	9,075,000	-	-
Bond premium	-	-	-	-	1,056,861	-	-	439,060	-	-
Payments to escrow agent	-	-	-	-	(13,345,309)	-	-	(9,378,990)	-	-
Capital Lease	-	-	-	91,232	-	-	-	-	-	-
Proceeds from debt issuance	138,012	-	-	-	-	-	-	-	-	-
Transfers in	1,106,720	861,445	895,199	1,110,898	861,623	2,382,986	988,769	774,079	1,068,511	844,564
Transfers out	(1,106,720)	(861,445)	(895,199)	(1,110,898)	(861,623)	(2,382,986)	(988,769)	(774,079)	(1,068,511)	(844,564)
Total other financing sources (uses)	138,012	-	-	91,232	166,545	-	-	135,070	-	-
Net change in fund balances	\$ (14,498,712)	\$ (1,440,376)	\$ (467,251)	\$ 158,469	\$ 2,389,518	\$ (351,972)	\$ 540,270	\$ 1,294,076	\$ 890,527	\$ 1,445,001
Debt service as a percentage of noncapital expenditures	7.9%	10.7%	10.7%	10.6%	10.2%	9.9%	9.8%	9.4%	9.9%	7.5%

ENGLEWOOD SCHOOLS

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

(Unaudited)

Fiscal Year	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value			Percentage of Assessed Value to
			Residential Property	Commercial Property	Total Estimated Actual Value	Estimated Actual Value
2001	308,730,987	4.25	1,182,880,691	615,526,953	1,798,407,644	17.17%
2002	345,943,340	3.88	1,535,954,144	653,649,770	2,189,603,914	15.80%
2003	342,455,342	3.95	1,567,452,350	647,429,238	2,214,881,588	15.46%
2004	342,688,020	3.94	1,770,586,023	674,260,176	2,444,846,199	14.02%
2005	339,906,040	4.44	1,774,121,288	700,824,325	2,474,945,613	13.73%
2006	358,907,480	4.01	1,855,094,065	743,437,745	2,598,531,810	13.81%
2007	358,484,270	4.04	2,005,430,059	757,467,138	2,762,897,197	12.97%
2008	421,381,030	3.72	2,015,631,030	709,270,550	2,724,901,580	15.46%
2009	420,770,900	3.72	2,015,443,630	897,670,852	2,913,114,482	14.44%
2010	423,994,620	3.72	1,948,802,086	867,988,964	2,816,791,050	15.05%

Source: Arapahoe County Assessor's Office

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

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Valuation Year</u>
2001	9.74%	29.00%	2000
2002	9.15%	29.00%	2001
2003	9.15%	29.00%	2002
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%	2006
2010	7.96%	29.00%	2008

ENGLEWOOD SCHOOLS

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

(Unaudited)

Englewood Schools							
<u>Fiscal Year</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>
2001	32.305	10.239	42.544	14.013	7.030	6.662	7.300
2002	29.440	9.402	38.842	14.028	7.438	6.662	7.300
2003	29.998	9.487	39.485	14.459	7.770	6.662	7.300
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

Source: Arapahoe County Assessor's Office.

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

ENGLEWOOD SCHOOLS

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

Overlapping Rates

<u>Arapahoe Regional Library District</u>	<u>South Metro Fire & Rescue</u>	<u>South Suburban Recreation District</u>	<u>Urban Drainage & Flood Control District</u>	<u>South Englewood Sanitation District No. 1</u>	<u>Cherry- More Water & Sanitation District</u>	<u>Littleton Fire District</u>
3.808	-	7.838	0.067	1.100	1.174	6.678
3.682	-	7.422	0.690	1.100	0.092	6.678
3.695	-	7.228	0.062	1.100	-	6.678
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	-	-	-

ENGLEWOOD SCHOOLS

Principal Property Tax Payers Ten Years Ago and Current Year

(Unaudited)

