



Englewood Schools

Belong and Thrive

ARAPAHOE COUNTY SCHOOL DISTRICT NO. 1

ENGLEWOOD SCHOOLS

ENGLEWOOD, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30, 2019

Englewood Schools

Arapahoe County School District No. 1
Englewood, Colorado

Comprehensive Annual Financial Report
Year Ended June 30, 2019

Prepared By: Finance Department

Englewood Schools

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Introductory Section

Sosan Schaller
Chief Financial Officer
303-806-2014

December 17, 2019

**To the Citizens and Members of the Board of Education
Englewood Schools (Arapahoe County School District Number One)
Englewood, Colorado**

The Comprehensive Annual Financial Report of Arapahoe County School District Number One (Englewood Schools or District) as of June 30, 2019 and for the fiscal year then ended is hereby submitted. Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the District. The data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's activities have been included.

State law requires that the District publish within six months of the close of each fiscal year a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (US GAAS), by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the comprehensive annual financial report of the Arapahoe County School District One for the fiscal year ended June 30, 2019.

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

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

The financial section includes; the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the basic financial statements, and the combining and individual fund financial statements and

schedules. The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements.

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

Profile of the District

Arapahoe County School District Number One (Englewood Schools) was formed in 1916. Eight school buildings provide instruction and related services to approximately 2,700 students from pre-kindergarten through twelfth grade. The District encompasses approximately 6.89 square miles, which is located within the City of Englewood, directly south of Denver, Colorado.

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

The District operates one preschool, four elementary schools, one learning academy grades 6-8, one high school, and one high school of choice. In addition to regular education and special education, the District offers a variety of enhanced educational options including: Full-day kindergarten; International Baccalaureate (IB); Science, Technology, Engineering, Art & Math (STEAM) focus; Gifted and Talented; vocational programs: Cosmetology, Culinary Art, Sustainable Agriculture Education (S.A.G.E), Athletic Training, Business and Journalism.

District Strategic Plan 2016-2020

The District's strategic plan was developed in 2016 through the collaborative work of parents, teachers, community members, staff, and administrators at each of our schools sites. The strategic plan, our vision and mission are reflective of the ideals of the community of Englewood as a whole. The strategic plan sets overall goals for Englewood Schools and puts forth a plan to achieve them.

Vision

Graduating the leaders, thinkers, and explorers of tomorrow

Mission

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

Core Values

- High Expectation
- Accountability
- Integrity
- Respect
- Community

Factors Affecting Financial Condition

State and Local Economy – The District’s primary source of funding is based School Finance Act, which is enacted by the legislature. Therefore, the state’s state of economy has a direct impact on the District’s ability to meet its obligations.

Below is an excerpt from the Colorado legislative Councils Economic and revenue Forecast report dated June 20, 2019:

“Following healthy growth in 2018, momentum in the U.S. and Colorado economies continued into the first quarter of 2019. Aided by the stimulative effects of federal tax cuts, the state and national economies continue to post strong growth in the late stages of an expansion. Inflation remains in check, and an ever-tighter labor market is helping to bolster personal income growth and consumer activity. The U.S. and Colorado economies are expected to continue to expand through the remainder of 2019 and into 2020, though at a slower pace of growth as labor market tightening constrains business activity, global economic activity slows, and trade tensions persist.

Risks to the outlook are skewed to the downside, as several leading economic indicators signal rising concerns over future growth. Factory orders and business investment began to weaken in the first quarter of the year as firms took a wait-and-see approach before committing to capital investments. Consumer demand for automobiles and other durable goods has softened, and supply chain disruptions induced by tariffs between the U.S. and its major trade partners pose an ongoing challenge to producers and exporters. Labor scarcity is constraining business activity for an increasing number of industries. In Colorado, higher interest rates have dampened the housing market along the Front Range as homes become less affordable”.

According to Denver Metro Chamber of Commerce 2019 economic forecast:

“The economy, in both the Metro Denver region and across the state, will continue to thrive in 2019 according to new data released by the Metro Denver EDC and Development Research Partners. While growth will slow somewhat from 2018, the number of jobs, the employment rate and personal income will continue to trend positively. Furthermore, the growth rate in Colorado is projected to outpace growth at a national level. Employment in Metro Denver increased 1.4 percent between May 2018 and 2019, adding 24,500 jobs over-the-year. Employment in Colorado rose 1.8 percent over-the-year”.

Long-term Financial Planning - In 2018-19 the base per pupil funding was increased by 3.4% for K-12 throughout the state. However, it is important to note the reduction to statewide total Program Funding known as “Negative Factor” or “Budget Stabilization” was over \$2 million for the District, which is nearly 8.7% of the School Finance Act revenue formula. Reduction in state funding coupled with declining enrollment has created on-going budget challenges for Englewood Schools during the past seven years.

The District maintains a number of budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. The Board Policy requires a 15% rainy-day reserve set aside as the state of Colorado K-12 funding remains uncertain. The Board’s rainy-day reserve enables the District to mitigate the impact of a financial downturn while responding strategically.

Budget Process

Development of the District’s budget is an on-going, year-round process. Fall enrollment assists in updating enrollment projections for the upcoming years. Budget priorities are gathered from the stakeholders. Revenue projections are developed and expenditure adjustments are discussed based on

assumptions about funding from the State of Colorado, salary negotiations, employee benefit changes, utility and other expenditure changes. 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 aims to balance its ongoing expenditures with current revenues and use its reserves wisely.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Englewood School District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this document would not have been possible without the dedicated efforts and expertise of the Business Services staff, not only during the reporting process, but also throughout the year. Appreciation and recognition is also extended to our independent audit firm, Hinkle & Company PC, and its professional audit staff for the assistance and analysis provided throughout the year. Finally, a big thank you to the Englewood Board of Education and Superintendent Dr. Wendy Rubin for their leadership, support, and dedication.

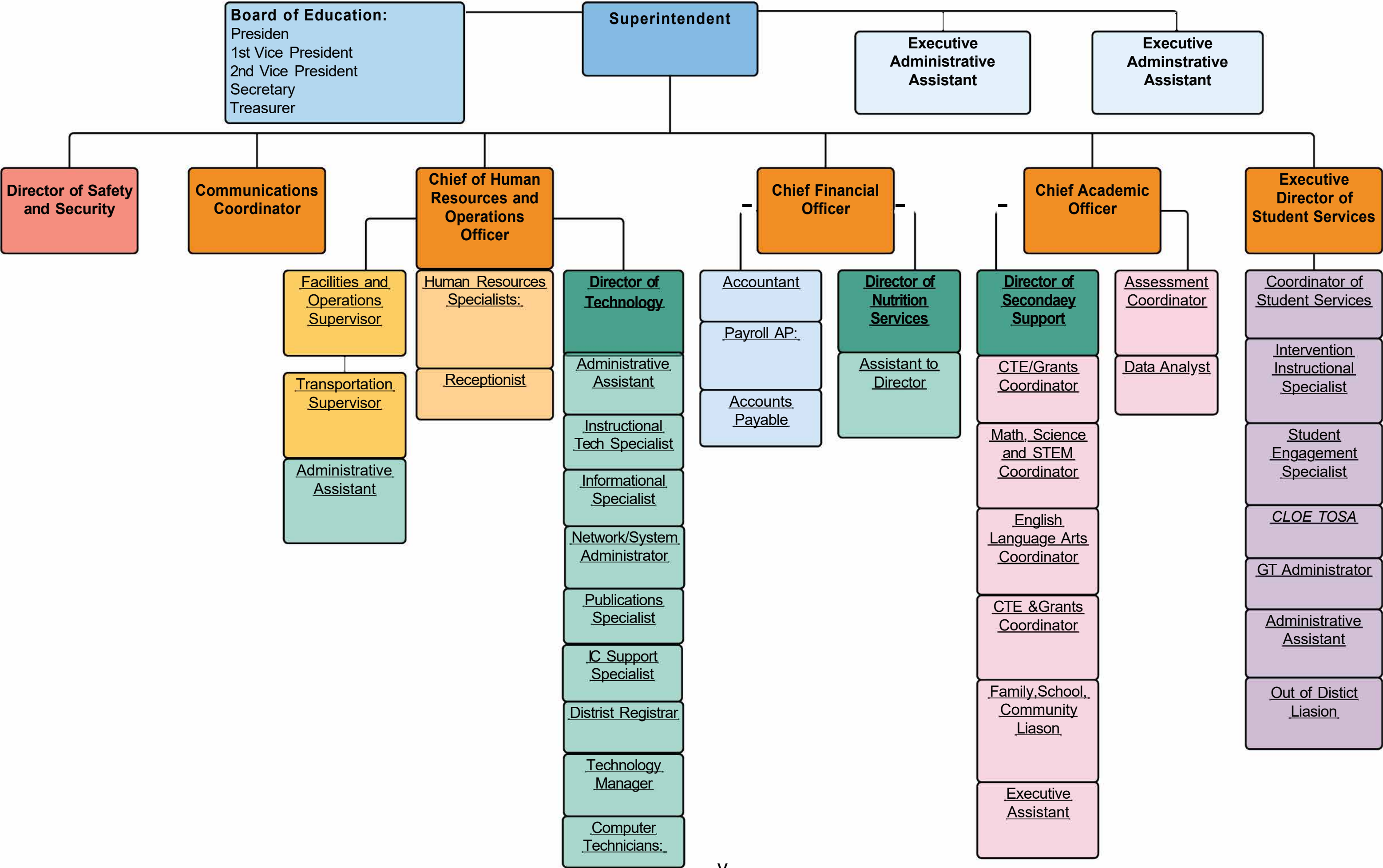
This report provides financial and other related information for the fiscal year 2018-2019 and has been prepared in a manner that is intended to assist management decision makers for the current and future budget years.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Schaller', is positioned above the printed name.

Sosan Schaller
Chief Financial Officer

2018/2019 Organizational Chart



**ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO**

ROSTER OF SCHOOL OFFICIALS

June 30, 2019

BOARD OF EDUCATION

Tena Prange - President

Kevin Ebert - 1st Vice President

Jen Hubbard - 2nd Vice President

Caty Husbands - Secretary

Sharon Scheminske - Treasurer

SUPERINTENDENT'S EXECUTIVE STAFF

Dr. Wendy Rubin - Superintendent

Joanna Polzin - Chief Academic Officer

Phillip Bedford - Chief Human Resources & Operations Officer

Sosan Schaller - Chief Financial Officer

Callan Clark - Executive Director of Student Services

Mandy Braun - Director of Safety and Security

Julie McMorris - Communication Coordinator

Michelle Haider - Executive Assistant to the Superintendent



Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Financial Section



Independent Auditors' Report

Board of Education
Englewood Schools
Englewood, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Englewood Schools as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of Englewood Schools, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Englewood Schools as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, on our consideration of Englewood Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Englewood Schools' internal control over financial reporting and compliance.

Hick & Company, PC

Greenwood Village, Colorado
December 9, 2019



Management's Discussion and Analysis

As management of the Arapahoe County School District One (Englewood Schools or District), we offer readers of Englewood Schools' financial statements this narrative overview and analysis of the financial activities of Englewood Schools for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this report.

Financial Highlights

During the 2018-19 school year over \$41.8 million of voter approved General Obligation Bond proceeds facilitated 100% completion of brand new Charles Hay elementary, 98% completion of Clayton elementary, 98% of Maddox preschool and Cherrelyn elementary. The constructions of the last project, Bishop Elementary, is expected to be completed by December of 2019.

