

ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2011

Prepared by: Finance Department

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Table of Contents	i - iv
Letter of Transmittal	v - vii
Organizational Chart	viii
Roster of School Officials	ix
Certificate of Achievement	x
FINANCIAL SECTION	
Independent Auditors' Report	a - b
Management's Discussion and Analysis	c - i
Basic Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	5
Statement of Net Assets - Proprietary Funds	6
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	7
Statement of Cash Flows - Proprietary Funds	8
Statement of Fiduciary Net Assets - Fiduciary Funds	9
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	10
Notes to Financial Statements	11 - 22

TABLE OF CONTENTS
(Continued)

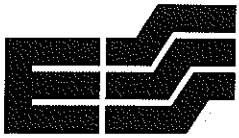
	<u>PAGE</u>
FINANCIAL SECTION (Continued)	
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	23
Budgetary Comparison Schedule - Grants Fund	24
Notes to Required Supplementary Information	25
Individual Fund Financial Statements and Schedules	
Budgetary Comparison Schedule - Technology Fund	26
Budgetary Comparison Schedule - Bond Redemption Fund	27
Budgetary Comparison Schedule - Capital Reserve Fund	28
Budgetary Comparison Schedule - Food Services Fund	29
Budgetary Comparison Schedule - Tuition Fund	30
Statement of Changes in Assets and Liabilities - Agency Fund	31
STATISTICAL SECTION	
Table of Contents	32
Financial Trends	
Net Assets by Component	33
Changes in Net Assets	34
Fund Balances, Governmental Funds	35
Changes in Fund Balances, Governmental Funds	36
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	37
Property Tax Rates - Direct and Overlapping Governments	38
Principal Property Tax Payers	39
Property Tax Levies and Collections - All Funds	40

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
STATISTICAL SECTION (Continued)	
Debt Capacity	
Outstanding Debt by Type	41
Direct and Overlapping Governmental Activities Debt	42
Legal Debt Margin Information	43
Demographic and Economic Information	
Demographic and Economic Statistics	44
Principal Employers	45
Operating Information	
Full-Time Equivalent Employees by Type	46
Operating Statistics	47
Schedule of Insurance	48
Capital Asset Information	49
COMPLIANCE SECTION	
Single Audit	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	50 - 51
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	52 - 53
Schedule of Findings and Questioned Costs	54
Independent Auditors' Report on Schedule of Expenditures of Federal Awards	55
Schedule of Expenditures of Federal Awards	56
Notes to Schedule of Expenditures of Federal Awards	57

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
COMPLIANCE SECTION (Continued)	
State Compliance	
Independent Auditors' Report on Auditor's Integrity Report	58
Auditor's Integrity Report	59



November 15, 2011

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

The Comprehensive Annual Financial Report of Arapahoe County School District Number One (Englewood Schools or District) as of June 30, 2011 and for the fiscal year then ended is hereby submitted. Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the District. The data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's activities have been included.

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

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

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

Profile of the District

Arapahoe County School District Number One (Englewood Schools) was formed in 1916. Nine schools provide instruction and related services to approximately 3,000 students from pre-kindergarten through twelfth grade. The enrollment within the District has been declining for several years and is expected to continue to decline in the foreseeable future. The District encompasses approximately 6.9 square miles, which is located within the City of Englewood, directly south of Denver, Colorado.

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

District Mission

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

Factors Affecting Financial Condition

State and Local Economy. The unemployment rate in Colorado was 8.5% in June 2011, down from 8.8% in 2010. The Consumer Price Index (CPI) for the Denver-Boulder-Greeley area increased 3.8% from the first half of 2010 to the first half of 2011, the largest over-the-year advance since 2008 (according to the U.S. Bureau of Labor Statistics). Despite some positive trends, the economy's rocky recovery and rebuilding process has shown some precarious signs of stalling. Continued high debt levels, the slumped housing market, and the financial market volatility are a difficult combination of conditions for the economy to contend with. School district funding across Colorado will continue to be reduced in the future due to the economic slowdown.

Long-term Financial Planning. The District continuously updates long-range financial projections, which are reviewed by the Board of Education. These include forecasts of student enrollment which drive school funding computations. Englewood Schools' enrollment has been declining for many years and is projected to continue declining which leads the District to make appropriate budget adjustments.

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

presented to the Board of Education in May of each year followed by a budget hearing and adoption in June.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Englewood School District for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The publishing of this document would not have been possible without the assistance of the Business Services staff; Tammy Hohn, Judy Wynn, Shaunie Wilson, Harla Knapp and Mary Hensley. Deserved recognition for their support, hard work and dedication to the District goes to them. Further special recognition is due the District's independent auditors, Swanhorst & Company, LLC for their efforts and professional assistance in the preparation of this audit and for their support throughout the year.

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

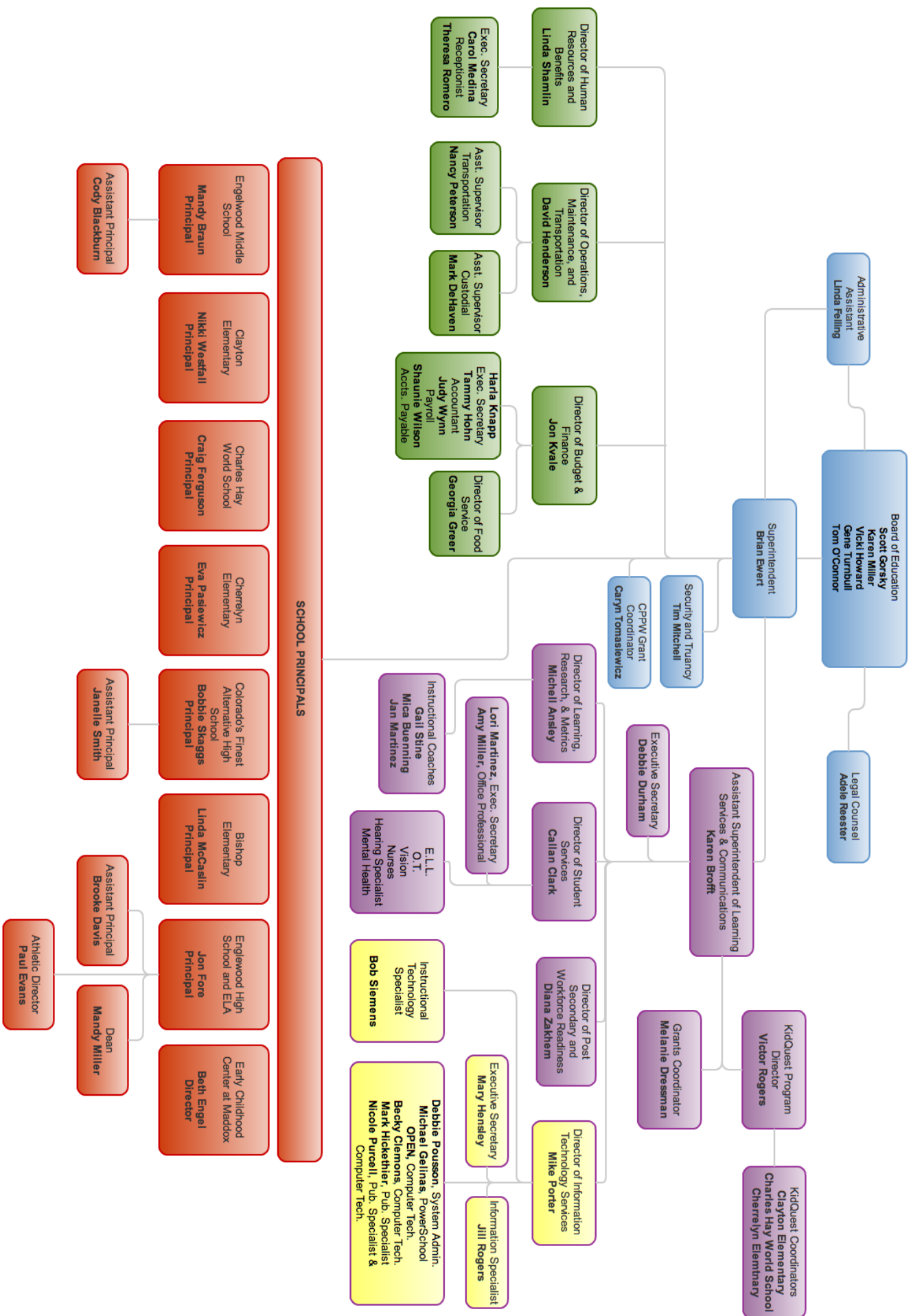
This report provides financial and other related information for the fiscal year 2010-2011 and has been prepared in a manner that is intended to assist management decision makers for the current and future budget years.