2000				2010			
Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Columbia HealthOne	\$ 21,750,010	1	7.19%	Columbia HealthOne	\$ 21,750,010	1	5.13%
Public Service Co of Colorado	6,598,030	2	2.18%	Swedish Medical Ctr	8,415,400	2	1.98%
Swedish Medical Center	6,475,530	3	2.14%	Qwest Corp	7,675,600	3	1.81%
US West Communications	7,383,400	4	2.44%	Public Svc Co of Colorado	3,942,010	4	0.93%
Healthone & Swedish	2,610,000	5	0.86%	Englewood Meridian LP	3,502,410	5	0.83%
Wilkerson Corporation	2,563,440	6	0.85%	ODC Limited No 4	3,335,010	6	0.79%
Northern Englewood Limited	2,400,700	7	0.79%	Situs Enterprises LLC	3,190,000	7	0.75%
ODC Limited No. 4	2,320,000	8	0.77%	Healthone	3,126,730	8	0.74%
EQR Marks A LLC	2,318,120	9	0.77%	Sprint Nextel Corp	3,032,820	9	0.72%
ICG Telecom Group Inc.	1,733,100	10	0.57%	801/901 Englewood Parkway	2,481,530	10	0.59%
Total	<u>\$ 56,152,330</u>		<u>18.55%</u>		<u>\$ 60,451,520</u>		<u>14.26%</u>
Total Assessed Valuation	\$302,677,870				\$423,994,620		

Source: Arapahoe County Assessor's Office

ENGLEWOOD SCHOOLS

Property Tax Levies and Collections - All Funds Last Ten Years

(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy				(1) Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Delinquent Taxes	Total		Amount	Percentage of Levy
2001	13,134,652	12,264,320	93.4%	308,021	12,572,341	-	12,572,341	95.7%
2002	13,437,131	12,445,145	92.6%	566,648	13,011,793	-	13,011,793	96.8%
2003	13,521,849	13,297,878	98.3%	41,447	13,339,325	-	13,339,325	98.7%
2004	13,512,531	13,278,608	98.3%	8,986	13,287,594	-	13,287,594	98.3%
2005	15,098,286	15,086,569	99.9%	347,383	15,433,952	-	15,433,952	102.2%
2006	14,406,905	14,194,648	98.5%	117,210	14,311,858	-	14,311,858	99.3%
2007	14,466,274	13,979,583	96.6%	233,205	14,212,788	-	14,212,788	98.2%
2008	15,680,010	15,590,643	99.4%	91,759	15,682,402	-	15,682,402	100.0%
2009	15,650,574	15,585,667	99.6%	16,725	15,602,392	-	15,602,392	99.7%
2010	15,772,176	15,527,376	98.4%	(25,622)	15,501,754	-	15,501,754	98.3%

(1) Collections in subsequent years data not currently available.

Source: Arapahoe County Assessor's Office, District Audited Financial Statements 2001-2010.

ENGLEWOOD SCHOOLS

Outstanding Debt by Type Last Ten Years

(Unaudited)

Fiscal Year	Governmental Activities				Total Primary Government	Population	Personal Income	Percent of Personal Income	Per Capita
	General Obligation Bonds	EPA Note	Capital Leases						
2001	36,622,734	99,167	1,184,486		37,906,387	31,727	663,221,208	5.7%	1,195
2002	35,342,295	90,667	833,874		36,266,836	32,393	677,143,272	5.4%	1,120
2003	33,981,856	85,000	522,129		34,588,985	32,658	682,682,832	5.1%	1,059
2004	32,460,089	75,556	368,145		32,903,790	32,410	677,498,640	4.9%	1,015
2005	30,926,616	66,112	183,803		31,176,531	32,491	679,191,864	4.6%	960
2006	29,214,143	56,668	58,084		29,328,895	32,491	679,191,864	4.3%	903
2007	27,413,559	47,224	-		27,460,783	32,491	679,191,864	4.0%	845
2008	25,322,550	37,780	-		25,360,330	32,286	674,906,544	3.8%	785
2009	23,020,496	28,336	-		23,048,832	32,532	680,048,928	3.4%	708
2010	21,407,619	18,892	-		21,426,511	32,191	686,823,596	3.1%	666

Source: District Audited Financial Statements 2001-2010.

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.