The liabilities of Englewood Schools exceeded its assets at the close of the most recent fiscal year by \$70,101,242 (see Net Position schedule). Two statements issued by the Governmental Accounting Standards Board (GASB) play a hand in report of liabilities. 2015 saw the implementation of GASB Statement No. 68 which includes a Net Pension Liability of \$70,745,734 as of June 30, 2019 (see Note 7 for additional information). GASB Statement No. 75, which became effective for financial reporting after June 2017 requires employers participating in the Colorado Public Employees' Retirement Association (PERA) to record their proportionate share of unfunded liability of Other Post Employment Benefits (OPEB). OPEB liability is recorded at \$3,533,245.

At the close of the fiscal year, Englewood Schools' governmental funds reported a combined ending fund balance of \$45,580,153 a decrease of \$31,573,965 mainly as a result of construction activities.

The General Fund (includes Colorado Preschool Program) ending fund balance was \$9,955,206, a decrease of \$133,749 from the prior year.

Overview of Financial Statements

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Prior to 2015, the government-wide financial statements distinguished functions of Englewood Schools that are principally supported by taxes (governmental activities) from other functions that were intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Englewood Schools include instruction and support services of the District. In 2015, Englewood Schools switched the 2 business-type activities funds (the food services fund and the tuition programs fund) to special revenue funds, which now fall under the governmental activities functions.

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

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

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

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

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

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

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the District. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund and the Grants Fund to demonstrate compliance with this budget.

Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents budget to actual schedules for the District's other funds and certain reports required by the Single Audit Act of 1984.

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

Government-wide Financial Analysis

As noted earlier, net position used to serve as a potential indicator of a government's financial position. However, with the inclusion of \$70,745,734 in pension and \$3,533,245 in OPEB liabilities, liabilities exceeded assets by \$70,101,242 in 2019 Net Position schedule.

The table below presents a condensed statement of the District's net position in 2019.

Englewood Schools' Net Position

	Governmental Activities		Change
	2018	2019	
Current and other assets	97,678,229	54,706,532	(42,971,697)
Capital assets	110,071,346	148,584,108	38,512,762
Total assets	207,749,575	203,290,640	(4,458,935)
Deferred Outflows of Resources	45,147,197	24,533,881	(20,613,316)
Long-term liabilities outstanding	161,485,688	157,020,984	(4,464,704)
Other liabilities	13,742,639	13,132,544	(610,095)
Net Pension Liability	145,999,623	70,745,734	(75,253,889)
Net OPEB Liability	3,334,014	3,533,245	199,231
Total liabilities	324,561,964	244,432,507	(80,129,457)
Deferred Inflows of Resources	6,994,525	53,493,256	46,498,731
Net Position	14,668,006	13,833,851	(834,155)
Invested in Capital Assets			
Restricted for:			
Emergencies (TABOR)	942,000	1,025,000	83,000
Debt service	8,681,055	9,869,775	1,188,720
Capital purposes	200,000	200,000	0
Technology	0	0	0
Preschool	226,809	359,276	132,467
Unrestricted	(103,377,587)	(95,389,144)	7,988,443
Total net position	(78,659,717)	(70,101,242)	8,558,475

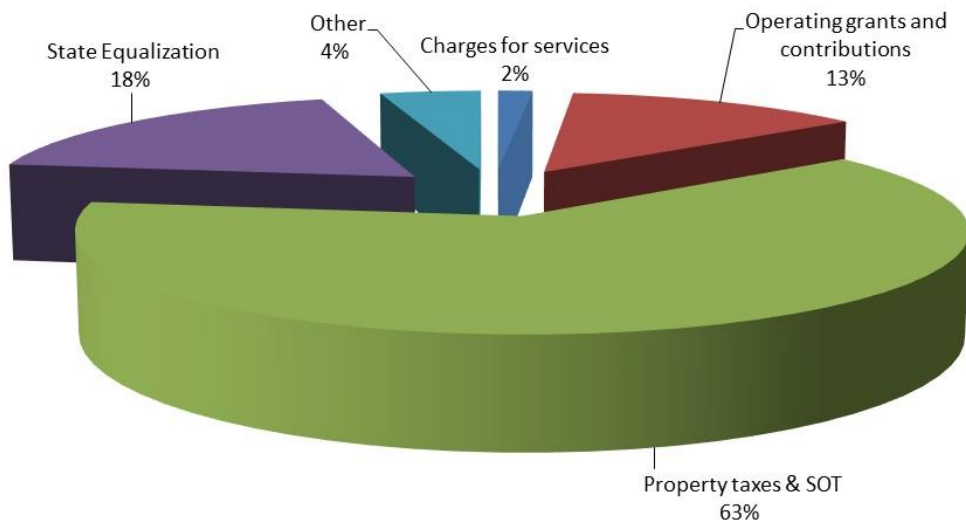
The largest portion of the Englewood Schools' assets (21 percent) is Restricted Cash and Investment, due to the sale of General Obligation Bonds, Series 2017. \$1,025,000 is TABOR reserve is restricted for emergencies by law (3%); \$9,869,775 is restricted for the payment to debt service; \$200,000 in capital purposes is associated with the Building Best Schools Today program (BEST Grant) the District received in 2011 for the modernization of Colorado Finest High School of Choice. Lastly, \$359,276 is restricted for the Colorado Preschool Program at ECE.

Governmental Activities. As previously reported, Governmental activities net position changed over the prior year by \$8,558,475. This is as a result of the decrease in expenditures by \$29,567,078 and increase of revenues by \$819,123.

Englewood Schools' Change in Net Position

	Governmental Activities		Change
	2018	2019	
Program revenues:			
Charges for services	706,173	742,278	36,105
Capital grants and contributions	0	0	0
Operating grants and contributions	6,117,723	6,427,754	310,031
General revenues:			
Property taxes	28,649,327	28,628,712	(20,615)
Specific Ownership taxes	2,214,391	2,121,697	(92,694)
State Equalization	8,384,015	8,997,083	613,068
Other	2,196,112	2,169,340	(26,772)
Total revenues	48,267,741	49,086,864	819,123
Expenses:			
Instruction	36,406,821	19,384,882	(17,021,939)
Supporting Services	27,666,561	15,239,610	(12,426,951)
Interest on Long-term Debt	6,022,085	5,903,897	(118,188)
Total Expenses	70,095,467	40,528,389	(29,567,078)
Change in net position	(21,827,726)	8,558,475	30,386,201
Net position	(56,831,991)	(78,659,717)	(21,827,726)
Net position – ending	(78,659,717)	(70,101,242)	8,558,475

Sources of Revenues for Fiscal Year 2019



Financial Analysis of the District's Fund

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

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

As of the end of the current fiscal year Englewood Schools' governmental funds reported a combined ending fund balances of \$45,580,153, a decrease of \$40,714,799. This decrease was mainly due to construction activities. The Building Fund ended the year with a balance of \$23,955,752, a decrease of \$42,330,025. The District's Bond Redemption Fund had an ending fund balance of \$10,238,611, higher by \$1,440,984 over the prior year, as the District strategically continues to build a fund balance to pay off Series 2017 bonds. The grants fund balance did not change.

The General Fund (including Colorado Preschool Program) is the major operating fund of Englewood Schools. At the end of the current fiscal year, fund balance decreased by \$133,749 to \$9,955,206. The grants fund balance did not change.

The food services program finished the 2018 fiscal year with a net position of \$5,902, a decrease of (\$885) in inventory. The General Fund contributed \$188,220 to the Food Service Fund for manage day-to-day operations. The District ended its 5-year contract with a food service management program in 2015, and will continue to manage this program in-house for 2019.

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

General Fund Budgetary Highlights

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

Capital Assets and Long-Term Debt

Capital Assets. Englewood Schools' investment in capital assets for governmental as of June 30, 2019 amounts to \$148,584,108 (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			
	2018	2019	Change
Land & Improvements	2,045,111	2,045,111	0
Construction in Process	44,207,555	26,427,182	(17,780,373)
Site Improvements	118,152	118,152	0
Buildings and Improvements	92,058,111	141,993,288	49,935,177
Machinery & equipment	1,975,064	2,416,706	441,642
Accumulated depreciation	<u>(30,332,647)</u>	<u>(24,416,331)</u>	<u>5,916,316</u>
Total	110,071,346	148,584,108	38,512,762

Long-Term Debt.

As of June 30, 2019, the District had outstanding debt of \$160,976,250. Of this amount, \$143,982,310 is general obligation bonded debt (principal only), which is backed by the full faith and credit of the District. \$16,628,185 is associated with bond premiums, and \$365,755 for employees compensated absences. Additional information can be found in Note 5 in the Notes to the Financial Statements section.

	2018	2019	Change
General Obligation Bonds	\$146,637,600	\$143,982,310	(\$2,655,290)
Deferred Premium	17,503,378	16,628,185	(875,193)
Sick Leave	354,775	365,755	10,980
Totals	<u>\$164,495,753</u>	<u>\$160,976,250</u>	<u>(\$3,519,503)</u>

Economic Factors Bearing on the District's Future

- **State Education Funding** - In November 2000 voters in Colorado approved a provision to the Colorado constitution providing that K-12 funding would increase at pupil growth plus inflation plus one percent for 10 years and thereafter, growth plus inflation. In November 2005, the voters of the State of Colorado passed Referendum C which essentially suspends the “ratchet” effect of the Taxpayers Bill of Rights (TABOR) for five years thus allowing funding at the state level to be closer to pre-recession levels. In 2007, the Colorado Legislature passed a measure freezing public schools districts’ mill levies at current levels. The majority of Colorado districts opted out of TABOR spending limitations in general elections (the District opted out in November 1999) and the legislature considered those ballot issues to also encompass taxation matters. The economic downturn in 2008-09 brought reduced funding to public education. The State has introduced a negative factor which lessens the amount allocated per the Public School Finance Act of 1994. In 2018-19 Englewood Schools Negative Factor (Budget Stabilization) was over \$1.7 million. Projected negative factor for 2019-20 is estimated at \$1.7 million.
- **Student Enrollment** – The District has experienced declining enrollment for several years due to general demographic trends in the area. The decline is partially due to the District being “landlocked” with no new housing development that attracts families with school age children, as some of the suburban district in the Denver Metro Area have. In addition, the school-age population within the District is subject to cycles of growth and decline.
- **Public Employees Retirement Association of Colorado (PERA)** - Employer contributions to PERA is the pension plan that covers all District employees. The contribution rate and increases was enacted by the state legislature and the PERA Board in order to meet future pension needs based on actuarial report. The current rate of 20.15% is scheduled to increase to 20.40% on July 2019 and 20.90% on July 2020.
- **Healthcare** – The District contributes an agreed monthly amount, based on Master Agreement, for each eligible certificated member enrolled in the Kaiser group insurance plan. Rising healthcare costs continue to be a concern and a budgetary challenge as the increases in benefit costs exceed the increase in Cost of Living Adjustment (COLA). Medical premiums increased by approximately 4% in 2018-19.