Respectfully submitted,



Jon W. Kvale
Director of Budget and Finance

Englewood Schools Organizational Chart Roscoe Davidson Administration Building 2011-2012 (revised 6/20/11)



**ENGLEWOOD SCHOOL DISTRICT
ENGLEWOOD, COLORADO**

ROSTER OF SCHOOL OFFICIALS

June 30, 2011

BOARD OF EDUCATION

Scott Gorsky - President

Karen Miller - 1st Vice President

Tom O'Connor - 2nd Vice President

Gene Turnbull - Treasurer

Vicki Howard - Secretary

OFFICIALS

Brian Ewert - Superintendent

Karen Brofft - Assistant Superintendent of Learning Services and Communications

Callan Clark - Director of Student Services

Michell Ansley - Director of Learning, Research and Metrics

Diana Zakhem - Director of Post Secondary and Workforce Readiness

Mike Porter - Director of Information Technology Services

Linda Shamlin - Director of Human Resources

Jon Kvale - Director of Budget and Finance

David Henderson - Director of Operations, Maintenance & Transportation

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Englewood School District
Number One Arapahoe County
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



President

Executive Director

FINANCIAL SECTION



Board of Education
Englewood School District
Englewood, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood School District as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Englewood School District, as listed in the table of contents. These financial statements are the responsibility of the Englewood School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

For the year ended June 30, 2011, the Englewood School District adopted the standards of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2011, on our consideration of the Englewood School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Englewood School District's basic financial statements. The individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Swanlund & Company LLC

November 9, 2011

Management's Discussion and Analysis

As management of the Arapahoe County School District No. 1 (Englewood Schools or District), we offer readers of Englewood Schools' financial statements this narrative overview and analysis of the financial activities of Englewood Schools for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v - vii of this report.

Financial Highlights

The assets of Englewood Schools exceeded its liabilities at the close of the most recent fiscal year by \$12,992,446 (net assets) up from \$11,986,021 the previous fiscal year.

Englewood Schools' total net assets increased by \$1,006,425.

At the close of the fiscal year, Englewood Schools' governmental funds reported a combined ending fund balances of \$20,208,488 a decrease of \$(812,223).

The general fund ending fund balance was \$12,223,731, an increase of \$341,535 from the prior year.

Overview of Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of Englewood Schools that are principally supported by taxes from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Englewood Schools include instruction and support services of the District. The business-type activities of Englewood Schools include the food services fund and the tuition programs fund.

The government-wide financial statements can be found on pages 1-2 of this report.

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

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

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

Englewood Schools maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, the grants fund, the technology fund, the bond redemption fund (major funds) and the capital reserve fund (non-major fund).

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Englewood Schools, assets exceeded liabilities by \$12,992,446 at the close of the most recent fiscal year. The table below presents a two-year condensed statement of the District's net assets.

Englewood Schools' Net Assets

	Governmental Activities		Business-type Activities		Total		Change
	2010	2011	2010	2011	2010	2011	
Current and other assets	\$25,959,213	\$24,642,681	\$352,549	\$315,673	\$26,311,762	\$24,958,354	\$(1,353,408)
Capital assets	12,080,584	11,588,513	-	-	12,080,584	11,588,513	(492,071)
Total assets	38,039,797	36,231,194	352,549	315,673	38,392,346	36,546,867	(1,845,479)
Long-term liabilities outstanding	19,417,092	17,007,746	-	-	19,417,092	17,007,746	(2,409,346)
Other liabilities	6,848,871	6,490,841	140,362	55,834	6,989,233	6,546,675	(442,558)
Total liabilities	26,265,963	23,498,587	140,362	55,834	26,406,325	23,554,421	(2,851,904)
Net assets	(9,520,604)	(7,600,450)	-	-	(9,520,604)	(7,600,450)	1,920,154
Invested in capital assets, net of related debt							
Restricted for Emergencies	849,000	805,000	-	-	849,000	805,000	(44,000)
Debt service	4,004,486	3,939,943	-	-	4,004,486	3,939,943	(64,543)
Capital purposes	1,155,287	-	-	-	1,155,287	-	(1,155,287)
Technology	-	3,167,102				3,167,102	3,167,102
Extended Term contract	44,531	44,142	-	-	44,531	44,142	(389)
Preschool	57,310	36,017	-	-	57,310	36,017	(21,293)
Unrestricted	15,183,824	12,340,853	212,187	259,839	15,396,011	12,600,692	(2,795,319)
Total net assets	\$11,773,834	\$12,732,607	\$212,187	\$259,839	\$11,986,021	\$12,992,446	1,006,425

The largest portion of the Englewood Schools' assets (63 percent) is cash and investments, the largest portion being in the general fund. Thirty-two percent of the District's assets reflect its investment in capital assets, less accumulated depreciation. At the end of the current fiscal year Englewood Schools reports positive balances for governmental activities net assets. Net assets invested in capital assets, net of related debt is negative due to the age of the District's capital assets with no construction in new buildings for many years.

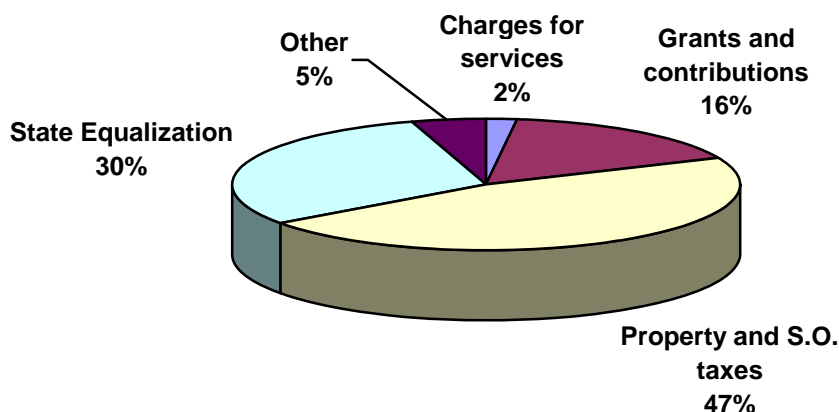
Governmental Activities. Governmental activities increased Englewood Schools' net assets by \$958,773. Revenues and expenses are budgeted according to funding levels from the State and enrollment projections. Both revenues and expenses were reduced due to declining enrollment. Actual expenses were reduced beyond the adjusted budget from the previous year, e.g. the District was able to increase its net assets.

Business-type Activities. Business-type activities net assets increased \$47,652 from the prior year reflected in the decrease of accounts payable.

Englewood Schools' Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
Program revenues:						
Charges for services	\$71,492	\$70,380	\$638,267	\$624,096	\$709,759	\$694,476
Operating grants and contributions	4,892,767	4,913,347	734,954	806,094	5,627,721	5,719,441
General revenues:						
Property taxes	15,686,164	15,524,629	-	-	15,686,164	15,524,629
Specific Ownership taxes	1,051,599	967,885	-	-	1,051,599	967,885
State Equalization	13,258,128	10,606,022	-	-	13,258,128	10,606,022
Other	579,110	1,703,963	4	-	579,114	1,703,963
Total revenues	<u>35,539,260</u>	<u>33,786,226</u>	<u>1,373,225</u>	<u>1,430,190</u>	<u>36,912,485</u>	<u>35,216,416</u>
Expenses:						
Instruction	20,699,372	18,921,262	-	-	20,699,372	18,921,262
Supporting Services	11,816,820	13,130,895	-	-	11,816,820	13,130,895
Interest Expense	714,114	775,296	-	-	714,114	775,296
Food Services	-	-	945,906	979,160	945,906	979,160
Tuition	-	-	425,867	403,378	425,867	403,378
Total Expenses	<u>33,230,306</u>	<u>32,827,453</u>	<u>1,371,773</u>	<u>1,382,538</u>	<u>34,602,079</u>	<u>34,209,991</u>
Increase/decrease in net assets	<u>2,308,954</u>	<u>958,773</u>	<u>1,452</u>	<u>47,652</u>	<u>2,310,406</u>	<u>1,006,425</u>
Net assets – beginning of year	<u>9,464,880</u>	<u>11,773,834</u>	<u>210,735</u>	<u>212,187</u>	<u>9,675,615</u>	<u>11,986,021</u>
Net assets – end of year	<u>\$11,773,834</u>	<u>\$12,732,607</u>	<u>\$ 212,187</u>	<u>\$259,839</u>	<u>\$11,986,021</u>	<u>\$12,992,446</u>

Sources of Revenues for Fiscal Year 2011



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 \$20,208,488, a decrease of \$(812,223). The general fund balance increased, while the technology fund and capital reserve fund balances decreased. The technology fund and capital reserve fund balance decrease was due to an intentional use of fund balance for needed technology resources into the district and necessary repair projects out of the capital reserve fund. State Equalization was down due to continued reductions to the State's overall budget. The decrease to State Equalization was partially offset by added federal funding through the American Recovery and Reinvestment Act and the Education Jobs Fund Program.

The general fund is the major operating fund of Englewood Schools. At the end of the current fiscal year fund balance increased by \$341,535 to \$12,223,731 due to conservative spending in anticipation of several years of financial challenges due to the economic recession. The technology fund balance at June 30, 2011 was \$3,167,102, a decrease of \$(963,593) from the prior year as part of a Board-approved spend down plan for increased technology uses in the schools. The District's other major fund, the bond redemption fund, had an ending fund balance of \$3,814,491, a decrease of \$(38,042). The grants fund balance did not change.

The District expended \$949,195 in the capital reserve fund on various capital projects and asset acquisitions. The capital reserve fund had an ending fund balance of \$1,003,164, a decrease of \$(152,123). The District is also escrowing dollars for future turf replacement at its District athletic stadium.

Proprietary Funds. The food services program finished the 2011 fiscal year with net assets of \$108,597, an increase of \$55,873. The District contracted with a food service management program in the 2009-10 school year and in 2010-11 went to a fixed-cost per meal costing model for that service.

The District uses the tuition program fund to record tuition-based early childhood and before and after school programs. Net assets for this fund totaled \$151,242 at fiscal year end, a decrease of \$8,221. This decrease is due to the intentional use of net assets to assist in waiving tuition for families based on income levels.

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In October after enrollment stabilizes, adjustments are made to the budget. The District projected declining enrollment and reduced both revenue and expense budgetary line items. The District was under budget in both instruction and supporting service expenses and was able to return some funds to its general fund reserves.