ENGLEWOOD SCHOOLS

Direct and Overlapping Governmental Activities Debt June 30, 2010

(Unaudited)

<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	\$ 28,148,547	77.20 %	\$ 21,730,678
South Suburban Metropolitan Recreation and Park District	28,240,000	3.50	<u>988,400</u>
Total Overlapping Debt			<u>22,719,078</u>
Direct Debt:			
Englewood School District	21,407,619	100.00	<u>21,407,619</u>
Total Direct and Overlapping Debt			<u>\$ 44,126,697</u>

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

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

ENGLEWOOD SCHOOLS

Legal Debt margin Information Last Ten Fiscal Years

(Unaudited)

Computation of Maximum Debt Allowed for Fiscal Year 2010	
Taxable Assessed Valuation	\$ 423,994,620
Debt Limit Percentage (1)	20%
Legal Debt Limit	\$ 84,798,924
Total Bonded Debt	\$ 21,407,619
Amount Available in Debt Service Fund	3,852,533
Net Bonded Debt	17,555,086
Legal Debt Margin	\$ 67,243,838

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 60,535,564	\$ 71,814,112	\$ 68,491,068	\$ 67,981,208	\$ 67,981,208	\$ 71,781,496	\$ 71,696,854	\$ 84,276,206	\$ 84,154,180	\$ 84,798,924
Total net debt applicable to limit	33,599,584	32,350,335	28,335,704	29,514,495	27,656,395	26,110,837	24,297,553	21,925,878	19,821,979	17,555,086
Legal debt margin	\$ 26,935,980	\$ 39,463,777	\$ 40,155,364	\$ 38,466,713	\$ 40,324,813	\$ 45,670,659	\$ 47,399,301	\$ 62,350,328	\$ 64,332,201	\$ 67,243,838

Total net debt applicable to the limit as a percentage of debt limit	55.50%	45.05%	41.37%	43.42%	40.68%	36.38%	33.89%	26.02%	23.55%	20.70%
---	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

(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 2001-2010

ENGLEWOOD SCHOOLS

Demographic and Economic Statistics Last Ten Years

(UNAUDITED)

<u>Fiscal Year</u>	<u>Englewood Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2001	31,727	663,221,208	20,904	36	4,413	3.7%
2002	32,393	677,143,272	20,904	36	4,327	5.7%
2003	32,658	682,682,832	20,904	39	4,200	6.3%
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%

Sources:

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

ENGLEWOOD SCHOOLS

Principal Employers Ten Years Ago and Current Year

(Unaudited)

Taxpayer	2010			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Columbia Swedish Medical Center	2,000	1	7.87%	1,300	1	5.83%
Craig Hospital	750	2	2.95%	512	2	2.30%
The Sports Authority	600	3	2.36%			
City of Englewood	520	4	2.05%	483	4	2.17%
Englewood Schools	416	5	1.64%	503	3	2.26%
Burt Automotive	400	6	1.57%	475	5	2.13%
Denver Drywall				365	6	1.64%
Windsor Industries, Inc	350	7	1.38%	270	8	1.21%
7-Up Bottling Company	300	8	1.18%	250	9	1.12%
Riviera Electric Construction				250	10	1.12%
Meadow Gold Dairies	230	9	0.91%			
Wal-Mart	150	10	0.59%			
Wilkerson Corporation	-			340	7	1.52%
Total	<u>5,716</u>		<u>22.50%</u>	<u>4,748</u>		<u>21.29%</u>
Total Employees	25,407			22,300		

Source: City of Englewood Community Development Department

ENGLEWOOD SCHOOLS

Full-Time Equivalent Employees by Type Last Ten Years

(UNAUDITED)

Fiscal Year	Teachers	Counselors	Paraeducators	Other Classified	Administrators	Total
2001	258.1	13.5	33.7	85.9	17.3	408.5
2002	245.0	13.5	32.0	86.0	19.5	396.0
2003	240.5	9.6	29.4	88.6	19.5	387.6
2004	236.6	9.6	25.7	88.6	19.5	380.0
2005	230.1	9.6	28.3	86.6	18.5	373.1
2006	230.7	15.7	28.8	84.3	19.5	379.0
2007	216.4	15.7	27.6	85.4	18.0	363.1
2008	203.1	12.8	23.6	78.6	18.0	336.1
2009	212.7	12.8	26.0	79.3	17.0	347.8
2010	197.8	12.0	30.0	76.0	18.0	333.8

Sources: Englewood Schools

ENGLEWOOD SCHOOLS

Operating Statistics Last Ten Fiscal Years

(Unaudited)