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

Requests for Information

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

Sosan G. Schaller, Chief Financial Officer
Arapahoe County School District One (Englewood Schools)
4101 S. Bannock Street
Englewood, CO 80110

Basic Financial Statements

Englewood Schools
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Cash and Investments	\$ 13,931,637
Restricted Cash and Investments	38,674,624
Accounts Receivable	191,483
Grants Receivable	602,703
Taxes Receivable	1,299,108
Inventories	6,977
Capital Assets, <i>Not Being Depreciated</i>	28,472,293
Capital Assets, <i>Net of Accumulated Depreciation</i>	120,111,815
Total Assets	<u>203,290,640</u>
Deferred Outflows of Resources	
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	2,270,241
OPEB, <i>Net of Accumulated Amortization</i>	229,768
Pensions, <i>Net of Accumulated Amortization</i>	22,033,872
Total Deferred Outflows of Resources	<u>24,533,881</u>
Liabilities	
Accounts Payable	3,733,596
Retainage Payable	1,142,622
Accrued Liabilities	996,530
Accrued Salaries and Benefits	1,788,650
Unearned Revenues	968,739
Accrued Interest Payable	547,141
Noncurrent Liabilities	
Due Within One Year	3,955,266
Due in More Than One Year	157,020,984
Net OPEB Liability	3,533,245
Net Pension Liability	70,745,734
Total Liabilities	<u>244,432,507</u>
Deferred Inflows of Resources	
OPEB, <i>Net of Accumulated Amortization</i>	5,378
Pensions, <i>Net of Accumulated Amortization</i>	53,487,878
Total Deferred Inflows of Resources	<u>53,493,256</u>
Net Position	
Net Investment in Capital Assets	13,833,851
Restricted for:	
Preschool Program	359,276
Debt Service	9,869,775
Capital Renewal	200,000
Emergencies	1,025,000
Unrestricted	<u>(95,389,144)</u>
Total Net Position	<u>\$ (70,101,242)</u>
<i>See Notes to the financial Statements.</i>	

Englewood Schools
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 19,384,882	\$ 339,060	\$ 4,628,040	\$ (14,417,782)
Supporting Services	13,974,800	220,616	904,651	(12,849,533)
Food Service	1,264,810	182,602	895,063	(187,145)
Interest on Long-Term Debt	5,903,897	-	-	(5,903,897)
Total Governmental Activities	<u>\$ 40,528,389</u>	<u>\$ 742,278</u>	<u>\$ 6,427,754</u>	<u>(33,358,357)</u>
General Revenues				
				28,628,712
Local Property Taxes				2,121,697
Specific Ownership Taxes				8,997,083
State Equalization and Hold Harmless				69,901
Grants and Contributions not Restricted to Specific Programs				1,487,349
Investment Income				612,090
Other				<u>41,916,832</u>
Total General Revenues				
Change in Net Position				8,558,475
Net Position, Beginning of year				<u>(78,659,717)</u>
Net Position, End of year				<u>\$ (70,101,242)</u>

Englewood Schools
Balance Sheet
Governmental Funds
June 30, 2019

	General	Grants	Bond Redemption	Building	Nonmajor Governmental Funds	Total
Assets						
Cash and Investments	\$ 11,990,900	\$ 422,128	\$ -	\$ -	\$ 1,518,609	\$ 13,931,637
Restricted Cash and Investments	-	-	10,021,606	28,653,018	-	38,674,624
Accounts Receivable	191,483	-	-	-	14,325	205,808
Grants Receivable	7,200	581,178	-	-	-	588,378
Taxes Receivable	903,798	-	395,310	-	-	1,299,108
Inventories	-	-	-	-	6,977	6,977
Interfund Receivables	14,455	-	-	-	-	14,455
Total Assets	\$ 13,107,836	\$ 1,003,306	\$ 10,416,916	\$ 28,653,018	\$ 1,539,911	\$ 54,720,987
Liabilities						
Accounts Payable	\$ 161,075	\$ -	\$ -	\$ 3,552,231	\$ 20,290	\$ 3,733,596
Retainage Payable	-	-	-	1,142,622	-	1,142,622
Accrued Liabilities	996,530	-	-	-	-	996,530
Accrued Salaries and Benefits	1,528,866	194,001	-	2,413	63,370	1,788,650
Unearned Revenues	148,222	809,305	-	-	11,212	968,739
Interfund Payables	-	-	-	-	14,455	14,455
Total Liabilities	2,834,693	1,003,306	-	4,697,266	109,327	8,644,592
Deferred Inflows of Resources						
Property Taxes	317,937	-	178,305	-	-	496,242
Fund Balances						
Nonspendable Inventories	-	-	-	-	6,977	6,977
Restricted for:						
Preschool Program	359,276	-	-	-	-	359,276
Debt Service	-	-	10,238,611	-	-	10,238,611
Capital Renewal	-	-	-	-	200,000	200,000
Capital Projects	-	-	-	23,955,752	-	23,955,752
Emergencies	1,025,000	-	-	-	-	1,025,000
Assigned to:						
Subsequent Year Expenditures	2,175,310	-	-	-	-	2,175,310
Tuition Programs	-	-	-	-	179,172	179,172
Capital Projects	-	-	-	-	1,044,435	1,044,435
Unassigned	6,395,620	-	-	-	-	6,395,620
Total Fund Balances	9,955,206	-	10,238,611	23,955,752	1,430,584	45,580,153
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,107,836	\$ 1,003,306	\$ 10,416,916	\$ 28,653,018	\$ 1,539,911	\$ 54,720,987

Englewood Schools
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
For the Year Ended June 30, 2019

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

Total Fund Balances of Governmental Funds	\$ 45,580,153
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	148,584,108
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.	496,242
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Loss on debt refunding	2,270,241
Accrued interest payable	(547,141)
Bonds payable	(143,982,310)
Bonds premiums	(16,628,185)
Accrued compensated absences	(365,755)
Net pension liability	(70,745,734)
Pension-related deferred outflows of resources	22,033,872
Pension-related deferred inflows of resources	(53,487,878)
Net OPEB liability	(3,533,245)
OPEB-related deferred outflows of resources	229,768
OPEB-related deferred inflows of resources	<u>(5,378)</u>
Total Net Position of Governmental Activities	\$ <u>(70,101,242)</u>

Englewood Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General	Grants	Bond Redemption	Building	Nonmajor Governmental Funds	Total
Revenues						
Local Sources	\$ 22,077,171	\$ 45,684	\$ 10,703,652	\$ 1,154,193	\$ 389,024	\$ 34,369,724
County Sources	261	-	-	-	-	261
State Sources	11,236,320	873,955	-	3,269	32,805	12,146,349
Federal Sources	-	2,939,461	-	-	863,860	3,803,321
Total Revenues	33,313,752	3,859,100	10,703,652	1,157,462	1,285,689	50,319,655
Expenditures						
Current						
Instruction	18,740,690	1,488,546	-	-	96,392	20,325,628
Supporting Services	14,218,591	2,370,554	-	-	104,716	16,693,861
Capital Outlay	-	-	-	43,487,487	1,264,810	44,752,297
Debt Service						
Principal	-	-	2,655,290	-	-	2,655,290
Interest and Fiscal Charges	-	-	6,607,378	-	-	6,607,378
Total Expenditures	32,959,281	3,859,100	9,262,668	43,487,487	1,465,918	91,034,454
Revenues Over (Under) Expenditures	354,471	-	1,440,984	(42,330,025)	(180,229)	(40,714,799)
Transfers	(488,220)	-	-	-	488,220	-
Net Change in Fund Balances	(133,749)	-	1,440,984	(42,330,025)	307,991	(40,714,799)
Fund Balances, Beginning of year	10,088,955	-	8,797,627	66,285,777	1,122,593	86,294,952
Fund Balances, End of year	\$ 9,955,206	\$ -	\$ 10,238,611	\$ 23,955,752	\$ 1,430,584	\$ 45,580,153

Englewood Schools
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

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

Net Change in Fund Balances of Governmental Funds	\$ (40,714,799)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	41,872,810
Depreciation expense	(2,679,420)
Loss on disposal of assets	(680,628)

Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.	(707,958)
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The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	2,655,290
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

This includes the changes in the following:

Accrued interest payable	6,356
Amortization of bond premiums	875,193
Amortization of loss on debt refunding	(181,620)
Accrued compensated absences	(10,980)
Net pension liability	75,253,889
Pension-related deferred outflows of resources	(20,510,962)
Pension-related deferred inflows of resources	(46,549,131)
Net OPEB liability	(199,231)
OPEB-related deferred outflows of resources	79,266
OPEB-related deferred inflows of resources	<u>50,400</u>

Change in Net Position	\$ <u><u>8,558,475</u></u>
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Englewood Schools
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2019

	Private Purpose Trust	Agency Pupil Activity
	<u>Scholarships</u>	<u>Activity</u>
Assets		
Cash and Investments	\$ 54,969	\$ 285,707
Liabilities		
Due to Student Groups	-	\$ 285,707
Total Liabilities	-	\$ 285,707
Net Position		
Restricted for Scholarships	\$ 54,969	

Englewood Schools
Statement of Changes in Net Position
Private Purpose Trust Fund
For the Year Ended June 30, 2019

	<u>Scholarships</u>
Additions	
Investment Income	\$ <u>1,286</u>
Deductions	
Scholarships	<u>4,000</u>
Change in Net Position	(2,714)
Net Position, Beginning of year	<u>57,683</u>
Net Position, End of year	\$ <u><u>54,969</u></u>

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

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

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major governmental funds:

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

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

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

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

Additionally, the District reports the following fund types:

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year.

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

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

Assets, Liabilities and Fund Balances/Net Position

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

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

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

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

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

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

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

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

Pensions - The District participates in the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Property Taxes

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

Subsequent Events

We have evaluated subsequent events through December 9, 2019, the date the financial statements were available to be issued.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 2: Cash and Investments

At June 30, 2019, the District had the following cash and investments:

Cash	\$ 980
Deposits	2,667,842
Investments	<u>50,278,115</u>
Total	<u>\$ 52,946,937</u>

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

Cash and Investments	\$ 13,931,637
Restricted Cash and Investments	38,674,624
Fiduciary Fund Cash and Investments	<u>340,676</u>
Total	<u>\$ 52,946,937</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2019, the District had bank deposits of \$4,907,509 collateralized with securities held by the financial under the PDPA.

Investments

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

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

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 2: Cash and Investments (Continued)

Investments (Continued)

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

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

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

Local Government Investment Pools - At June 30, 2019, the District had \$50,223,146 and \$54,969 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 in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

At June 30, 2019, \$10,021,606 was restricted in the Bond Redemption Fund for payment of the District's general obligation debt. In addition, the Building Fund held debt proceeds of \$28,653,018 restricted for capital projects.

Note 3: Interfund Balances and Transactions

During the year ended June 30, 2019, the General Fund subsidized the activities of the Food Service Fund through a transfer of \$188,220. In addition, the General Fund transferred \$300,000 to the Capital Reserve Fund for future capital projects.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2019, is summarized below.

Governmental Activities	Balance 6/30/18	Additions	Deletions	Balance 6/30/19
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 2,045,111	\$ -	\$ -	\$ 2,045,111
Construction in Progress	44,207,555	40,830,227	(58,610,600)	26,427,182
Total Capital Assets, Not Being Depreciated	46,252,666	40,830,227	(58,610,600)	28,472,293
<i>Capital Assets, Being Depreciated</i>				
Site Improvements	118,152	-	-	118,152
Buildings and Improvements	92,058,111	59,119,185	(9,184,008)	141,993,288
Machinery and Equipment	1,975,064	533,998	(92,356)	2,416,706
Total Capital Assets, Being Depreciated	94,151,327	59,653,183	(9,276,364)	144,528,146
<i>Less Accumulated Depreciation</i>				
Site Improvements	(14,415)	(2,180)	-	(16,595)
Buildings and Improvements	(29,423,920)	(2,625,790)	8,534,056	(23,515,654)
Machinery and Equipment	(894,312)	(51,450)	61,680	(884,082)
	<u>(30,332,647)</u>	<u>(2,679,420)</u>	<u>8,595,736</u>	<u>(24,416,331)</u>
Total Capital Assets, Being Depreciated, net	63,818,680	56,973,763	(680,628)	120,111,815
Governmental Activities Capital Assets, net	\$ 110,071,346	\$ 56,973,763	\$ (680,628)	\$ 148,584,108

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

Instruction	\$ 2,368,291
Supporting Services	311,129
Total	\$ 2,679,420

Note 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2019.