Capital Assets and Long-Term Debt

Capital Assets. Englewood Schools' investment in capital assets for governmental and business type activities as of June 30, 2011 amounts to \$11,588,513 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses and playground, office and instructional equipment. Additional information can be found in Note 4 in the Notes to Financial Statements section.

	Governmental Activities		Business Activities		Total		Change
	2010	2011	2010	2011	2010	2011	
Land & Improvements	\$1,522,157	\$1,503,033	\$ -	\$ -	\$1,522,157	\$1,503,033	\$(19,124)
Buildings	51,528,900	51,576,587	-	-	51,528,900	51,576,587	47,687
Machinery & equipment	2,022,495	1,908,708	266,468	266,468	2,288,963	2,175,176	(113,787)
Accumulated depreciation	(42,992,968)	(43,399,815)	(266,468)	(266,468)	(43,259,436)	(43,666,283)	(406,847)
Total Governmental funds capital assets	\$12,080,584	\$11,588,513	\$ -	\$ -	\$12,080,584	\$11,588,513	\$(492,071)

Long-Term Debt.

As of June 30, 2011, the District had outstanding debt of \$19,764,872. Of this amount, \$19,035,000 is general obligation bonded debt and accrued interest on this debt, which is backed by the full faith and credit of the District. In 2008 and 2005, the District refunded a portion of its bonds producing a present value savings of over \$1 million for Englewood taxpayers in the next ten years. Additional information can be found in Note 5 in the Notes to the Financial Statements section.

	2010	2011	Change
General Obligation Bonds	\$21,407,619	\$19,035,000	\$(2,372,619)
Bond Premium	773,992	624,400	(149,592)
Loss on Refunding	(599,315)	(479,885)	119,430
EPA Note	18,892	9,448	(9,444)
Sick Leave	496,972	575,909	78,937
Deferred Compensation	72,000	0	(72,000)
Totals	\$22,170,160	\$19,764,872	\$(2,405,288)

Economic Factors Bearing on the District's Future

In November 2000 voters in Colorado approved a provision to the Colorado constitution providing that K-12 funding would increase at pupil growth plus inflation plus one percent for 10 years and thereafter, growth plus inflation. This provision was intended to stabilize funding for school districts. However, the state experienced serious financial problems arising from the post-9/11 recession. In November 2005, the voters of the State of Colorado passed Referendum C which essentially suspends the “ratchet” effect of the Taxpayers Bill of Rights (TABOR) for five years thus allowing funding at the state level to be closer to pre-recession levels. The passage of this ballot initiative is widely viewed as having a positive impact for education funding. In 2007, the Colorado Legislature passed a measure freezing public schools districts’ mill levies at current levels. The majority of Colorado districts opted out of TABOR spending limitations in general elections in prior years, and the legislature considered those ballot issues to also encompass taxation matters. Opponents argued that this was a tax increase that violated the TABOR constitutional amendment.

In November 2004, the District passed an override mill levy election that provides an additional \$1.6 million to the District’s general fund annually. In spite of this additional infusion of funding, Englewood Schools is experiencing continued declining enrollment which adversely affects its annual funding. After more than a decade of declining enrollment, Englewood Schools Board of Education voted to close Flood Middle School for the 2007-08 school year and combine Sinclair Middle School and Flood Middle School student bodies to be housed in the Sinclair building and renamed Englewood Middle School. This move eased some of the budget adjustments that had to be made to cover the decrease in revenue due to declining enrollment. For the 2008-09 school year, the District consolidated five elementary schools into four and repurposed an elementary school to serve as a state-of-the-art early childhood center. The District achieved significant annual savings from this consolidation. In addition to the negative funding effects of declining enrollment, employer contributions to Colorado’s Public Employees’ Retirement Association (PERA), the pension plan that covers District employees, will increase 0.9% each year until 2015 placing more strain on District finances.

The Colorado and national economies are currently in one of the deepest recessions since the Great Depression. This has serious implications for school finance in Colorado. Just about half of Englewood Schools’ general fund revenue comes from the State in the form of Equalization funds. The District anticipated and experienced cuts for the 2009-10 and 2010-11 fiscal years and expects to see cuts at least two to three years beyond this. The District has positioned itself for this type of economic downturn by increasing general fund reserves when it could.

Requests for Information

This financial report is designed to provide a general overview of Englewood Schools' finances for all those with an interest in the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Budget and Finance, 4101 South Bannock Street, Englewood, Colorado 80110.

BASIC FINANCIAL STATEMENTS

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 22,734,333	\$ 304,001	\$ 23,038,334
Accounts Receivable	51,164	107	51,271
Taxes Receivable	1,020,692	-	1,020,692
Grants Receivable	691,817	11,565	703,382
Interest Receivable	3,870	-	3,870
Bond Issuance Costs, Net of Accumulated Amorization	140,805	-	140,805
Capital Assets, Not Being Depreciated	1,503,033	-	1,503,033
Capital Assets, Net of Accumulated Depreciation	10,085,480	-	10,085,480
TOTAL ASSETS	36,231,194	315,673	36,546,867
LIABILITIES			
Accounts Payable	134,906	11,001	145,907
Accrued Liabilities	638,049	-	638,049
Accrued Salaries and Benefits	2,764,546	38,148	2,802,694
Deferred Revenues	132,285	6,685	138,970
Accrued Interest Payable	63,929	-	63,929
Noncurrent Liabilities			
Due Within One Year	2,757,126	-	2,757,126
Due in More Than One Year	17,007,746	-	17,007,746
TOTAL LIABILITIES	23,498,587	55,834	23,554,421
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	(7,600,450)	-	(7,600,450)
Restricted for Extended Term Contract	44,142	-	44,142
Restricted for Preschool	36,017	-	36,017
Restricted for Technology	3,167,102	-	3,167,102
Restricted for Debt Service	3,939,943	-	3,939,943
Restricted for Emergencies	805,000	-	805,000
Unrestricted	12,340,853	259,839	12,600,692
TOTAL NET ASSETS	\$ 12,732,607	\$ 259,839	\$ 12,992,446

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT			
Governmental Activities			
Instruction	\$ 18,921,262	\$ 70,380	\$ 3,323,923
Supporting Services	13,130,895	-	1,589,424
Interest on Long-Term Debt	775,296	-	-
Total Governmental Activities	32,827,453	70,380	4,913,347
Business-Type Activities			
Food Services	979,160	228,939	806,094
Tuition	403,378	395,157	-
Total Business-Type Activities	1,382,538	624,096	806,094
TOTAL PRIMARY GOVERNMENT	\$ 34,209,991	\$ 694,476	\$ 5,719,441
GENERAL REVENUES			
Property Taxes			
Specific Ownership Taxes			
State Equalization			
Grants not Restricted to Specific Programs			
Investment Income			
Gain on Sale of Capital Assets			
Other			
TOTAL GENERAL REVENUES			
CHANGE IN NET ASSETS			
NET ASSETS, Beginning			
NET ASSETS, Ending			

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

NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (15,526,959)	\$ -	\$ (15,526,959)
(11,541,471)	-	(11,541,471)
<u>(775,296)</u>	<u>-</u>	<u>(775,296)</u>
<u>(27,843,726)</u>	<u>-</u>	<u>(27,843,726)</u>
-	55,873	55,873
<u>-</u>	<u>(8,221)</u>	<u>(8,221)</u>
-	47,652	47,652
<u>(27,843,726)</u>	<u>47,652</u>	<u>(27,796,074)</u>
15,524,629	-	15,524,629
967,885	-	967,885
10,606,022	-	10,606,022
853,367	-	853,367
60,787	-	60,787
381,209	-	381,209
<u>408,600</u>	<u>-</u>	<u>408,600</u>
<u>28,802,499</u>	<u>-</u>	<u>28,802,499</u>
958,773	47,652	1,006,425
<u>11,773,834</u>	<u>212,187</u>	<u>11,986,021</u>
\$ <u><u>12,732,607</u></u>	\$ <u><u>259,839</u></u>	\$ <u><u>12,992,446</u></u>

ENGLEWOOD SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>GENERAL</u>	<u>GRANTS</u>	<u>TECHNOLOGY</u>
ASSETS			
Cash and Investments	\$ 14,788,142	\$ 5,603	\$ 3,185,341
Accounts Receivable	51,164	-	-
Taxes Receivable	831,837	-	-
Grants Receivable	-	691,817	-
Interest Receivable	1,056	-	2,814
Interfund Receivables	<u>305,000</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 15,977,199</u>	<u>\$ 697,420</u>	<u>\$ 3,188,155</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 109,368	\$ 4,485	\$ 21,053
Accrued Liabilities	637,054	-	-
Accrued Salaries and Benefits	2,508,896	255,650	-
Deferred Revenues	498,150	132,285	-
Interfund Payables	<u>-</u>	<u>305,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>3,753,468</u>	<u>697,420</u>	<u>21,053</u>
FUND BALANCES			
Restricted for			
Extended Term Contract	44,142	-	-
Preschool	36,017	-	-
Technology	-	-	3,167,102
Debt Service	-	-	-
Emergencies	805,000	-	-
Assigned to			
Capital Purposes	-	-	-
Unassigned	<u>11,338,572</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>12,223,731</u>	<u>-</u>	<u>3,167,102</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,977,199</u>	<u>\$ 697,420</u>	<u>\$ 3,188,155</u>

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

Total Fund Balances of Governmental Funds

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

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

Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds. This amount includes long-term debt (\$19,764,872), accrued interest payable (\$63,929), and bond issuance costs \$140,805.