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
2001	4,413	24,108,473	5,463	45,157,878	10,233	258.1	17.1	14.7%
2002	4,327	25,813,850	5,966	34,029,107	7,864	245.0	17.7	26.7%
2003	4,200	25,997,636	6,190	33,824,008	8,053	240.5	17.5	26.5%
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%

ENGLEWOOD SCHOOLS

Schedule of Insurance June 30, 2010

(Unaudited)

<u>Insurance Company</u>	<u>Policy Number</u>	<u>Term of Insurance</u>		<u>Type of Insurance</u>	<u>Amount of Coverage</u>	<u>07/1/09 - 07/1/10 Premium</u>
		<u>Start Date</u>	<u>Expire Date</u>			
CSDSIP (1)	0301-01-00044	07/01/2009	07/01/2010	Comprehensive General Liability, Including Employee Benefit Programs and Athletic Participation	\$ 111,465,973	\$ 76,567
				School Leaders Errors & Omissions	2,000,000	32,388
CSDSIP	0301-01-00044	07/01/2009	07/01/2010	Equipment Breakdown	100,000,000	8,082
CSDSIP	0301-01-00044	07/01/2009	07/01/2010	Employee Blanket Bond	100,000	835
CSDSIP	0301-01-00044	07/01/2009	07/01/2010	Vehicle Insurance	1,000,000	11,354
						<u><u>\$ 129,226</u></u>

(1) Colorado School District Self-Insurance Pool.

Source: Englewood School District

ENGLEWOOD SCHOOLS

Capital Asset Information June 30, 2010

(Unaudited)

Schools	
Elementary	
Buildings	4
Square feet	183,415
Capacity	1,745
Enrollment	1,233
Percent capacity	71%
Middle	
Buildings	1
Square feet	98,331
Capacity	620
Enrollment	544
Percent capacity	88%
High	
Buildings	2
Square feet	261,884
Capacity	2,272
Enrollment	1,130
Percent capacity	50%
Early Childhood Education Center	
Buildings	1
Square feet	40,075
Capacity	378
Enrollment	217
Percent capacity	57%
Administration	
Buildings	1
Square feet	13,810
Operations, maintenance and transportation	
Buildings	1
Square feet	8,363
Athletics	
Athletic stadium	1
Baseball fields	1
Running tracks	1
Swimming pools	1
Playgrounds	6
Excess property (vacant and rentals)	
Buildings	5
Square feet	175,547

Source: Englewood Schools

COMPLIANCE SECTION

SINGLE AUDIT



Board of Education
Englewood School District
Englewood, Colorado

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Englewood School District as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the Englewood School District, and have issued our report thereon dated October 21, 2010. 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 of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Englewood School District's internal control over financial reporting as a basis for designing our auditing procedures 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 Englewood School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Englewood School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Englewood School District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the Englewood School District's internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Englewood School District's financial statements are free of 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*.

We noted certain matters that we reported to management of the Englewood School District in a separate letter dated October 21, 2010.

This report is intended solely for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Swainhart & Company LLC

October 21, 2010



Board of Education
Englewood School District
Englewood, Colorado

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the Englewood School District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Englewood School District's major federal programs for the year ended June 30, 2010. The Englewood School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Englewood School District's management. Our responsibility is to express an opinion on the Englewood School District's compliance based on our audit.

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 Englewood School 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. Our audit does not provide a legal determination of the Englewood School District's compliance with those requirements.

In our opinion, the Englewood School District complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

Management of the Englewood School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Englewood School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Englewood School District's internal control over compliance.

A deficiency in the Englewood School District's 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 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.

Our consideration of the Englewood School District's 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Swanlund & Company LLC

October 21, 2010

ENGLEWOOD SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditors' 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 OMB Circular A-133?

_____ yes x no

Identification of major programs:

84.010 Title I
84.389 ARRA - Title I
84.027 Special Education
84.391 ARRA - Special Education
84.173 Special Education Preschool
84.392 ARRA - Special Education Preschool

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

Auditee qualified as low-risk auditee? x yes _____ no

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, illegal acts, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

Federal Awards Findings and Questioned Costs

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.