Governmental Activities	Balance 6/30/18	Additions	Deletions	Balance 6/30/19	Due Within One Year
2011 GO Bonds	\$ 17,935,000	\$ -	\$ (2,310,000)	\$ 15,625,000	\$ 2,375,000
2011 Bond Premium	1,401,396	-	(104,124)	1,297,272	-
2011 GO BEST Lease	6,367,600	-	(345,290)	6,022,310	359,511
2016 GO Bonds	24,835,000	-	-	24,835,000	-
2016 Bond Premium	3,423,150	-	(253,566)	3,169,584	-
2017 GO Bonds	97,500,000	-	-	97,500,000	855,000
2017 Bond Premium	12,678,832	-	(517,503)	12,161,329	-
Compensated Absences	354,775	151,016	(140,036)	365,755	365,755
Total	\$ 164,495,753	\$ 151,016	\$ (3,670,519)	\$ 160,976,250	\$ 3,955,266

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 5: Long-Term Debt (Continued)

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

General Obligation Bonds

\$9,075,000 General Obligation Refunding Bonds, Series 2008, were issued to partially refund the General Obligation Bonds, Series 1998. Interest accrues at rates ranging from 3.25% to 4.25% per annum, and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2018.

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

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

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

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

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 5: Long-Term Debt (Continued)

General Obligation Bonds (Continued)

Debt payments to maturity are as follows.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,589,511	\$ 6,505,563	\$ 10,095,074
2021	3,714,317	6,370,926	10,085,243
2022	3,859,734	6,221,493	10,081,227
2023	4,010,785	6,052,911	10,063,696
2024	4,197,497	5,892,367	10,089,864
2025 - 2029	23,533,275	26,748,053	50,281,328
2030 - 2034	28,877,191	21,301,641	50,178,832
2035 - 2039	36,180,000	13,704,250	49,884,250
2040 - 2043	36,020,000	3,712,000	39,732,000
Total	<u>\$ 143,982,310</u>	<u>\$ 96,509,204</u>	<u>\$ 240,491,514</u>

Defeased Debt

In April, 2016, the District deposited bond proceeds in an irrevocable trust with an escrow agent to provide for all future debt service requirements for \$23,885,000 of the General Obligation Bonds, Series 2011, maturing on or after December 1, 2025. As a result, the refunded bonds are considered defeased and the liability has been removed from the financial statements. The outstanding balance of the defeased bonds at June 30, 2018, was \$23,885,000. The bonds will be called and paid in full on December 1, 2021.

Note 6: Risk Management

Colorado School Districts Self Insurance Pool

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 7: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by (PERA). All employees of the District participate in the SDTF. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available financial report (CAFR) that includes information on the SDTF that may be obtained at www.copera.org/investments/pera-financial-reports.

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

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

As of December 31, 2018, retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, retirees under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5% or the average consumer price index for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

Contributions - The District, eligible employees and the State are required to contribute to the SDTF at a rate set by Colorado statute. These contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. The contribution rate for eligible employees is 8% of covered salaries during the period of July 1, 2018 through June 30, 2019. The District's contribution rate for calendar years 2019 and 2018 was 20.15% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 8).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SDTF. The District's contributions to the SDTF for the year ended June 30, 2019, were \$4,288,851, equal to the required contributions.

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

At June 30, 2019, the District reported a net pension liability of \$70,745,734, representing its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District Proportionate share of net pension liability	\$ 80,419,221
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the School	<u>(9,673,487)</u>
Proportionate share of the net pension liability	<u>\$ 70,745,734</u>

The net pension liability was measured at December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018.

The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2018, relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was 0.3995341862%, which was a decrease of 0.0519675757% from its proportion measured at December 31, 2017.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

During the year ended June 30, 2019, the direct distribution for the SDTF was \$126,505,000.

For the year ended June 30, 2019, the District recognized pension benefit of \$3,848,446 which included \$49,697 of support from the state as a nonemployer contributing entity.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

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

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,399,764	\$ -
Changes of assumptions and other inputs	13,204,994	43,996,235
Net difference between projected and actual earnings on plan investments	3,856,083	-
Changes in proportion	151,160	9,491,643
Contributions subsequent to the measurement date	2,421,871	-
Total	<u>\$ 22,033,872</u>	<u>\$ 53,487,878</u>

District contributions subsequent to the measurement date of \$2,421,871 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2020	\$ (6,428,679)
2021	(17,751,001)
2022	(11,805,552)
2023	<u>2,109,355</u>
Total	<u>\$ (33,875,877)</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2017, determined the total pension liability using the following actuarial assumptions and other inputs.

Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5% - 9.7%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate ¹	5.26%
Post-retirement benefit increases:	
Hired prior to 1/1/2007	0% through 2019 and 1.5% compounded annually thereafter
Hired after 12/31/2006	ad hoc

¹The discount rate reflected in the roll-forward calculation of the total pension liability to the measurement date was 7.25%.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

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

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments, adjusted as follows:

- *Males:* Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- *Females:* Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. The significant changes affecting the plan included decreasing the investment rate of return assumption from 7.5% per year, compounded annually, net of investment expenses, to 7.25%, and updating mortality assumptions based on RP-2014 mortality tables.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class, as follows:

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

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

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

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

- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 89,941,098	\$ 70,745,734	\$ 54,637,586

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

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 8: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

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

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

Contributions - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (see Note 7) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2019, was \$220,553 equal to the required amount.

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

At June 30, 2019, the District reported a net OPEB liability of \$3,533,245, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2018, relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was 0.2596939453%, which was a decrease of 0.0031524199% from its proportion measured at December 31, 2017.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 8: Postemployment Healthcare Benefits (Continued)

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$289,919. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,826	\$ 5,378
Changes in assumptions and other inputs	24,786	-
Net difference between projected and actual earnings on plan investments	20,317	-
Changes in proportion	42,921	-
Contributions subsequent to the measurement date	128,918	-
	<hr/>	<hr/>
Total	\$ 229,768	\$ 5,378

District contributions subsequent to the measurement date of \$128,918 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2020	\$ 17,456
2021	17,456
2022	17,456
2023	31,571
2024	11,108
2025	425
	<hr/>
Total	\$ 95,472

Actuarial Assumptions - The actuarial valuation as of December 31, 2017, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 8: Postemployment Healthcare Benefits (Continued)

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

Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
Medicare plans	5.0%
Medicare Part A premiums:	
3.25% for 2018, gradually rising to 5.00% in 2025	

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table. The mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates. Healthy, post-retirement mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments. For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, and were adopted by PERA's governing board on November 18, 2016. In addition, certain actuarial assumptions pertaining to per capita health care costs and the related trends are analyzed by PERA's actuary as needed.

The long-term expected rate of return on the HCTF investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The most recent analysis of the long-term expected rate of return was adopted by PERA's governing board on November 18, 2016 and included the target allocation and best estimates of geometric real rates of return for each major asset class, as presented previously (see Note 7).

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 8: Postemployment Healthcare Benefits (Continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 3,953,394	\$ 3,533,245	\$ 3,174,057

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$ 3,282,124	\$ 3,533,245	\$ 3,486,825

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

Englewood Schools
Notes to Financial Statements
June 30, 2019

Note 9: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2019, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Capital Renewal Reserve

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

During the year ended June 30, 2018, the District was no longer required to contribute to the capital renewal reserve. The capital renewal reserve fund balance remains at \$200,000 as of June 30, 2019.

Construction Commitments

At June 30, 2019, the District had two significant construction contracts for projects at Bishop and Cherrelyn Elementary Districts totaling \$8.1 million and \$16.3 million, respectively.

TABOR Amendment

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

In November, 1999, voters within the District authorized the District to collect, retain, and expend all excess revenues and other funds received from every source, without limitation, in the 1999-2000 budget year and each subsequent budget year thereafter without future voter approval, notwithstanding the limitations of the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

In accordance with the Amendment, the District has established a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2019, the reserve was reported as restricted fund balance in the General Fund, in the amount of \$1,025,000.

Required Supplementary Information

Englewood Schools
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2019

	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Liability						
District's Proportion of the Net Pension Liability	0.3995341620%	0.4515017619%	0.4495654254%	0.4590972041%	0.4764040107%	0.4771716276%
District's Proportionate Share of the Net Pension Liability	\$ 70,745,734	\$ 145,999,623	\$ 133,853,012	\$ 70,215,676	\$ 64,568,746	\$ 60,863,112
State's Proportionate Share of the Net Pension Liability	9,673,487	-	-	-	-	-
	<u>\$ 80,419,221</u>	<u>\$ 145,999,623</u>	<u>\$ 133,853,012</u>	<u>\$ 70,215,676</u>	<u>\$ 64,568,746</u>	<u>\$ 60,863,112</u>
District's Covered Payroll	\$ 21,964,079	\$ 20,827,239	\$ 20,177,302	\$ 20,128,645	\$ 19,957,907	\$ 19,236,202
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	322%	701%	663%	349%	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57%	44%	43%	59%	63%	64%
	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14
District Contributions						
Statutorily Required Contribution	\$ 4,288,851	\$ 4,082,563	\$ 3,688,740	\$ 3,563,563	\$ 3,397,776	\$ 3,148,760
Contributions in Relation to the Statutorily Required Contribution	<u>(4,288,851)</u>	<u>(4,082,563)</u>	<u>(3,688,740)</u>	<u>(3,563,563)</u>	<u>(3,397,776)</u>	<u>(3,148,760)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 22,419,492	\$ 21,622,858	\$ 20,068,914	\$ 20,094,063	\$ 20,128,645	\$ 19,701,594
Contributions as a Percentage of Covered-Employee Payroll	19.13%	18.88%	18.38%	17.73%	16.88%	15.98%

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

Englewood Schools
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2019

	<u>12/31/18</u>	<u>12/31/17</u>
Proportionate Share of the Net OPEB Liability		
District's Proportion of the Net OPEB Liability	0.0259693945%	0.0256541525%
District's Proportionate Share of the Net OPEB Liability	\$ 3,953,394	\$ 3,334,014
District's Covered Payroll	\$ 21,964,079	\$ 20,827,239
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	18%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17%	18%
	<u>6/30/19</u>	<u>6/30/18</u>
District's Contributions		
Statutorily Required Contribution	\$ 228,679	\$ 220,553
Contributions in Relation to the Statutorily Required Contribution	<u>(228,679)</u>	<u>(220,553)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>
District's Covered Payroll	\$ 22,419,492	\$ 21,622,858
Contributions as a Percentage of Covered Payroll	1.02%	1.02%

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

Englewood Schools
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Property Taxes	\$ 17,869,840	\$ 17,880,172	\$ 18,798,222	\$ 918,050
Specific Ownership Taxes	1,820,259	1,964,286	2,121,697	157,411
Tuition and Fees	247,392	330,453	208,164	(122,289)
Investment Income	68,324	147,000	146,021	(979)
Rental Income	159,000	207,000	220,616	13,616
Other	17,500	269,373	582,451	313,078
Total Local Sources	<u>20,182,315</u>	<u>20,798,284</u>	<u>22,077,171</u>	<u>1,278,887</u>
<i>County Sources</i>				
Mineral Leases	<u>261</u>	<u>261</u>	<u>261</u>	<u>-</u>
<i>State Sources</i>				
State Equalization and Hold Harmless	9,382,410	8,993,571	8,997,083	3,512
Vocational Education	224,408	291,568	281,447	(10,121)
Special Education	665,004	632,511	968,659	336,148
Exceptional Children's Educational Act	44,090	44,090	20,986	(23,104)
English Language Proficiency Act (ELPA)	140,074	140,074	141,828	1,754
Transportation	179,526	155,643	166,522	10,879
Read Act	184,000	136,906	136,906	-
On-Behalf	-	-	501,236	501,236
Additional At-Risk Funding	23,093	23,093	21,653	(1,440)
Other State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total State Sources	<u>10,842,605</u>	<u>10,417,456</u>	<u>11,236,320</u>	<u>818,864</u>
Total Revenues	<u>31,025,181</u>	<u>31,216,001</u>	<u>33,313,752</u>	<u>2,097,751</u>
Expenditures				
<i>Instruction</i>	<u>19,443,973</u>	<u>18,419,153</u>	<u>18,740,690</u>	<u>(321,537)</u>
<i>Supporting Services</i>				
Student Support	2,229,749	2,328,841	2,151,891	176,950
Instructional Staff	1,473,117	1,577,327	1,764,068	(186,741)
General Administration	655,186	630,792	608,683	22,109
School Administration	2,273,560	2,539,166	2,606,830	(67,664)
Business Services	518,371	560,410	626,095	(65,685)
Operations and Maintenance	3,512,390	3,567,831	3,587,212	(19,381)
Student Transportation	828,936	835,633	781,982	53,651
Central Support	2,386,118	2,218,473	1,964,198	254,275
Other Support	152,847	103,447	98,216	5,231
Community Service	-	38,750	29,416	9,334
Total Supporting Services	<u>14,030,274</u>	<u>14,400,670</u>	<u>14,218,591</u>	<u>182,079</u>
<i>Reserves</i>	<u>5,994,980</u>	<u>5,769,093</u>	<u>-</u>	<u>5,769,093</u>
Total Expenditures	<u>\$ 39,469,227</u>	<u>\$ 38,588,916</u>	<u>\$ 32,959,281</u>	<u>\$ 5,629,635</u>

See the accompanying Auditors' Report.