Total Net Assets of Governmental Activities

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

BOND REDEMPTION	CAPITAL RESERVE	TOTAL
\$ 3,751,088	\$ 1,004,159	\$ 22,734,333
-	-	51,164
188,855	-	1,020,692
-	-	691,817
-	-	3,870
-	-	305,000
<u>\$ 3,939,943</u>	<u>\$ 1,004,159</u>	<u>\$ 24,806,876</u>

\$ -	\$ -	\$ 134,906
-	995	638,049
-	-	2,764,546
125,452	-	755,887
-	-	305,000
<u>125,452</u>	<u>995</u>	<u>4,598,388</u>

-	-	44,142
-	-	36,017
-	-	3,167,102
3,814,491	-	3,814,491
-	-	805,000
-	1,003,164	1,003,164
-	-	11,338,572
<u>3,814,491</u>	<u>1,003,164</u>	<u>20,208,488</u>
<u>\$ 3,939,943</u>	<u>\$ 1,004,159</u>	<u>\$ 24,806,876</u>

\$ 20,208,488

11,588,513

623,602

(19,687,996)

\$ 12,732,607

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 Year Ended June 30, 2011

	GENERAL	GRANTS	TECHNOLOGY
REVENUES			
Local Sources	\$ 13,952,619	\$ 314,894	\$ 30,130
State Sources	11,561,299	306,813	-
Federal Sources	853,367	3,336,363	-
TOTAL REVENUES	26,367,285	3,958,070	30,130
EXPENDITURES			
Current			
Instruction	15,777,097	2,510,207	-
Supporting Services	9,864,411	1,447,863	334,178
Capital Outlay	-	-	659,545
Debt Service			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
TOTAL EXPENDITURES	25,641,508	3,958,070	993,723
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	725,777	-	(963,593)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	-	-	-
Transfers In	-	-	-
Transfers Out	(384,242)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(384,242)	-	-
NET CHANGE IN FUND BALANCES	341,535	-	(963,593)
FUND BALANCES, Beginning	11,882,196	-	4,130,695
FUND BALANCES, Ending	\$ 12,223,731	\$ -	\$ 3,167,102

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

<u>BOND REDEMPTION</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
\$ 3,154,165	\$ 12,497	\$ 17,464,305
-	-	11,868,112
-	-	4,189,730
<u>3,154,165</u>	<u>12,497</u>	<u>33,522,147</u>
-	-	18,287,304
-	-	11,646,452
-	949,195	1,608,740
2,394,444	-	2,394,444
<u>797,763</u>	<u>-</u>	<u>797,763</u>
<u>3,192,207</u>	<u>949,195</u>	<u>34,734,703</u>
<u>(38,042)</u>	<u>(936,698)</u>	<u>(1,212,556)</u>
-	400,333	400,333
-	384,242	384,242
-	-	(384,242)
<u>-</u>	<u>784,575</u>	<u>400,333</u>
(38,042)	(152,123)	(812,223)
<u>3,852,533</u>	<u>1,155,287</u>	<u>21,020,711</u>
<u>\$ 3,814,491</u>	<u>\$ 1,003,164</u>	<u>\$ 20,208,488</u>

ENGLEWOOD SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

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

Net Change in Fund Balances of Governmental Funds	\$ (812,223)
Capital outlays to purchase or construct capital assets are reported in the governmental funds as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation expense (\$852,462) and loss on disposal (\$78,089) exceeded capital outlay \$438,480 in the current year.	(492,071)
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents property tax revenues not available at year end.	(117,130)
Repayments of bond principal \$2,385,000 and note principal \$9,444 are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	2,394,444
Proceeds from debt issued and the related costs are revenues and expenditures in the governmental funds, but are long-term liabilities and assets in the statement of net assets and do not affect the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items: amortization of bond premium \$149,592, amortization of loss on refunding (\$119,430) and amortization of bond issuance costs (\$29,777).	385
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued compensated absences (\$78,937), deferred compensation \$72,000, accrued interest payable \$4,686, and accrued interest on capital appreciation bonds (\$12,381).	(14,632)
Change in Net Assets of Governmental Activities	\$ <u>958,773</u>

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2011

	FOOD SERVICES	TUITION	TOTAL
ASSETS			
Current Assets			
Cash	\$ 131,976	\$ 172,025	\$ 304,001
Accounts Receivable	107	-	107
Grants Receivable	11,565	-	11,565
TOTAL ASSETS	143,648	172,025	315,673
LIABILITIES			
Current Liabilities			
Accounts Payable	10,715	286	11,001
Accrued Salaries and Benefits	17,651	20,497	38,148
Deferred Revenues	6,685	-	6,685
TOTAL LIABILITIES	35,051	20,783	55,834
NET ASSETS			
Unrestricted	108,597	151,242	259,839
TOTAL NET ASSETS	\$ 108,597	\$ 151,242	\$ 259,839

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
 Year Ended June 30, 2011

	FOOD SERVICES	TUITION	TOTAL
OPERATING REVENUES			
Charges for Services			
Student and Adult Meals	\$ 228,939	\$ -	\$ 228,939
Tuition	-	395,157	395,157
TOTAL OPERATING REVENUES	228,939	395,157	624,096
OPERATING EXPENSES			
Salaries	92,171	305,584	397,755
Employee Benefits	22,690	69,778	92,468
Purchased Services	785,153	8,237	793,390
Commodities	67,091	-	67,091
Supplies and Materials	12,055	3,964	16,019
Other	-	15,815	15,815
TOTAL OPERATING EXPENSES	979,160	403,378	1,382,538
OPERATING INCOME (LOSS)	(750,221)	(8,221)	(758,442)
NONOPERATING REVENUES			
Federal Sources			
School Breakfast and Lunch Program	716,963	-	716,963
Commodities	67,091	-	67,091
State Sources	22,040	-	22,040
TOTAL NONOPERATING REVENUES	806,094	-	806,094
CHANGE IN NET ASSETS	55,873	(8,221)	47,652
NET ASSETS, Beginning	52,724	159,463	212,187
NET ASSETS, Ending	\$ 108,597	\$ 151,242	\$ 259,839

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Increase (Decrease) in Cash

Year Ended June 30, 2011

	FOOD SERVICES	TUITION	TOTAL
Cash Flows From Operating Activities			
Cash Received from Operations	\$ 227,586	\$ 395,157	\$ 622,743
Cash Paid to Employees	(118,169)	(380,908)	(499,077)
Cash Paid to Suppliers	(839,506)	(27,730)	(867,236)
Net Cash Provided (Used) by Operating Activities	(730,089)	(13,481)	(743,570)
Cash Flows From Noncapital Financing Activities			
Cash Received from Federal Sources	786,263	-	786,263
Cash Received from State Sources	22,972	-	22,972
Net Cash Provided by Noncapital Financing Activities	809,235	-	809,235
NET INCREASE (DECREASE) IN CASH	79,146	(13,481)	65,665
CASH, Beginning	52,830	185,506	238,336
CASH, Ending	\$ 131,976	\$ 172,025	\$ 304,001
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (750,221)	\$ (8,221)	\$ (758,442)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Commodities	67,091	-	67,091
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	537	-	537
Inventories	31,772	-	31,772
Accounts Payable	(74,070)	286	(73,784)
Accrued Salaries and Benefits	(3,308)	(5,546)	(8,854)
Deferred Revenues	(1,890)	-	(1,890)
Total Adjustments	20,132	(5,260)	14,872
Net Cash Provided (Used) by Operating Activities	\$ (730,089)	\$ (13,481)	\$ (743,570)
NON-CASH ACTIVITIES			
Commodities	\$ 67,091	\$ -	\$ 67,091

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

ENGLEWOOD SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011

	<u>PRIVATE PURPOSE TRUST</u>	<u>AGENCY</u>
ASSETS		
Cash and Investments	\$ <u>91,191</u>	\$ <u>197,075</u>
TOTAL ASSETS	<u>91,191</u>	<u>197,075</u>
LIABILITIES		
Accounts Payable	-	20,953
Due to Student Groups	<u>-</u>	<u>176,122</u>
TOTAL LIABILITIES	<u>-</u>	<u>197,075</u>
NET ASSETS		
Reserved for Scholarships	<u>91,191</u>	<u>-</u>
TOTAL NET ASSETS	\$ <u><u>91,191</u></u>	\$ <u><u>-</u></u>

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

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
 Year Ended June 30, 2011

	PRIVATE PURPOSE TRUST
ADDITIONS	
Investment Income	\$ 151
DELETIONS	
Scholarships	3,000
CHANGE IN NET ASSETS	(2,849)
NET ASSETS, Beginning	94,040
NET ASSETS, Ending	\$ 91,191

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

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

Additionally, the District reports the following fund types:

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

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

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

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

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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.

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

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

Assets, Liabilities and Net Assets/Fund Balances

Investments - Investments are reported at fair value.

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

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

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

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

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

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

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

In the fund financial statements, governmental funds report committed fund balance when the Board of Education formally commits resources for a specific purpose through passage of a resolution. Assigned fund balance is reported when the Board of Education intends to use resources for a specific purpose but without a formal action.