Board of Education
Englewood School District
Englewood, Colorado

**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood School District as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the Englewood School District, and have issued our report thereon dated October 21, 2010. These financial statements are the responsibility of the Englewood School District's management. 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, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget 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 the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Englewood School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

October 21, 2010

ENGLEWOOD SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Accrued (Deferred) Revenue 6/30/09	Receipts	Disbursements	Accrued (Deferred) Revenue 6/30/10
U.S. Department of Education					
Direct Programs					
Indian Education	84.060	\$ 6,544	\$ 11,359	\$ 6,230	\$ 1,415
Arts in Education	84.351	26,472	244,168	239,709	22,013
Passed through State Department of Education					
Title I	84.010	63,963	1,033,002	1,078,211	109,172
ARRA - Title I	84.389	-	343,592	412,704	69,112
Improving Teacher Quality	84.367	30,031	223,494	213,954	20,491
Special Education	84.027	159,337	757,758	782,087	183,666
ARRA - Special Education	84.391	-	262,451	272,263	9,812
Special Education Preschool	84.173	8,828	32,115	32,299	9,012
ARRA - Special Education Preschool	84.392	-	-	5,546	5,546
Safe and Drug-Free Schools and Communities	84.186	(486)	13,487	13,973	-
Education Technology	84.318	-	2,880	4,284	1,404
ARRA - Education Technology	84.386	-	9,750	10,237	487
English Language Acquisition	84.365	1,465	18,855	20,691	3,301
Education for Homeless Children and Youth	84.196	149	19,707	25,295	5,737
ARRA - Education for Homeless Children and Youth	84.387	-	15,760	21,614	5,854
ARRA - State Fiscal Stabilization Fund	84.397	-	1,480	1,480	-
Passed through State Community College System					
Career and Technical Education	84.048	28,547	60,174	34,339	2,712
Passed through Clayton Foundation					
Parental Information and Resource Centers	84.310	-	-	5,496	5,496
Passed through Littleton Public Schools					
Education Technology	84.318	-	-	9,963	9,963
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>324,850</u>	<u>3,050,032</u>	<u>3,190,375</u>	<u>465,193</u>
U.S. Department of Agriculture					
Passed through State Department of Education					
National School Lunch Program	10.555	7,339	468,146	523,409	62,602
School Breakfast Program	10.553	2,631	120,543	135,996	18,084
Passed through State Department of Human Services					
Food Commodities	10.555	-	54,495	54,495	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>9,970</u>	<u>643,184</u>	<u>713,900</u>	<u>80,686</u>
U.S. Department of Health and Human Services					
Passed through Sheridan School District					
Head Start	93.600	54,026	231,813	248,582	70,795
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ 388,846</u>	<u>\$ 3,925,029</u>	<u>\$ 4,152,857</u>	<u>\$ 616,674</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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



Swanhorst & Company LLC

Certified Public Accountants

Board of Education
Englewood School District
Englewood, Colorado

INDEPENDENT AUDITORS' REPORT ON AUDITOR'S INTEGRITY REPORT

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood School District as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the Englewood School District, and have issued our report thereon dated October 21, 2010. These financial statements are the responsibility of the Englewood School District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Englewood School District's basic financial statements. The accompanying auditor's integrity report is presented for purposes of additional analysis as required by State of Colorado statutes and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

October 21, 2010

10/22/2010
02:04 PM

Colorado Department of Education
Fiscal Year 2009-2010
Colorado School District/BOCES
Auditor's Integrity Report

ARAPAHOE ENGLEWOOD 1
District Code: 0120

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	11,078,279	26,779,062	26,032,457	11,824,884
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	80,862	592,942	616,495	57,309
Subtotal	11,159,141	27,372,004	26,648,952	11,882,194
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	4,119,378	88,975	77,658	4,130,695
21 Capital Reserve Spec Revenue Fund	1,098,672	697,926	641,311	1,155,287
22 Govt Designated-Purpose Grants Fund	0	4,009,322	4,009,322	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
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	3,198,517	3,186,623	2,532,607	3,852,533
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
TOTALS	19,575,708	35,354,850	33,909,850	21,020,708
Proprietary				
51 Food Service Fund	33,320	965,309	945,906	52,723
50 Other Enterprise Funds	177,415	407,915	425,867	159,462
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
TOTALS	210,734	1,373,224	1,371,773	212,186
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	96,866	174	3,000	94,040
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	195,462	405,942	387,755	213,649
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	292,328	406,116	390,755	307,689

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

From submitted data file: fd0120.03c

Program: fdrdh.sqr

File: fd0120.dhc

FINAL