(Continued)

Englewood Schools
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2019
(Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Excess Revenues Over (Under) Expenditures	\$ (8,444,046)	\$ (7,372,915)	\$ 354,471	\$ 7,727,386
Other Financing Sources (Uses)				
Transfers	(512,656)	(464,065)	(488,220)	24,155
Fund Balance, Beginning of year	<u>9,223,251</u>	<u>10,088,955</u>	<u>10,088,955</u>	<u>-</u>
Fund Balance, End of year	<u><u>\$ 266,549</u></u>	<u><u>\$ 2,251,975</u></u>	<u><u>\$ 9,955,206</u></u>	<u><u>\$ 7,751,541</u></u>

Englewood Schools
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Local Sources	\$ 56,000	\$ 45,684	\$ (10,316)
State Sources	1,985,777	873,955	(1,111,822)
Federal Sources	<u>2,758,620</u>	<u>2,939,461</u>	<u>180,841</u>
Total Revenues	<u>4,800,397</u>	<u>3,859,100</u>	<u>(941,297)</u>
Expenditures			
Instruction	1,602,767	1,488,546	(114,221)
Supporting Services	<u>3,197,630</u>	<u>2,370,554</u>	<u>827,076</u>
Total Expenditures	<u>4,800,397</u>	<u>3,859,100</u>	<u>712,855</u>
Net Change in Fund Balance	-	-	(228,442)
Fund Balance, Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (228,442)</u>

Englewood Schools
Notes to Required Supplementary Information
June 30, 2019

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

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

Changes in Assumptions and Other Inputs

For the year ended June 30, 2019, the total pension liability was determined by an actuarial valuation as of December 31, 2017. The following revised economic and demographic assumptions were effective as of December 31, 2017.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.4% per year. This assumption did not change from the prior year.
- Real rate of investment return assumption decreased from 4.85% per year, net of investment expenses, to 4.78%. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date increased from 4.78% to 7.25%.
- Wage inflation assumption of 3.5% per year. This assumption did not change from the prior year.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

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

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year end.

Supplementary Information

Englewood Schools
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Food Service	Tuition	Capital Reserve	Total
Assets				
Cash and Investments	\$ 70,856	\$ 199,572	\$ 1,248,181	\$ 1,518,609
Accounts Receivables	14,325	-	-	14,325
Inventories	<u>6,977</u>	<u>-</u>	<u>-</u>	<u>6,977</u>
 Total Assets	 <u>\$ 92,158</u>	 <u>\$ 199,572</u>	 <u>\$ 1,248,181</u>	 <u>\$ 1,539,911</u>
Liabilities and Fund Balances				
<i>Liabilities</i>				
Accounts Payable	\$ 16,544	\$ -	\$ 3,746	\$ 20,290
Accrued Salaries and Benefits	42,970	20,400	-	63,370
Unearned Revenues	11,212	-	-	11,212
Interfund Payables	<u>14,455</u>	<u>-</u>	<u>-</u>	<u>14,455</u>
 Total Liabilities	 <u>85,181</u>	 <u>20,400</u>	 <u>3,746</u>	 <u>109,327</u>
<i>Fund Balances</i>				
Nonspendable Inventories	6,977	-	-	6,977
Restricted for Emergencies	-	-	-	-
Restricted for Capital Reserves	-	-	200,000	200,000
Assigned to:				
Tuition Programs	-	179,172	-	179,172
Capital Projects	<u>-</u>	<u>-</u>	<u>1,044,435</u>	<u>1,044,435</u>
 Total Fund Balances	 <u>6,977</u>	 <u>179,172</u>	 <u>1,244,435</u>	 <u>1,430,584</u>
 Total Liabilities and Fund Balances	 <u>\$ 92,158</u>	 <u>\$ 199,572</u>	 <u>\$ 1,248,181</u>	 <u>\$ 1,539,911</u>

Englewood Schools

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

	Food Service	Tuition	Capital Reserve	Total
Revenues				
Local Sources	\$ 182,602	\$ 130,896	\$ 75,526	\$ 389,024
State Sources	31,203	1,602	-	32,805
Federal Sources	863,860	-	-	863,860
Total Revenues	1,077,665	132,498	75,526	1,285,689
Expenditures				
Current				
Instruction	-	96,392	-	96,392
Supporting Services	-	78	104,638	104,716
Food Service	1,264,810	-	-	1,264,810
Total Expenditures	1,264,810	96,470	104,638	1,465,918
Revenues Over (Under) Expenditures	(187,145)	36,028	(29,112)	(180,229)
Transfers	188,220	-	300,000	488,220
Net Change in Fund Balance	1,075	36,028	270,888	307,991
Fund Balances, Beginning of year	5,902	143,144	973,547	1,122,593
Fund Balances, End of year	\$ 6,977	\$ 179,172	\$ 1,244,435	\$ 1,430,584

Englewood Schools
 Budgetary Comparison Schedule
 Food Service Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Charges for Services	\$ 25,125	\$ 190,808	\$ 174,375	\$ (16,433)
Catering	-	-	3,251	-
Other	3,285	-	4,976	-
<i>State Sources</i>				
Grants	16,764	38,764	31,203	(7,561)
<i>Federal Sources</i>				
Grants	1,151,145	859,510	863,860	4,350
Total Revenues	<u>1,196,319</u>	<u>1,089,082</u>	<u>1,077,665</u>	<u>(19,644)</u>
Expenditures				
Salaries	479,388	500,199	465,605	34,594
Benefits	172,686	181,966	184,624	(2,658)
Purchased Services	11,279	14,391	26,459	(12,068)
Supplies and Materials	643,022	554,445	586,199	(31,754)
Property	2,600	2,146	1,923	223
Reserves	-	-	-	-
Total Expenditures	<u>1,308,975</u>	<u>1,253,147</u>	<u>1,264,810</u>	<u>(11,663)</u>
Excess of Revenues Over (Under) Expenditures	(112,656)	(164,065)	(187,145)	(31,307)
Other Financing Sources				
Transfers	112,656	164,065	188,220	(24,155)
Net Change in Fund Balance	-	-	1,075	(55,462)
Fund Balance, Beginning of year	<u>6,787</u>	<u>5,902</u>	<u>5,902</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 6,787</u>	<u>\$ 5,902</u>	<u>\$ 6,977</u>	<u>\$ (55,462)</u>

See the accompanying Independent Auditors' Report.

Englewood Schools
 Budgetary Comparison Schedule
 Tuition Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Charges for Services	\$ 125,000	\$ 125,000	\$ 130,896	\$ 5,896
On-Behalf Revenue	-	-	1,602	1,602
Total Revenues	125,000	125,000	132,498	7,498
Expenditures				
Salaries	42,906	65,989	63,958	2,031
Benefits	11,025	19,000	23,202	(4,202)
Purchased Services	1,463	2,214	496	1,718
Supplies and Materials	62,516	30,645	8,564	22,081
Other	7,090	7,152	250	6,902
Reserves	-	-	-	-
Total Expenditures	125,000	125,000	96,470	28,530
Net Change in Fund Balance	-	-	36,028	36,028
Fund Balance, Beginning of year	132,203	143,144	143,144	-
Fund Balance, End of year	<u>\$ 132,203</u>	<u>\$ 143,144</u>	<u>\$ 179,172</u>	<u>\$ 36,028</u>

Englewood Schools
 Budgetary Comparison Schedule
 Bond Redemption Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Property Taxes	\$ 10,566,834	\$ 10,566,834	\$ 10,538,448	\$ (28,386)
Investment Income	<u>72,000</u>	<u>177,000</u>	<u>165,204</u>	<u>(11,796)</u>
Total Revenues	<u>10,638,834</u>	<u>10,743,834</u>	<u>10,703,652</u>	<u>(40,182)</u>
Expenditures				
Debt Service				
Principal	2,655,290	2,655,290	2,655,290	-
Interest and Fiscal Charges	6,613,827	6,613,827	6,607,378	6,449
Reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>9,269,117</u>	<u>9,269,117</u>	<u>9,262,668</u>	<u>6,449</u>
Net Change in Fund Balance	1,369,717	1,474,717	1,440,984	(33,733)
Fund Balance, Beginning of year	<u>4,503,927</u>	<u>8,797,627</u>	<u>8,797,627</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 5,873,644</u>	<u>\$ 10,272,344</u>	<u>\$ 10,238,611</u>	<u>\$ (33,733)</u>

Englewood Schools
 Budgetary Comparison Schedule
 Building Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Investment Income	\$ 735,000	\$ 1,268,000	\$ 1,154,193	\$ (113,807)
On-Behalf Revenue	<u>-</u>	<u>-</u>	<u>3,269</u>	<u>3,269</u>
Total Revenues	<u>735,000</u>	<u>1,268,000</u>	<u>1,157,462</u>	<u>(110,538)</u>
Expenditures				
Capital Outlay	69,798,155	67,020,777	43,487,487	23,533,290
Debt Service				
Debt Issuance Cost	-	-	-	-
Reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>69,798,155</u>	<u>67,020,777</u>	<u>43,487,487</u>	<u>23,533,290</u>
Net Change in Fund Balance	(69,063,155)	(65,752,777)	(42,330,025)	23,422,752
Fund Balance, Beginning of year	<u>69,063,155</u>	<u>66,285,777</u>	<u>66,285,777</u>	<u>-</u>
Fund Balance, End of year	<u>\$ -</u>	<u>\$ 533,000</u>	<u>\$ 23,955,752</u>	<u>\$ 23,422,752</u>

Englewood Schools
 Budgetary Comparison Schedule
 Capital Reserve Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Investment Income	\$ 6,700	\$ 22,700	\$ 21,931	\$ (769)
Rental Income	-	-	-	-
Other	-	48,595	53,595	5,000
Total Revenues	6,700	71,295	75,526	4,231
Expenditures				
Purchased Services	495,000	526,637	66,047	460,590
Supplies	-	-	3,052	(3,052)
Property	402,278	54,770	35,539	19,231
Other	-	-	-	-
Reserves	200,000	380,466	-	380,466
Total Expenditures	1,097,278	961,873	104,638	857,235
Excess of Revenues Over (Under) Expenditures	(1,090,578)	(890,578)	(29,112)	(853,004)
Transfers	400,000	300,000	300,000	-
Net Change in Fund Balance	(690,578)	(590,578)	270,888	(853,004)
Fund Balance, Beginning of year	890,578	973,547	973,547	-
Fund Balance, End of year	<u>\$ 200,000</u>	<u>\$ 382,969</u>	<u>\$ 1,244,435</u>	<u>\$ (853,004)</u>