District policy establishes a minimum unassigned fund balance in the General Fund of 12% of estimated revenues. The District has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available, the District uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Revenues

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

Other Revenues

The District receives unrestricted State equalization revenues as required by State statutes. In addition, the District receives food commodities from the federal government. The commodities are valued at the cost furnished by the federal government.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2011, the District had the following cash and investments:

Cash on Hand	\$ 792
Deposits	2,174,696
Investments	<u>21,151,112</u>
Total	<u>\$ 23,326,600</u>

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

Cash and Investments	\$ 23,038,334
Fiduciary Funds Cash and Investments	<u>288,266</u>
Total	<u>\$ 23,326,600</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.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

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

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

At June 30, 2011, the District had the following investments:

Investment Type	S&P Rating	Investment Maturities (in Years)		Fair Value
		Less Than 1	1 - 5	
Wells Fargo Money Market Fund	Not Rated	\$ 1,438,501	\$ -	\$ 1,438,501
Local Government Investment Pools	AAAm	16,831,897	-	16,831,897
FHLB	AAA	-	375,957	375,957
FFCB	AAA	-	750,130	750,130
FNMA	AAA	250,249	879,020	1,129,269
FHLMC	AAA	<u>375,211</u>	<u>250,147</u>	<u>625,358</u>
Total		<u>\$ 18,895,858</u>	<u>\$ 2,255,254</u>	<u>\$ 21,151,112</u>

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

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

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in one issuer. At June 30, 2011, the District's investment in the Federal National Mortgage Association was 5% of total investments.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pools - At June 30, 2011, the District had \$16,740,706 and \$91,191 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 as promulgated under the Investment Company Act of 1940, as amended. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: INTERFUND BALANCES AND TRANSACTIONS

At June 30, 2011, the General Fund had temporarily loaned \$305,000 to the Grants Fund to cover negative cash balances until grant receivables are collected.

The General Fund transferred \$384,242 to the Capital Reserve Fund to finance the purchase or renovation of buildings and equipment.

NOTE 4: CAPITAL ASSETS

Activity for capital assets of the District is summarized below:

	Balances 6/30/10	Additions	Deletions	Balances 6/30/11
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land and Easements	\$ 1,522,157	\$ -	\$ 19,124	\$ 1,503,033
Capital Assets, Being Depreciated				
Buildings and Improvements	51,528,900	398,695	351,008	51,576,587
Machinery and Equipment	2,022,495	39,785	153,572	1,908,708
Total Capital Assets, Being Depreciated	53,551,395	438,480	504,580	53,485,295
Less Accumulated Depreciation				
Buildings and Improvements	(41,796,745)	(756,391)	(313,521)	(42,239,615)
Machinery and Equipment	(1,196,223)	(96,071)	(132,094)	(1,160,200)
Total Accumulated Depreciation	(42,992,968)	(852,462)	(445,615)	(43,399,815)
Total Capital Assets, Being Depreciated, Net	10,558,427	(413,982)	58,965	10,085,480
Governmental Activities Capital Assets, Net	<u>\$ 12,080,584</u>	<u>\$ (413,982)</u>	<u>\$ 78,089</u>	<u>\$ 11,588,513</u>

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 4: CAPITAL ASSETS (Continued)

	Balances 6/30/10	Additions	Deletions	Balances 6/30/11
Business-Type Activities				
Capital Assets, Being Depreciated				
Machinery and Equipment	\$ 266,468	\$ -	\$ -	\$ 266,468
Less Accumulated Depreciation	<u>(266,468)</u>	<u>-</u>	<u>-</u>	<u>(266,468)</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Instruction	\$ 685,653
Supporting Services	<u>166,809</u>
Total	<u><u>\$ 852,462</u></u>

Impairment

At June 30, 2011, the District owned two school buildings with a carrying value of \$1,857,285 that were idle.

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2011.

	Balances 6/30/10	Additions	Payments	Balances 6/30/11	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 20,765,000	\$ -	\$ 1,730,000	\$ 19,035,000	\$ 2,440,000
Capital Appreciation Bonds	642,619	12,381	655,000	-	-
Bond Premium	773,992	-	149,592	624,400	-
Loss on Refunding	(599,315)	-	(119,430)	(479,885)	-
EPA Note	18,892	-	9,444	9,448	9,448
Compensated Absences	496,972	369,981	291,044	575,909	307,678
Deferred Compensation	<u>72,000</u>	<u>-</u>	<u>72,000</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 22,170,160</u></u>	<u><u>\$ 382,362</u></u>	<u><u>\$ 2,787,650</u></u>	<u><u>\$ 19,764,872</u></u>	<u><u>\$ 2,757,126</u></u>

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

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 5: LONG-TERM DEBT (Continued)

General Obligation Bonds

\$8,924,306 General Obligation Refunding Bonds, Series 1995, were issued to refund the Series 1990 and 1989 General Obligation Bonds. Principal payments were due annually on November 1, through 2010. Interest payments were due semi-annually on May 1 and November 1, with interest accruing at rates ranging from 3.95% to 5.1% per annum. A portion of the bonds were capital appreciation bonds. The original issue amount of the capital appreciation bonds was \$759,306 and interest accrued annually. The capital appreciation bonds were due in four installments between 2007 and 2010, with payments totaling \$4,070,000. The bonds were paid in full during the year ended June 30, 2011.

\$12,454,993 General Obligation Refunding Bonds, Series 2005, were issued to refund various outstanding bonds. Principal payments are due annually on December 1, through 2014. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 3.25% to 5% per annum. A portion of the bonds were capital appreciation bonds. The original issue amount of the capital appreciation bonds was \$599,993 and interest accrued annually. The capital appreciation bonds were due in five installments between 2005 and 2010, with payments totaling \$1,205,000. The outstanding balance of the bonds at June 30, 2011, was \$10,155,000.

\$9,075,000 General Obligation Refunding Bonds, Series 2008, were issued to partially refund the General Obligation Bonds, Series 1998. Principal payments are due annually on December 1, through 2017. Interest accrues at rates ranging from 3.25% to 4.2% per annum, and is payable semi-annually on December 1 and June 1. The outstanding balance of the bonds at June 30, 2011, was \$8,880,000.

Bond payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,440,000	\$ 724,488	\$ 3,164,488
2013	2,520,000	636,206	3,156,206
2014	2,610,000	541,688	3,151,688
2015	2,705,000	425,388	3,130,388
2016	2,805,000	301,888	3,106,888
2017 - 2018	5,955,000	251,881	6,206,881
Total	<u>\$ 19,035,000</u>	<u>\$ 2,881,539</u>	<u>\$ 21,916,539</u>

EPA Note

The District has a loan payable to the Environmental Protection Agency. The loan is non-interest bearing and matures in April, 2012. Minimum payments on the loan, to maturity, are \$9,448.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District plans to provide for or restore the economic damages of those losses through risk transfer. The District participates in the Colorado School Districts Self-Insurance Pool for all coverages except workers compensation for which it has utilized a commercial insurance carrier.

Colorado School Districts Self-Insurance Pool

The Colorado School Districts Self-Insurance Pool (CSDSIP), sponsored by the Colorado Association of School Boards (CASB), operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a board which is comprised of eight members. The eight members include the president, vice-president, and executive director of the CASB, with the remaining five members being appointed by the Board of Directors of CASB.

The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage.

The Pool agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8% of covered salaries. The District's contribution rate for calendar years 2009, 2010 and 2011 was 12.95%, 13.85% and 14.75% of covered salaries, respectively. A portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 8). The District's contributions to the SDTF for the years ended June 30, 2011, 2010 and 2009 were \$2,796,785, \$2,711,645 and \$2,570,037, respectively, equal to the required contributions for each year.

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 8: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy - The District is required to contribute at a rate of 1.02% of covered salaries for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The District's apportionment to the HCTF for the years ended June 30, 2011, 2010 and 2009 was \$199,484, \$206,328 and \$209,759, respectively.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2011, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

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

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

ENGLEWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

Tabor Amendment (Continued)

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2011, the District's reserve of \$805,000 was reported as restricted fund balance in the General Fund.

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2011

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES				
Local Sources				
Property Taxes	\$ 11,922,294	\$ 11,922,294	\$ 12,583,121	\$ 660,827
Specific Ownership Taxes	900,000	900,000	967,885	67,885
Delinquent Property Taxes	78,341	78,341	(90,250)	(168,591)
Tuition	75,000	75,000	70,380	(4,620)
Pupil Activities	25,000	25,000	-	(25,000)
Investment Income	50,000	50,000	25,213	(24,787)
Other	265,000	265,000	396,270	131,270
Total Local Sources	13,315,635	13,315,635	13,952,619	636,984
State Sources				
State Equalization	11,560,864	11,560,864	10,438,147	(1,122,717)
Hold Harmless Kindergarten	175,000	175,000	167,875	(7,125)
Vocational Education	-	-	19,978	19,978
ECEA	629,000	629,000	758,440	129,440
ELPA	16,000	16,000	35,298	19,298
Transportation	83,156	83,156	141,561	58,405
Total State Sources	12,464,020	12,464,020	11,561,299	(902,721)
Federal Sources				
Education Jobs Fund	-	-	616,608	616,608
State Fiscal Stabilization Fund	-	-	236,759	236,759
Total Federal Sources	-	-	853,367	853,367
TOTAL REVENUES	25,779,655	25,779,655	26,367,285	587,630
EXPENDITURES				
Instruction	16,165,982	16,151,278	15,777,097	374,181
Supporting Services				
Students	1,368,048	1,371,691	1,280,837	90,854
Instructional Staff	966,723	973,634	1,091,925	(118,291)
General Administration	420,370	420,370	374,202	46,168
School Administration	1,846,130	1,850,280	1,734,292	115,988
Business Services	543,381	671,606	522,101	149,505
Operations and Maintenance	3,544,643	3,544,643	3,225,719	318,924
Student Transportation	787,820	787,820	690,454	97,366
Central Support	709,650	709,650	677,577	32,073
Other Support	743,669	615,444	251,773	363,671
Community Services	2,251	2,251	15,531	(13,280)
Reserves	9,328,174	9,328,174	-	9,328,174
TOTAL EXPENDITURES	36,426,841	36,426,841	25,641,508	10,785,333
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,647,186)	(10,647,186)	725,777	11,372,963
OTHER FINANCING SOURCES (USES)				
Transfers Out	(845,229)	(845,229)	(384,242)	460,987
NET CHANGE IN FUND BALANCE	(11,492,415)	(11,492,415)	341,535	11,833,950
FUND BALANCE, Beginning	11,492,415	11,492,415	11,882,196	389,781
FUND BALANCE, Ending	\$ -	\$ -	\$ 12,223,731	\$ 12,223,731