Englewood Schools
Statement of Changes in Assets and Liabilities
Agency Fund
June 30, 2019

Pupil Activities	Balances 6/30/18	Additions	Deductions	Balances 6/30/19
Assets				
Cash and Investments	\$ 276,811	\$ 324,881	\$ (315,985)	\$ 285,707
Total Assets	<u>\$ 276,811</u>	<u>\$ 324,881</u>	<u>\$ (315,985)</u>	<u>\$ 285,707</u>
Liabilities				
Accounts Payable	\$ 2,454	\$ -	\$ (2,454)	\$ -
Due to Student Groups	<u>274,357</u>	<u>324,881</u>	<u>(313,531)</u>	<u>285,707</u>
Total Liabilities	<u>\$ 276,811</u>	<u>\$ 324,881</u>	<u>\$ (315,985)</u>	<u>\$ 285,707</u>

Statistical Section
Englewood Schools
(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the District's ability to service current levels of outstanding debt and the District's ability to issue additional debt in the future. 56

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. 60

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs..... 62

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

ENGLEWOOD SCHOOLS
Net Assets by Components
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ (9,520,604)	\$ (7,600,450)	\$ (5,827,151)	\$ 2,545,616	\$ 6,295,190	\$ 8,165,022	\$ 4,986,120	\$ 11,368,868	\$ 14,668,006	\$ 13,833,851
Restricted	6,110,614	7,992,204	7,917,264	6,686,652	6,186,108	5,778,861	6,258,709	9,536,226	10,049,864	11,454,051
Unrestricted	15,183,824	12,340,853	13,453,151	14,877,649	11,985,937	(52,487,652)	(50,195,974) *	(77,737,085)	(103,377,587)	(95,389,144)
Total governmental activities net assets	11,773,834	12,732,607	15,543,264	24,109,917	24,467,235	(38,543,769)	(38,951,145)	(56,831,991) **	(78,659,717)	(70,101,242)
Business-type activities										
Net investment in capital assets	-	-	-	-	-	-	-	-	-	-
Restricted										
Unrestricted	212,187	259,839	262,734	262,022	178,488	-	-	-	-	-
Total business-type activities net assets	212,187	259,839	262,734	262,022	178,488	-	-	-	-	-
Totals										
Net investment in capital assets	(9,520,604)	(7,600,450)	(5,827,151)	2,545,616	6,295,190	8,165,022	4,986,120	11,368,868	14,668,006	13,833,851
Restricted	6,110,614	7,992,204	7,917,264	6,686,652	6,186,108	5,778,861	6,258,709	9,536,226	10,049,864	11,454,051
Unrestricted	15,396,011	12,600,692	13,715,885	15,139,671	12,164,425	(52,487,652)	(50,195,974)	(77,737,085)	(103,377,587)	(95,389,144)
Total primary government net assets	\$ 11,986,021	\$ 12,992,446	\$ 15,805,998	\$ 24,371,939	\$ 24,645,723	\$ (38,543,769)	\$ (38,951,145)	\$ (56,831,991)	\$ (78,659,717)	\$ (70,101,242)

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

*2016 Restated

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

ENGLEWOOD SCHOOLS

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year Ended June 30,										
	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018	2019
Expenses											
Governmental activities:											
Instruction	\$20,353,908	\$ 20,699,372	\$ 18,921,262	\$ 17,495,595	\$ 17,896,118	\$ 18,737,280	\$ 22,485,723	\$ 20,067,010	\$ 31,910,508	\$ 36,406,821	\$ 19,384,882
Supporting Services	12,184,195	11,816,820	13,130,895	12,627,729	13,423,963	13,920,935	17,110,664	16,527,157	24,456,894	27,666,561	13,974,800
Depreciation, unallocated	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	1,122,250	714,114	775,296	2,001,675	2,499,170	2,392,566	2,277,186	6,331,270	2,344,382	6,022,085	7,168,707
Total governmental activities expenses	33,660,353	33,230,306	32,827,453	32,124,999	33,819,251	35,050,781	41,873,573	42,925,437	58,711,784	70,095,467	40,528,389
Business-type activities:											
Food Services	922,878	945,906	979,160	1,068,992	1,137,015	1,174,040	-	-	-	-	-
Tuition	517,522	425,867	403,378	340,042	393,253	397,343	-	-	-	-	-
Total business-type activities expenses	1,440,400	1,371,773	1,382,538	1,409,034	1,530,268	1,571,383	-	-	-	-	-
Total primary government expenses	35,100,753	34,602,079	34,209,991	33,534,033	35,349,519	36,622,164	41,873,573	42,925,437	58,711,784	70,095,467	40,528,389
Program revenues:											
Governmental activities:											
Charges for services	160,717	71,492	70,380	69,866	93,444	254,449	1,095,984	934,623	647,207	706,173	742,278
Operating/Capital grants and contributions	3,589,399	4,892,767	4,913,347	4,837,752	12,269,253	5,002,377	5,761,333	6,421,796	5,557,183	6,117,723	6,427,754
Total governmental activities program revenue	3,750,116	4,964,259	4,983,727	4,907,618	12,362,697	5,256,826	6,857,317	7,356,419	6,204,390	6,823,896	7,170,032
Business-type activities:											
Charges for services	706,691	638,267	624,096	503,992	559,317	506,956	-	-	-	-	-
Operating grants and contributions	674,267	734,954	806,094	907,937	970,239	980,893	-	-	-	-	-
Total business-type activities program revenue	1,380,958	1,373,221	1,430,190	1,411,929	1,529,556	1,487,849	-	-	-	-	-
Total primary government revenues	5,131,074	6,337,480	6,413,917	6,319,547	13,892,253	6,744,675	6,857,317	7,356,419	6,204,390	6,823,896	7,170,032
Net (Expenses) Revenue											
Governmental activities	(29,910,237)	(28,266,047)	(27,843,726)	(27,217,381)	(21,456,554)	(29,793,955)	(35,016,256)	(35,569,018)	(52,507,394)	(63,271,571)	(33,358,357)
Business-type activities	(59,442)	1,448	47,652	2,895	(712)	(83,534)	-	-	-	-	-
Total primary government net expense	(29,969,679)	(28,264,599)	(27,796,074)	(27,214,486)	(21,457,266)	(29,877,489)	(35,016,256)	(35,569,018)	(52,507,394)	(63,271,571)	(33,358,357)
General revenues:											
Governmental Activities											
Property taxes	15,230,399	15,686,164	15,524,629	18,427,279	19,104,915	19,069,549	18,871,234	20,274,187	25,166,657	28,649,327	28,628,712
Specific ownership taxes	1,128,455	1,051,599	967,885	1,058,274	1,253,944	1,337,194	1,439,746	1,523,542	1,800,766	2,214,391	2,121,697
State equalization	13,489,379	13,258,128	10,606,022	10,084,015	9,343,027	9,246,246	10,304,676	9,562,116	9,869,298	8,384,015	8,997,083
Investment income	388,886	157,455	60,787	19,093	1,998	4,603	9,245	18,213	183,014	1,658,346	1,487,349
Other revenues	1,085,942	421,655	1,643,176	439,377	319,323	493,681	438,351	453,148	817,453	537,766	681,991
Total general revenues	31,323,061	30,575,001	28,802,499	30,028,038	30,023,207	30,151,273	31,063,252	31,831,206	37,837,188	41,443,845	41,916,832
Business-type activities											
Investment income	258	4	-	-	-	-	-	-	-	-	-
Change in net position											
Governmental activities	1,412,824	2,308,954	958,773	2,810,657	8,566,653	357,318	(3,953,004)	(3,737,812)	(14,670,206)	(21,827,726)	8,558,475
Business-type activities	(59,184)	1,452	47,652	2,895	(712)	(83,534)	-	-	-	-	-
Total primary government change in net position	\$ 1,353,640	\$ 2,310,406	\$ 1,006,425	\$ 2,813,552	\$ 8,565,941	\$ 273,784	\$ (3,953,004)	\$ (3,737,812)	\$ (14,670,206)	\$ (21,827,726)	\$ 8,558,475

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

ENGLEWOOD SCHOOLS
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011*	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 950,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,931,355	-	-	-	-	-	-	-	-	-
Restricted	-	885,159	859,380	846,109	860,601	912,947	1,054,569	1,090,490	1,168,809	1,384,276
Assigned	-	-	-	3,717,773	3,378,687	1,793,201	1,508,699	2,150,444	3,267,597	2,175,310
Unassigned	-	11,338,572	12,253,380	8,181,936	6,230,118	6,335,574	6,701,270	7,447,757	5,652,549	6,395,620
Total general fund	11,882,196	12,223,731	13,112,760	12,745,818	10,469,406	9,041,722	9,264,538	10,688,691	10,088,955	9,955,206
All Other Governmental Funds										
Nonspendable inventory							7,350	6,787	5,902	6,977
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	5,285,982	-	-	-	-	-	-	-	-	-
Debt service fund	3,852,533	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Capital projects fund	-	3,167,102	55,394,291	36,995,704	11,219,155	320,835	200,000	200,000	200,000	200,000
Debt service fund	-	3,814,491	5,194,031	5,075,936	4,907,082	4,751,365	5,315,482	8,608,704	8,797,627	10,238,611
Building fund								106,650,504	66,285,777	23,955,752
Assigned, reported in:										
Food Services		-	-	-	-	142,964	-	-	-	-
Tuition Fund		-	-	-	-	25,819	21,986	66,027	143,144	179,172
Capital projects fund	-	1,003,164	903,258	1,134,459	2,355,394	744,940	1,147,432	572,121	773,547	1,044,435
Total all other governmental funds	9,138,515	7,984,757	61,491,580	43,206,099	18,481,631	5,985,923	6,692,250	116,104,143	76,205,997	35,624,947
Total all governmental funds	\$ 21,020,711	\$ 20,208,488	\$ 74,604,340	\$ 55,951,917	\$ 28,951,037	\$ 15,027,645	\$ 15,956,788	\$ 126,792,834	\$ 86,294,952	\$ 45,580,153

* The implementation of GASB Statement No. 54

ENGLEWOOD SCHOOLS
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Local Sources	\$ 17,268,274	\$ 17,464,305	\$ 20,285,110	\$ 28,630,133	\$ 21,809,419	\$ 21,553,630	\$ 23,390,918	\$ 28,600,858	\$ 33,136,846	\$ 34,369,985
State Sources	14,623,310	11,868,112	11,562,690	11,227,346	11,060,772	12,693,466	12,056,355	11,811,832	10,689,059	12,146,349
Federal Sources	3,463,266	4,189,730	2,971,123	2,694,954	2,564,495	3,308,204	3,458,189	3,614,649	3,812,679	3,803,321
Charges for Services	-	-	-	-	-	501,975	457,757	-	-	-
Total revenues	35,354,850	33,522,147	34,818,923	42,552,433	35,434,686	38,057,275	39,363,219	44,027,339	47,638,584	50,319,655
Expenditures:										
Instruction	19,344,585	18,287,304	16,967,332	17,102,464	17,897,403	18,538,071	17,874,770	17,789,397	19,418,024	20,325,628
Support services	11,352,707	11,646,452	11,570,619	12,393,421	13,313,628	14,428,450	14,832,617	16,393,717	16,831,512	16,693,861
Capital outlay	679,950	1,608,740	2,455,029	26,175,563	27,404,795	13,642,683	804,075	3,597,358	41,803,464	44,752,297
Debt service:										
Principal	1,699,444	2,394,444	2,444,722	2,797,319	2,892,192	2,998,814	26,995,915	3,238,514	3,366,632	2,655,290
Interest and fiscal charges	833,163	797,763	1,660,049	2,786,089	2,680,048	2,551,137	6,960,456	2,323,042	6,716,834	6,607,378
Bond issuance costs	-	-	311,637	-	-	-	-	588,725	-	-
Total expenditures	33,909,849	34,734,703	35,409,388	61,254,856	64,188,066	52,159,155	67,467,833	43,930,753	88,136,466	91,034,454
Other Financing Services (Uses)										
Bonds issued	-	-	49,996,986	-	-	-	24,835,000	97,500,000	-	-
Bond premium	-	-	4,964,028	-	-	-	4,198,757	13,239,460	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	400,333	25,303	50,000	1,752,500	-	-	-	-	-
Transfers in	844,564	384,242	200,000	678,674	650,000	900,000	469,194	235,652	544,957	488,220
Transfers out	(844,564)	(384,242)	(200,000)	(678,674)	(650,000)	(900,000)	(469,194)	(235,652)	(544,957)	(488,220)
Total other financing sources (uses)	-	400,333	54,986,317	50,000	1,752,500	-	29,033,757	110,739,460	-	-
Net change in fund balances	\$ 1,445,001	\$ (812,223)	\$ 54,395,852	\$ (18,652,423)	\$ (27,000,880)	\$ (14,101,880)	\$ 929,143	\$ 110,836,046	\$ (40,497,882)	\$ (40,714,799)
Debt service as a percentage of noncapital expenditures	7.5%	9.2%	11.6%	9.1%	8.7%	10.6%	50.3%	13.9%	11.4%	18.8%