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2011

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources	\$ 300,000	\$ 314,894	\$ 14,894
State Sources	375,000	306,813	(68,187)
Federal Sources	<u>4,500,000</u>	<u>3,336,363</u>	<u>(1,163,637)</u>
 TOTAL REVENUES	 <u>5,175,000</u>	 <u>3,958,070</u>	 <u>(1,216,930)</u>
EXPENDITURES			
Current			
Instruction	3,199,178	2,510,207	688,971
Supporting Services	<u>1,975,822</u>	<u>1,447,863</u>	<u>527,959</u>
 TOTAL EXPENDITURES	 <u>5,175,000</u>	 <u>3,958,070</u>	 <u>1,216,930</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE, Beginning	 <u>-</u>	 <u>-</u>	 <u>-</u>
FUND BALANCE, Ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

See the accompanying Independent Auditors' Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

- By May 31, management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All annual appropriations lapse at year end.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

TECHNOLOGY FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Investment Income	\$ 60,000	\$ 60,000	\$ 30,130	\$ (29,870)
TOTAL REVENUES	60,000	60,000	30,130	(29,870)
EXPENDITURES				
Supporting Services				
Purchased Services	10,000	10,000	104,384	(94,384)
Supplies and Materials	20,000	20,000	229,794	(209,794)
Capital Outlay	30,000	1,280,000	659,545	620,455
Reserves	4,114,546	2,864,546	-	2,864,546
TOTAL EXPENDITURES	4,174,546	4,174,546	993,723	3,180,823
NET CHANGE IN FUND BALANCE	(4,114,546)	(4,114,546)	(963,593)	3,150,953
FUND BALANCE, Beginning	4,114,546	4,114,546	4,130,695	16,149
FUND BALANCE, Ending	\$ -	\$ -	\$ 3,167,102	\$ 3,167,102

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2011

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Property Taxes	\$ 3,180,263	\$ 3,148,888	\$ (31,375)
Investment Income	6,500	5,277	(1,223)
TOTAL REVENUES	3,186,763	3,154,165	(32,598)
EXPENDITURES			
Debt Service			
Principal	1,827,857	2,394,444	(566,587)
Interest and Fiscal Charges	1,352,406	797,763	554,643
Reserves	3,197,937	-	3,197,937
TOTAL EXPENDITURES	6,378,200	3,192,207	3,185,993
NET CHANGE IN FUND BALANCE	(3,191,437)	(38,042)	3,153,395
FUND BALANCE, Beginning	3,888,286	3,852,533	(35,753)
FUND BALANCE, Ending	\$ 696,849	\$ 3,814,491	\$ 3,117,642

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2011

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Investment Income	\$ 1,500	\$ 167	\$ (1,333)
Other	-	12,330	12,330
TOTAL REVENUES	1,500	12,497	10,997
EXPENDITURES			
Capital Outlay			
Land	120,000	-	120,000
Buildings	400,000	467,512	(67,512)
Equipment	200,000	213,821	(13,821)
Other	390,000	267,862	122,138
Reserves	729,812	-	729,812
TOTAL EXPENDITURES	1,839,812	949,195	890,617
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,838,312)	(936,698)	901,614
OTHER FINANCING SOURCES			
Proceeds from Sale of Capital Assets	-	400,333	400,333
Transfers In	784,575	384,242	(400,333)
TOTAL OTHER FINANCING SOURCES (USES)	784,575	784,575	-
NET CHANGE IN FUND BALANCE	(1,053,737)	(152,123)	901,614
FUND BALANCE, Beginning	1,053,737	1,155,287	101,550
FUND BALANCE, Ending	\$ -	\$ 1,003,164	\$ 1,003,164

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2011

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services			
Student and Adult Meals	\$ 252,780	\$ 228,939	\$ (23,841)
Federal Sources			
School Breakfast and Lunch Program	660,000	716,963	56,963
Commodities	90,000	67,091	(22,909)
State Sources	17,550	22,040	4,490
Investment Income	500	-	(500)
TOTAL REVENUES	1,020,830	1,035,033	14,203
EXPENDITURES			
Current			
Salaries	105,000	92,171	12,829
Employee Benefits	50,000	22,690	27,310
Purchased Services	770,000	785,153	(15,153)
Commodities	60,000	67,091	(7,091)
Supplies and Materials	-	12,055	(12,055)
Reserves	105,979	-	105,979
TOTAL EXPENDITURES	1,090,979	979,160	111,819
CHANGE IN NET ASSETS	\$ (70,149)	55,873	\$ 126,022
NET ASSETS, Beginning		52,724	
NET ASSETS, Ending		\$ 108,597	

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

TUITION FUND

Year Ended June 30, 2011

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Tuition	\$ 432,650	\$ 395,157	\$ (37,493)
TOTAL REVENUES	432,650	395,157	(37,493)
EXPENDITURES			
Current			
Salaries	350,000	305,584	44,416
Employee Benefits	87,500	69,778	17,722
Purchased Services	15,000	8,237	6,763
Supplies and Materials	15,000	3,964	11,036
Other	1,500	15,815	(14,315)
Reserves	109,201	-	109,201
TOTAL EXPENDITURES	578,201	403,378	174,823
CHANGE IN NET ASSETS	(145,551)	(8,221)	137,330
NET ASSETS, Beginning	145,551	159,463	13,912
NET ASSETS, Ending	\$ -	\$ 151,242	\$ 151,242

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended June 30, 2011

	BALANCE 6/30/10	ADDITIONS	DEDUCTIONS	BALANCE 6/30/11
ASSETS				
Cash	\$ <u>213,649</u>	\$ <u>471,592</u>	\$ <u>488,166</u>	\$ <u>197,075</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 20,953	\$ -	\$ 20,953
Due to Student Groups	<u>213,649</u>	<u>450,639</u>	<u>488,166</u>	<u>176,122</u>
TOTAL LIABILITIES	\$ <u>213,649</u>	\$ <u>471,592</u>	\$ <u>488,166</u>	\$ <u>197,075</u>

See the accompanying Independent Auditors' Report.

STATISTICAL SECTION
(Unaudited)

ENGLEWOOD SCHOOLS

Statistical Section

(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	33-36
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	37-40
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	41-43
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	44-45
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	46-49
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in fiscal year 2003; therefore, schedules presenting government-wide information include information beginning in that year.

ENGLEWOOD SCHOOLS

Net Assets by Component Last Seven Fiscal Years

(Unaudited)

	Fiscal Year Ended June 30,													
	2005		2006		2007		2008		2009		2010		2011	
Governmental activities:														
Invested in capital assets, net of related debt	\$	(11,799,981)	\$	(10,851,284)	\$	(10,641,157)	\$	(10,231,564)	\$	(9,493,937)	\$	(9,520,604)	\$	(7,600,450)
Restricted		4,314,767		4,103,468		4,296,941		4,554,606		5,434,692		6,110,614		8,013,500
Unrestricted		12,239,773		12,092,020		12,919,127		13,729,014		13,524,125		15,183,824		12,319,560
Total governmental activities net assets		4,754,559		5,344,204		6,574,911		8,052,056		9,464,880		11,773,834		12,732,610
Business-type activities														
Invested in capital assets, net of related debt		10,810		2,366		-		-		-		-		-
Unrestricted		(5,932)		239,513		222,755		269,919		210,735		212,187		259,839
Total business-type activities net assets		4,878		241,879		222,755		269,919		210,735		212,187		259,839
Invested in capital assets, net of related debt		(11,789,171)		(10,848,918)		(10,641,157)		(10,231,564)		(9,493,937)		(9,520,604)		(7,600,450)
Restricted		4,314,767		4,103,468		4,296,941		4,554,606		5,434,692		6,110,614		8,013,500
Unrestricted		12,233,841		12,331,533		13,141,882		13,998,933		13,734,860		15,396,011		12,579,399
Total primary government net assets	\$	4,759,437	\$	5,586,083	\$	6,797,666	\$	8,321,975	\$	9,675,615	\$	11,986,021	\$	12,992,449

ENGLEWOOD SCHOOLS

Changes in Net Assets Last Seven Fiscal Years

(Unaudited)