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

December Certification Year	Collection Year	Total Taxable Assessed Value	Total Direct Tax Rate (in mills)	Estimated Actual Value			Percentage of Assessed Value to Estimated Actual Value
				Residential Property	Commercial Property	Total Estimated Actual Value	
2009	2009	421,381,030	37.195	2,015,631,030	709,270,550	2,724,901,580	15.46%
2010	2011	420,770,900	37.199	2,015,443,630	897,670,852	2,913,114,482	14.44%
2011	2012	419,880,340	37.495	1,869,911,551	934,536,232	2,804,447,783	14.97%
2012	2013	404,882,670	45.858	1,818,642,994	896,906,482	2,715,549,476	14.91%
2013	2014	411,108,940	46.719	1,819,669,002	918,095,359	2,737,764,361	15.02%
2014	2015	408,615,730	46.874	1,805,864,441	913,290,625	2,719,155,066	15.03%
2015	2016	406,326,674	47.018	1,815,549,956	902,662,338	2,718,212,294	14.95%
2016	2017	466,336,848	44.268	2,296,133,877	977,831,201	3,273,965,078	14.24%
2017	2018	465,378,090	54.561	2,316,009,395	968,485,752	3,284,495,147	14.17%
*2018	2019	550,926,301	52.372	3,147,414,893	1,118,317,406	4,265,732,299	12.92%

Source: Arapahoe County Assessor's Office

* 2018 restated 2018 restated

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

Year	Residential	Commercial	Valuation Year
2010	7.96%	29.00%	2008
2011	7.96%	29.00%	2010
2012	7.96%	29.00%	2010
2013	7.96%	29.00%	2012
2014	7.96%	29.00%	2012
2015	7.96%	29.00%	2014
2016	7.96%	29.00%	2014
2017	7.96%	29.00%	2016
2018	7.20%	29.00%	2016
2019	7.20%	29.00%	2018

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

Collection Year	Englewood Schools			Overlapping Rates								
	General Fund Millage	Bond Redemption Fund Millage	Total School Millage	Arapahoe County	City of Englewood	City of Littleton	City of Cherry Hills Village	Arapahoe Regional Library District	South Metro Fire & Rescue	South Suburban Recreation District	Urban Drainage & Flood Control District	Littleton Fire District
2010	29.568	7.631	37.199	15.672	7.911	6.662	13.402	4.783	9.362	6.777	0.569	7.678
2011	29.952	7.543	37.495	15.949	8.010	6.662	13.402	4.869	9.541	6.869	0.576	7.678
2012	32.027	13.831	45.858	17.316	7.621	6.662	13.295	4.981	9.661	7.034	0.623	7.678
2013	33.511	13.208	46.719	17.150	7.794	6.662	13.304	4.903	9.519	6.960	0.657	7.678
2014	33.610	13.264	46.874	17.130	8.124	6.662	13.374	4.861	9.444	6.915	0.672	7.678
2015	33.679	13.339	47.018	16.950	8.124	6.662	13.360	4.794	9.319	8.808	0.700	7.678
2016	32.422	11.846	44.268	14.856	7.804	6.662	13.557	5.916	9.199	8.651	0.700	7.678
2017	35.361	19.200	54.561	15.039	11.613	6.662	13.559	5.926	9.250	8.643	0.620	7.678
2018	33.371	18.807	52.178	13.817	10.745	6.662	13.559	5.853	9.250	8.496	0.557	7.678
2019	33.566	18.807	52.373	14.310	10.710	6.662	13.813	5.820	9.250	8.460	0.557	7.678

Source: Arapahoe County Assessor's Office.

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

ENGLEWOOD SCHOOLS
Principal Property Taxpayers
Current Year and Nine Years Ago

2018				2009			
Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Columbia Healthone LLC	\$ 22,620,000	1	4.11%	Columbia HealthOne	\$ 32,983,900	1	7.84%
Swedish Medical Center	12,760,363	2	2.32%	Englewood Meridian LTS	4,316,290	2	1.03%
Public SVC CO of Colorado	7,616,180	3	1.38%	TSA Corporate Services	3,949,500	3	0.94%
Qwest Corp	5,855,100	4	1.06%	Meadow Gold	3,160,920	4	0.75%
Avalon Axis Oxford LLC	3,638,610	5	0.66%	First Industrial LP	3,045,000	5	0.72%
Northern Englewood Limited	3,471,300	6	0.63%	First Industrial LP	3,016,000	6	0.72%
Situs Enterprises LLC	3,335,001	7	0.61%	Omni Development Co.	2,957,990	7	0.70%
SCG Atlas Marks LLC	3,245,760	8	0.59%	First Industrial LP	2,926,000	8	0.70%
Spuds8 Englewood LP	3,175,142	9	0.58%	Wal-Mart	2,648,660	9	0.63%
Healthone & Swedish MOB	3,153,170	10	0.57%	801/901 Englewood Parkway	2,481,530	10	0.59%
	<u>\$ 68,870,626</u>		<u>12.50%</u>	Total	<u>\$ 61,485,790</u>		<u>14.61%</u>
Total Assessed Valuation	\$550,926,301				\$420,770,900		

Source: Arapahoe County Assessor's Office

ENGLEWOOD SCHOOLS
Property Tax Levies and Collections
Last Ten Fiscal Years

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy		Collections Subsequent to Fiscal Year End	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2010	15,772,176	14,893,494	94.4%	786,165	15,679,659	99.4%
2011	15,730,614	14,973,487	95.2%	618,457	15,591,944	99.1%
2012	18,567,109	17,570,985	94.6%	897,902	18,468,887	99.5%
2013	19,206,728	18,389,912	95.7%	738,587	19,128,499	99.6%
2014	19,153,660	18,128,092	94.6%	847,472	18,975,564	99.1%
2015	19,104,479	18,250,649	95.5%	826,543	19,077,192	99.9%
2016	20,643,712	19,669,522	95.3%	881,234 (2)	20,550,756	99.5%
2017	25,391,328	23,981,074	94.4%	785,192 (2)	24,766,266	97.5%
2018	28,823,080	26,525,937	92.0%	1,120,434 (2)	23,030,021	79.9%
2019	28,827,177	27,381,560	95.0%	530,294 (2)	27,911,854	96.8%

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

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

Source: Arapahoe County Assessor's Office, District Audited Financial Statements 2010-2019.

ENGLEWOOD SCHOOLS

Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Total		Per Capita	Personal Income	Percent of Personal Income	Actual Value	Percent of Actual Value
	General Obligation Bonds	EPA Note	Capital Leases	Primary Government	Population					
2010	21,407,619	18,892	-	21,426,511	32,532	659	680,048,928	3.2%	2,913,114,482	0.7%
2011	19,035,000	9,448	-	19,044,448	30,255	629	632,450,520	3.0%	2,804,447,783	0.7%
2012	71,782,621	-	-	71,782,621	30,255	2,373	793,528,140	9.0%	2,715,549,476	2.6%
2013	68,587,509	-	-	68,587,509	30,930	2,218	831,460,260	8.2%	2,737,764,361	2.5%
2014	65,297,523	-	-	65,297,523	30,534	2,139	784,174,188	8.3%	2,719,155,066	2.4%
2015	62,006,602	-	-	62,006,602	31,516	1,967	817,682,620	7.6%	2,718,212,294	2.3%
2016	63,489,915	-	-	63,489,915	31,516	2,015	825,971,328	7.7%	3,273,965,078	1.9%
2017	168,402,491	-	-	168,402,491	32,301	5,214	846,544,608	19.9%	3,284,495,147	5.1%
*2018	164,140,978	-	-	164,140,978	32,301	5,082	907,690,401	18.1%	4,265,732,299	3.8%
2019	160,610,495	-	-	160,610,495	33,155	4,844	1,108,670,045	14.5%	4,987,263,651	3.2%

Source: District Audited Financial Statements.

* Restated

Source: Population from City of Englewood

Note:

The District refunded \$9,075,000 during the 2008 fiscal year.

The District sold \$50,000,000 in bonds as a result of a successful November 2011 Bond Election.

The District refunded \$23,579,085 during the 2016 fiscal year.

The District sold \$24,835,000 in bonds as a result of an April 2016 refunding.

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

ENGLEWOOD SCHOOLS

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal	General	Less Amount	Total				Percent of
Year	Obligation	Available in	Primary	Population	Per	Actual	Actual
	<u>Bonds</u>	<u>Debt Service</u>	<u>Government</u>		<u>Capita</u>	<u>Value</u>	<u>Value</u>
2010	21,407,619	(3,852,533)	17,555,086	32,532	540	2,913,114,482	0.6%
2011	19,035,000	(3,814,491)	15,220,509	30,255	503	2,804,447,783	0.5%
2012	71,782,621	(5,194,031)	66,588,590	30,255	2,201	2,715,549,476	2.5%
2013	68,587,509	(5,075,936)	63,511,573	30,930	2,053	2,737,764,361	2.3%
2014	65,297,523	(4,907,082)	60,390,441	30,534	1,978	2,719,155,066	2.2%
2015	62,006,602	(4,751,365)	57,255,237	31,516	1,817	2,718,212,294	2.1%
2016	63,489,915	(5,315,482)	58,174,433	31,516	1,846	3,273,965,078	1.8%
2017	168,402,491	(8,245,736)	160,156,755	32,301	4,958	3,284,495,147	4.9%
2018	164,140,978	(8,681,055)	155,459,923	32,301	4,813	4,265,732,299	3.6%
2019	160,610,495	(10,238,611)	150,371,884	33,155	4,535	4,987,263,651	3.0%

Source: District Audited Financial Statements 2008-2017.

Source: Population from City of Englewood

Note: The District refunded \$9,075,000 during the 2008 fiscal year.

The District sold \$50,000,000 in bonds as a result of a successful November 2011 Bond Election.

The District refunded \$23,579,085 during the 2016 fiscal year.

The District sold \$24,835,000 in bonds as a result of an April 2016 refunding.

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

ENGLEWOOD SCHOOLS

Direct and Overlapping Governmental Activities Debt

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to District</u>	<u>Overlapping Debt Applicable to District</u>
Overlapping Debt:			
City of Englewood	\$ 46,723,801	77.2%	\$ 36,070,774
South Suburban Metropolitan Recreation and Park District	3,440,000	3.5%	<u>120,400</u>
Total Overlapping Debt			<u>36,191,174</u>
Direct Debt:			
Englewood School District	143,982,310	100.0%	<u>143,982,310</u>
Total Direct and Overlapping Debt			<u>\$ 180,173,484</u>

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

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

ENGLEWOOD SCHOOLS

Legal Debt Margin Information

Last Ten Fiscal Years

Fiscal		Total Net Debt	Legal	Total Net Debt
<u>Year</u>	<u>Debt limit</u>	<u>Applicable</u> <u>To Limit</u>	<u>Debt</u> <u>Margin</u>	<u>Applicable</u> <u>To Limit</u>
2010	84,798,924	17,555,086	67,243,838	20.70%
2011	83,907,798	15,220,509	68,687,289	18.14%
2012	80,976,534	61,397,955	19,578,579	75.82%
2013	82,221,788	58,718,731	23,503,057	71.42%
2014	81,723,146	55,995,393	25,727,753	68.52%
2015	81,265,335	53,152,296	28,113,039	65.41%
2016	93,267,370	50,427,264	42,840,106	54.07%
2017*	197,096,353	141,395,528	55,700,825	71.74%
2018	254,920,714	137,956,595	116,964,119	54.12%
2019	299,235,819	154,625,978	144,609,841	51.67%

Computation of Maximum Debt Allowed for Fiscal Year 2019

Taxable Actual Valuation	\$ 4,987,263,651
Debt Limit Percentage (1)	6%
Legal Debt Limit	\$ 299,235,819
Total Bonded Debt	\$ 164,495,753
Amount Available in Debt Service Fund	9,869,775
Net Bonded Debt	154,625,978
Legal Debt Margin	\$ 144,609,841

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

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

Source: District Audited Financial Statements

ENGLEWOOD SCHOOLS

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Englewood Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2010	32,532	\$ 680,048,928	\$ 20,904	36	3,124	7.3%
2011	30,255	\$ 632,450,520	\$ 20,904	36	2,992	10.1%
2012	30,255	\$ 793,528,140	\$ 26,228	37	2,954	9.5%
2013	30,930	\$ 831,460,260	\$ 26,882	37	2,981	7.6%
2014	30,534	\$ 784,174,188	\$ 25,682	38	2,835	6.1%
2015	31,516	\$ 817,682,620	\$ 25,945	37	2,866	4.4%
2016	31,516	\$ 825,971,328	\$ 26,208	37	2,854	4.4%
2017	32,301	\$ 846,544,608	\$ 26,208	37	2,775	3.4%
2018	32,301	\$ 907,690,401	\$ 28,101	37	2,759	3.4%
2019	33,155	\$ 1,108,670,045	\$ 50,184	36.7	2,633	3.2%

Sources:

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

ENGLEWOOD SCHOOLS

Principal Employers

Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Columbia Swedish Medical Center	2,041	1	7.50%	1,800	1	7.69%
Craig Hospital	815	2	3.00%	650	4	2.78%
Encore Electric	560	3	2.06%	900	2	3.84%
Englewood Schools	491	4	1.80%	525	3	2.24%
City of Englewood	425	5	1.56%	520	5	2.22%
Groove Toyota	420	6	1.54%	450	6	1.92%
Kracher North America	367	7	1.35%	300	7	1.28%
Metro Community Providers	331	8	1.22%	300	8	1.28%
Veolia Transportation	295	9	1.08%	230	10	0.98%
Regional Transportation District	251	10	0.92%	238	9	1.02%
Total	<u>5,996</u>		<u>22.04%</u>	<u>5,913</u>		<u>25.25%</u>
Total Employees	27,205			23,418		

Source: City of Englewood Community Development Department

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

Fiscal				
Year	Teachers	Classified	*Administrators /Professional & Technical	Total
2010	223.30	106.00	21.80	351.10
2011	206.20	112.43	21.80	340.43
2012	198.40	113.64	20.80	332.84
2013	206.30	122.71	22.83	351.84
2014	213.60	132.86	22.83	369.29
2015	218.40	129.42	25.63	373.45
2016	221.89	150.88	23.00	395.77
2017	182.44	126.70	27.80	336.94
2018	199.34	115.21	27.59	342.14
2019	175.92	138.78	34.15	348.85

*Starting 2018-19:

Administrators' category includes Professional/Technical positions

Sources: Englewood Schools Human Resources

ENGLEWOOD SCHOOLS

Operating Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Operating Cost per Pupil</u>	<u>Government-Wide Expenditures</u>	<u>Government-Wide Cost per Pupil</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students Approved for Free or Reduced Lunch</u>
2010	3,124	32,516,192	10,409	34,602,079	11,076	223.3	14.0	54.9%
2011	2,992	32,052,157	10,713	34,209,991	11,434	206.2	14.5	55.8%
2012	2,954	30,123,324	10,197	33,534,033	11,352	198.4	14.9	57.9%
2013	2,981	31,320,081	10,507	35,349,519	11,858	206.3	14.4	56.1%
2014	2,835	32,658,215	11,520	36,622,164	12,918	213.6	13.3	59.5%
2015 (1)	2,866	39,596,387	13,816	41,873,573	14,610	218.4	13.1	62.6%
2016*	2,854	35,407,380	12,406	39,595,001	13,874	221.9	12.9	58.5%
2017*	2,775	56,367,402	20,313	58,711,784	21,157	182.4	15.2	67.4%
2018	2,759	64,073,382	23,223	70,095,467	25,406	199.3	13.8	66.0%
2019	2,633	33,359,682	12,670	40,528,389	15,392	175.9	15.0	66.0%

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

* Restated

ENGLEWOOD SCHOOLS

Schedule of Insurance

June 30, 2019

Insurance Company	Policy Number	Term of Insurance		Type of Insurance	Amount of Coverage	07/1/18- 07/1/19 Premium
		Start Date	Expire Date			
CSDSIP (1)	0301-01-00044	07/01/2018	07/01/2019	Comprehensive General Liability, Including Employee Benefit Programs and Athletic Participation	\$ 141,192,421	\$ 146,637
				School Leaders Errors & Omissions	2,000,000	29,846
CSDSIP	0301-01-00044	07/01/2018	07/01/2019	Equipment Breakdown	250,000,000	11,425
CSDSIP	0301-01-00044	07/01/2018	07/01/2019	Employee Blanket Bond	250,000	894
CSDSIP	0301-01-00044	07/01/2018	07/01/2019	Vehicle Insurance	2,000,000	21,743
						<u>\$ 210,545</u>

(1) Colorado School District Self-Insurance Pool.

Source: Englewood School District

ENGLEWOOD SCHOOLS
Capital Asset Information
June 30, 2019

Schools	
Elementary	
Buildings	4
Square feet	180,743
Capacity	1,668
Enrollment	1,240
Percent capacity	74%
Middle / High	
Buildings	1
Square feet	238,298
Capacity	1,200
Enrollment	874
Percent capacity	73%
High	
Buildings	1
Square feet	99,380
Capacity	704
Enrollment	301
Percent capacity	43%
Early Childhood Education Center	
Buildings	1
Square feet	37,165
Capacity	352
Enrollment	218
Percent capacity	62%
Administration	
Buildings	1
Square feet	13,800
Operations, maintenance and transportation	
Buildings	1
Square feet	8,400
Athletics	
Athletic stadium	1
Baseball fields	1
Running tracks	1
Playgrounds	6
Excess property	
Buildings	2
Square feet	44,800

Source: Englewood Schools

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

Compliance Section

Single Audit



**Independent Auditors' Report on Internal Control Over
Financial Reporting and On Compliance and Other Matters
Based on An Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards***

Board of Education
Englewood Schools
Englewood, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Englewood Schools as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of Englewood Schools, and have issued our report thereon dated December 9, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hick & Company, PC

Greenwood Village, Colorado
December 9, 2019





**Independent Auditors' Report on Compliance for Each
Major Federal Program, Internal Control Over Compliance,
And the Schedule of Expenditures of Federal Awards
Required by The Uniform Guidance**

Board of Education
Englewood Schools
Englewood, Colorado

Report on Compliance for Each Major Federal Program

We have audited Englewood Schools' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Englewood Schools' major federal programs for the year ended June 30, 2019. Englewood Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Englewood Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Englewood Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Englewood Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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



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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Englewood Schools as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of Englewood Schools. We issued our report thereon dated December 9, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Englewood Schools' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Greenwood Village, Colorado
December 9, 2019



Englewood Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education				
<i>Passed through State Department of Education</i>				
<i>Special Education Cluster</i>				
Special Education	84.027	4027	\$ 736,453	\$ -
Special Education Preschool	84.173	4173	38,006	-
Speical Education Cluster Total			<u>774,459</u>	<u>-</u>
Title I	84.010	4010/5010	626,304	-
Twenty-First Century Community Learning Centers	84.287	5287	379,480	-
Twenty-First Century Community Learning Centers (Clayton)	84.287C	6287	149,334	-
Colorado Multi Tiered Systems	84.323A	5323	3,255	-
English Language Acquisition	84.365	4365	16,530	-
Improving Teacher Quality	84.367	4367	112,716	-
<i>Passed through State Community College System</i>				
Career and Technical Education	84.048	4048	26,503	-
Total U.S. Department of Education			<u>2,088,581</u>	<u>-</u>
U.S. Department of Agriculture				
<i>Passed through State Department of Human Services</i>				
<i>Child Nutrition Cluster</i>				
Food Commodities	10.555	4555	66,241	-
<i>Passed through State Department of Education</i>				
School Breakfast Program	10.553	4553	163,717	-
National School Lunch Program	10.555	4555	503,339	-
Summer Food Service Program for Children	10.559	4559	32,909	-
Child Nutrition Cluster Total			<u>766,206</u>	<u>-</u>
Child and Adult Care Food Program Meal Service	10.536	4558	67,304	-
Fresh Fruits and Vegetable Program	10.582	4582	30,350	-
Total U.S. Department of Agriculture			<u>863,860</u>	<u>-</u>
U.S. Department of Health and Human Services				
<i>Passed through Sheridan School District</i>				
Head Start	93.600	8600	544,501	-
Total U.S. Department of Health and Human Services			<u>544,501</u>	<u>-</u>
U.S. Department of Center for Disease Control				
<i>Passed through State Department of Education</i>				
CDC Improve Student Health	93.981	7981	11,120	-
Total U.S. Department of Center for Disease Control			<u>11,120</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 3,508,062</u>	<u>\$ -</u>

Englewood Schools
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

Note 2: Noncash Programs

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of \$66,241 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch Program (10.555).

Note 3: Indirect Costs

The District does not charge the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4: Subrecipients

The District did not pass through any federal funds to sub-recipients during the year ended June 30, 2019.

Englewood Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I: Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

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

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

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

☐ Yes ☒ No

Identification of major federal program:

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

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Englewood Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

Englewood Schools
Schedule of Prior Year Findings
For the Year Ended June 30, 2019

Findings Required to be Reported by the Uniform Guidance

No items requiring follow up.

State Compliance



Colorado Department of Education

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Auditors Integrity Report

District: 0120 - Englewood 1

Fiscal Year 2018-19

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+		-	=
Governmental				
10 General Fund	9,862,147	32,027,117	32,293,332	9,595,931
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	226,809	798,417	665,949	359,276
Sub- Total	10,088,955	32,825,534	32,959,282	9,955,207
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	143,144	132,497	96,469	179,172
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	5,902	1,265,884	1,264,809	6,977
22 Govt Designated-Purpose Grants Fund	0	3,859,100	3,859,100	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	8,797,627	10,703,651	9,262,666	10,238,611
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	66,285,777	1,157,461	43,467,486	23,955,753
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	973,547	375,526	104,536	1,244,435
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	86,294,952	50,319,552	91,034,449	45,580,156
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	57,683	1,285	4,000	54,969
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	274,357	324,882	313,531	285,707
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	332,040	326,167	317,531	340,676

FINAL

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

12/3/19

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