	Fiscal Year Ended June 30,						
	2005	2006	2007	2008	2009	2010	2011
Expenses							
Governmental activities:							
Instruction	\$ 20,835,648	\$ 20,691,842	\$ 20,406,654	\$ 20,339,331	\$ 20,353,908	\$ 20,699,372	\$ 18,921,262
Supporting Services	11,098,696	11,548,906	11,509,511	12,104,630	12,184,195	11,816,820	13,130,895
Depreciation, unallocated	-	-	-	-	-	-	-
Interest Expense	1,596,895	1,612,253	1,530,064	1,137,741	1,122,250	714,114	775,296
Total governmental activities expenses	33,531,239	33,853,001	33,446,229	33,581,702	33,660,353	33,230,306	32,827,453
Business-type activities:							
Food Services	816,143	845,520	776,410	868,402	922,878	945,906	979,160
Tuition	-	567,418	557,401	583,588	517,522	425,867	403,378
Total business-type activities expenses	816,143	1,412,938	1,333,811	1,451,990	1,440,400	1,371,773	1,382,538
Total primary government expenses	34,347,382	35,265,939	34,780,040	35,033,692	35,100,753	34,602,079	34,209,991
Program revenues:							
Governmental activities:							
Charges for services	74,668	118,408	83,074	174,855	160,717	71,492	70,380
Operating grants and contributions	4,041,732	3,032,985	3,475,498	3,482,975	3,589,399	4,892,767	4,913,347
Total governmental activities program revenue	4,116,400	3,151,393	3,558,572	3,657,830	3,750,116	4,964,259	4,983,727
Business-type activities:							
Charges for services	334,779	1,113,096	810,829	913,231	706,691	638,267	624,096
Operating grants and contributions	494,474	534,985	501,388	584,518	674,267	734,954	806,094
Total business-type activities program revenue	829,253	1,648,081	1,312,217	1,497,749	1,380,958	1,373,221	1,430,190
Total primary government revenues	4,945,653	4,799,474	4,870,789	5,155,579	5,131,074	6,337,480	6,413,917
Net (Expenses) Revenue							
Governmental activities	(29,414,839)	(30,701,608)	(29,887,657)	(29,923,872)	(29,910,237)	(28,266,047)	(27,843,726)
Business-type activities	13,110	235,143	(21,594)	45,759	(59,442)	1,448	47,652
Total primary government net expense	(29,401,729)	(30,466,465)	(29,909,251)	(29,878,113)	(29,969,679)	(28,264,599)	(27,796,074)
General revenues and other changes in net assets:							
Governmental Activities							
Property taxes	15,274,974	14,256,414	14,792,044	15,724,141	15,230,399	15,686,164	15,524,629
Specific ownership taxes	1,432,193	1,427,668	1,360,226	1,263,404	1,128,455	1,051,599	967,885
State equalization	14,525,813	14,499,224	13,752,655	13,019,552	13,489,379	13,258,128	10,606,022
Investment income	486,277	742,073	872,425	714,228	388,886	157,455	60,787
Other revenues	311,907	365,874	341,014	679,692	1,085,942	421,655	1,643,176
Total governmental activities	32,031,164	31,291,253	31,118,364	31,401,017	31,323,061	30,575,001	28,802,499
Business-type activities							
Investment income	826	1,858	2,470	1,405	258	4	-
Change in net assets							
Governmental activities	2,616,325	589,645	1,230,707	1,477,145	1,412,824	2,308,954	958,773
Business-type activities	13,936	237,001	(19,124)	47,164	(59,184)	1,452	47,652
Total primary government change in net assets	\$ 2,630,261	\$ 826,646	\$ 1,211,583	\$ 1,524,309	\$ 1,353,640	\$ 2,310,406	\$ 1,006,425

ENGLEWOOD SCHOOLS

Fund Balances, Governmental Funds Last Ten Fiscal Years

(Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
General Fund					
Reserved	\$ 1,471,354	\$ 897,800	\$ 845,109	\$ 927,620	\$ 912,039
Unreserved	4,955,109	5,398,804	6,041,910	8,564,258	8,305,209
Total general fund	6,426,463	6,296,604	6,887,019	9,491,878	9,217,248
All Other Governmental Funds					
Reserved	37,575	37,575	-	-	-
Unreserved, reported in:					
Special revenue funds	4,808,076	4,654,927	4,148,575	4,440,710	4,530,283
Debt service fund	2,991,960	2,956,831	2,945,594	3,270,221	3,103,306
Capital projects fund	430,475	281,359	832,103	-	-
Total all other governmental funds	8,268,086	7,930,692	7,926,272	7,710,931	7,633,589
Total all governmental funds	\$ 14,694,549	\$ 14,227,296	\$ 14,813,291	\$ 17,202,809	\$ 16,850,837

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 958,453	\$ 966,650	\$ 1,023,367	\$ 950,841	\$ -
Unreserved	8,883,743	9,708,572	10,135,776	10,931,355	-
Restricted	-	-	-	-	885,159
Unassigned	-	-	-	-	11,338,572
Total general fund	9,842,196	10,675,222	11,159,143	11,882,196	12,223,731
All Other Governmental Funds					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	4,432,905	4,613,289	5,218,050	5,285,982	-
Debt service fund	3,116,006	3,396,672	3,198,517	3,852,533	-
Restricted, reported in:					
Capital projects fund	-	-	-	-	3,167,102
Debt service fund	-	-	-	-	3,814,491
Assigned, reported in:					
Capital projects fund	-	-	-	-	1,003,164
Total all other governmental funds	7,548,911	8,009,961	8,416,567	9,138,515	7,984,757
Total all governmental funds	\$ 17,391,107	\$ 18,685,183	\$ 19,575,710	\$ 21,020,711	\$ 20,208,488

ENGLEWOOD SCHOOLS

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Local Sources	\$ 16,320,816	\$ 15,756,599	\$ 16,435,590	\$ 18,327,683	\$ 17,049,490	\$ 16,939,077	\$ 18,734,956	\$ 18,439,858	\$ 17,268,274	\$ 17,464,305
State Sources	14,255,825	16,903,288	15,325,784	15,633,951	15,380,545	14,894,756	13,963,522	14,641,751	14,623,310	11,868,112
Federal Sources	2,012,090	696,870	2,298,070	2,344,908	2,068,055	2,263,847	2,429,715	2,393,389	3,463,266	4,189,730
Total revenues	32,588,731	33,356,757	34,059,444	36,306,542	34,498,090	34,097,680	35,128,193	35,474,998	35,354,850	33,522,147
Expenditures:										
Instruction	18,276,725	19,070,048	18,420,576	18,793,151	18,141,882	18,061,928	18,408,034	18,739,912	19,344,585	18,287,304
Support services	10,637,646	10,374,322	10,759,749	10,624,116	11,083,341	11,110,338	11,504,378	11,443,495	11,352,707	11,646,452
Capital outlay	1,460,342	755,559	1,224,634	1,189,084	2,165,237	1,082,756	863,782	962,147	679,950	1,608,740
Debt service:										
Principal	1,880,612	1,927,412	2,025,660	2,028,620	2,305,163	2,262,528	2,314,444	2,494,444	1,699,444	2,394,444
Interest and fiscal charges	1,773,782	1,696,667	1,561,588	1,282,053	1,154,439	1,039,860	749,852	944,473	833,163	797,763
Bond issuance costs	-	-	-	166,545	-	-	128,697	-	-	-
Total expenditures	34,029,107	33,824,008	33,992,207	34,083,569	34,850,062	33,557,410	33,969,187	34,584,471	33,909,849	34,734,703
Other Financing Services (Uses)										
Bonds issued	-	-	-	12,454,993	-	-	9,075,000	-	-	-
Bond premium	-	-	-	1,056,861	-	-	439,060	-	-	-
Payments to escrow agent	-	-	-	(13,345,309)	-	-	(9,378,990)	-	-	-
Capital Lease	-	-	91,232	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	-	400,333
Transfers in	861,445	895,199	1,110,898	861,623	2,382,986	988,769	774,079	1,068,511	844,564	384,242
Transfers out	(861,445)	(895,199)	(1,110,898)	(861,623)	(2,382,986)	(988,769)	(774,079)	(1,068,511)	(844,564)	(384,242)
Total other financing sources (uses)	-	-	91,232	166,545	-	-	135,070	-	-	400,333
Net change in fund balances	\$ (1,440,376)	\$ (467,251)	\$ 158,469	\$ 2,389,518	\$ (351,972)	\$ 540,270	\$ 1,294,076	\$ 890,527	\$ 1,445,001	\$ (812,223)
Debt service as a percentage of noncapital expenditures	10.7%	10.7%	10.6%	10.2%	9.9%	9.8%	9.4%	9.9%	7.5%	9.2%

ENGLEWOOD SCHOOLS

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

(Unaudited)

Fiscal Year	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value			Percentage of Assessed Value to
			Residential Property	Commercial Property	Total Estimated Actual Value	Estimated Actual Value
2002	345,943,340	3.88	1,535,954,144	653,649,770	2,189,603,914	15.80%
2003	342,455,342	3.95	1,567,452,350	647,429,238	2,214,881,588	15.46%
2004	342,688,020	3.94	1,770,586,023	674,260,176	2,444,846,199	14.02%
2005	339,906,040	4.44	1,774,121,288	700,824,325	2,474,945,613	13.73%
2006	358,907,480	4.01	1,855,094,065	743,437,745	2,598,531,810	13.81%
2007	358,484,270	4.04	2,005,430,059	757,467,138	2,762,897,197	12.97%
2008	421,381,030	3.72	2,015,631,030	709,270,550	2,724,901,580	15.46%
2009	420,770,900	3.72	2,015,443,630	897,670,852	2,913,114,482	14.44%
2010	419,880,340	3.72	1,869,911,551	934,536,232	2,804,447,783	14.97%
2011	404,966,840	3.75	1,818,999,238	897,099,070	2,716,098,308	14.91%

Source: Arapahoe County Assessor's Office

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

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Valuation Year</u>
2002	9.15%	29.00%	2001
2003	9.15%	29.00%	2002
2004	7.96%	29.00%	2003
2005	7.96%	29.00%	2004
2006	7.96%	29.00%	2005
2007	7.96%	29.00%	2006
2008	7.96%	29.00%	2006
2009	7.96%	29.00%	2008
2010	7.96%	29.00%	2008
2011	7.96%	29.00%	2010

ENGLEWOOD SCHOOLS

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

(Unaudited)

Englewood Schools							
<u>Fiscal Year</u>	<u>General Fund Millage</u>	<u>Bond Redemption Fund Millage</u>	<u>Total School Millage</u>	<u>Arapahoe County</u>	<u>City of Englewood</u>	<u>City of Littleton</u>	<u>City of Cherry Hills Village</u>
2002	29.440	9.402	38.842	14.028	7.438	6.662	7.300
2003	29.998	9.487	39.485	14.459	7.770	6.662	7.300
2004	29.697	9.734	39.431	15.140	8.310	6.662	7.300
2005	34.605	9.814	44.419	15.451	8.320	6.662	7.300
2006	31.513	8.628	40.141	15.451	8.320	6.662	7.300
2007	31.388	8.966	40.354	16.083	8.400	6.662	13.117
2008	29.580	7.631	37.211	15.217	8.173	6.662	13.117
2009	29.564	7.631	37.195	15.676	8.400	6.662	13.117
2010	29.568	7.631	37.199	15.672	7.911	6.662	13.402
2011	29.952	7.543	37.495	15.949	8.010	6.662	13.402

Source: Arapahoe County Assessor's Office.

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

ENGLEWOOD SCHOOLS

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

(Unaudited)

Overlapping Rates

<u>Arapahoe Regional Library District</u>	<u>South Metro Fire & Rescue</u>	<u>South Suburban Recreation District</u>	<u>Urban Drainage & Flood Control District</u>	<u>South Englewood Sanitation District No. 1</u>	<u>Cherry- More Water & Sanitation District</u>	<u>Littleton Fire District</u>
3.682	-	7.422	0.690	1.100	0.092	6.678
3.695	-	7.228	0.062	1.100	-	6.678
4.916	-	7.197	0.533	1.100	-	6.678
4.900	-	7.134	0.538	1.100	-	7.678
4.963	-	7.117	0.532	-	-	7.678
4.893	-	7.008	0.542	-	-	7.678
4.814	-	6.868	0.507	-	-	7.678
4.814	-	6.868	0.507	-	-	7.678
4.783	9.362	6.777	0.569	-	-	-
4.869	9.541	6.869	0.576	-	-	-

ENGLEWOOD SCHOOLS

Principal Property Tax Payers Ten Years Ago and Current Year

(Unaudited)

2001				2011			
Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Columbia HealthOne	\$ 21,750,010	1	6.09%	Columbia HealthOne	\$ 23,200,010	1	5.53%
Qwest Communications, Inc	7,464,300	2	2.09%	Qwest Corp	7,873,600	2	1.88%
Public Service Company	7,010,070	3	1.96%	Swedish Medical Ctr	7,107,860	3	1.70%
Swedish Medical Center	6,749,250	4	1.89%	Public Svc Co of Colorado	4,301,480	4	1.03%
ICG Telecom Group	3,913,740	5	1.10%	Englewood Meridian LP	3,502,410	5	0.84%
Health One & Swedish	2,610,000	6	0.73%	ODC Limited No 4	3,335,010	6	0.80%
Northern Englewood Limited	2,400,780	7	0.67%	Healthone	3,126,730	7	0.75%
Wilkerson Corporation	2,361,370	8	0.66%	Situs Enterprises LLC	3,045,000	8	0.73%
ODC Limited No.4	2,320,000	9	0.65%	Sprint Nextel Corp	2,927,600	9	0.70%
EQR Marks A LLC	2,318,120	10	0.65%	801/901 Englewood Parkway	2,481,530	10	0.59%
Total	<u>\$ 58,897,640</u>		<u>16.50%</u>		<u>\$ 60,901,230</u>		<u>14.53%</u>
Total Assessed Valuation	\$356,977,230				\$419,194,850		

Source: Arapahoe County Assessor's Office

ENGLEWOOD SCHOOLS

Property Tax Levies and Collections - All Funds Last Ten Years

(Unaudited)

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
2002	13,437,131	12,445,145	92.6%	848,989	13,294,134	98.9%
2003	13,521,849	12,450,039	92.1%	542,322	12,992,361	96.1%
2004	13,512,531	12,745,043	94.3%	479,860	13,224,903	97.9%
2005	15,098,286	14,503,604	96.1%	525,010	15,028,614	99.5%
2006	14,406,905	13,853,271	96.2%	494,420	14,347,691	99.6%
2007	14,466,274	13,310,626	92.0%	722,847	14,033,473	97.0%
2008	15,680,010	14,470,995	92.3%	767,785	15,238,780	97.2%
2009	15,650,574	14,594,191	93.3%	621,548	15,215,739	97.2%
2010	15,772,176	14,891,988	94.4%	786,165	15,678,153	99.4%
2011	15,730,614	14,971,970	95.2%	615,713 (2)	15,587,683	99.1%

(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-October 2011 subsequent collections, received in August-November, are known at this time.

Source: Arapahoe County Assessor's Office, District Audited Financial Statements 2002-2011.

ENGLEWOOD SCHOOLS

Outstanding Debt by Type Last Ten Years

(Unaudited)

Fiscal Year	Governmental Activities					Total Primary Government	Population	Personal Income	Percent of Personal Income	Per Capita
	General Obligation Bonds	EPA Note	Capital Leases							
2002	35,342,295	90,667	833,874			36,266,836	32,393	677,143,272	5.4%	1,120
2003	33,981,856	85,000	522,129			34,588,985	32,658	682,682,832	5.1%	1,059
2004	32,460,089	75,556	368,145			32,903,790	32,410	677,498,640	4.9%	1,015
2005	30,926,616	66,112	183,803			31,176,531	32,491	679,191,864	4.6%	960
2006	29,214,143	56,668	58,084			29,328,895	32,491	679,191,864	4.3%	903
2007	27,413,559	47,224	-			27,460,783	32,491	679,191,864	4.0%	845
2008	25,322,550	37,780	-			25,360,330	32,286	674,906,544	3.8%	785
2009	23,020,496	28,336	-			23,048,832	32,532	680,048,928	3.4%	708
2010	21,407,619	18,892	-			21,426,511	32,191	686,823,596	3.1%	666
2011	19,035,000	9,448	-			19,044,448	30,255	602,499,375	3.2%	629

Source: District Audited Financial Statements 2002-2011.

Source: Population from City of Englewood

Note: The District refunded \$8,925,000 of bond debt during the 1996 fiscal year, \$12,454,993 during the 2005 fiscal year and \$9,075,000 during the 2008 fiscal year.

ENGLEWOOD SCHOOLS

Direct and Overlapping Governmental Activities Debt June 30, 2011

(Unaudited)

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to District</u>	<u>Overlapping Debt Applicable to District</u>
Overlapping Debt:			
City of Englewood	\$ 29,187,525	77.20 %	\$ 22,532,769
South Suburban Metropolitan Recreation and Park District	25,910,000	3.50	906,850
Total Overlapping Debt			23,439,619
Direct Debt:			
Englewood School District	19,035,000	100.00	19,035,000
Total Direct and Overlapping Debt			\$ 42,474,619

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

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

ENGLEWOOD SCHOOLS

Legal Debt margin Information Last Ten Fiscal Years

(Unaudited)

Computation of Maximum Debt Allowed for Fiscal Year 2011	
Taxable Assessed Valuation	\$ 419,538,990
Debt Limit Percentage (1)	20%
Legal Debt Limit	\$ 83,907,798
Total Bonded Debt	
Amount Available in Debt Service Fund	\$ 19,035,000
Net Bonded Debt	3,814,491
Legal Debt Margin	\$ 68,687,289

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 71,814,112	\$ 68,491,068	\$ 67,981,208	\$ 67,981,208	\$ 71,781,496	\$ 71,696,854	\$ 84,276,206	\$ 84,154,180	\$ 84,798,924	\$ 83,907,798
Total net debt applicable to limit	32,350,335	28,335,704	29,514,495	27,656,395	26,110,837	24,297,553	21,925,878	19,821,979	17,555,086	15,220,509
Legal debt margin	\$ 39,463,777	\$ 40,155,364	\$ 38,466,713	\$ 40,324,813	\$ 45,670,659	\$ 47,399,301	\$ 62,350,328	\$ 64,332,201	\$ 67,243,838	\$ 68,687,289

Total net debt applicable to the limit
as a percentage of debt limit

45.05%	41.37%	43.42%	40.68%	36.38%	33.89%	26.02%	23.55%	20.70%	18.14%
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

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

Source: District Audited Financial Statements 2002-2011

ENGLEWOOD SCHOOLS

Demographic and Economic Statistics Last Ten Years

(UNAUDITED)

<u>Fiscal Year</u>	<u>Englewood Population (1)</u>	<u>Household Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2002	32,393	677,143,272	20,904	36	4,327	5.7%
2003	32,658	682,682,832	20,904	39	4,200	6.3%
2004	32,410	677,498,640	20,904	36	4,085	5.3%
2005	32,491	679,191,864	20,904	36	3,883	5.2%
2006	32,491	679,191,864	20,904	36	3,733	4.5%
2007	32,491	679,191,864	20,904	36	3,495	3.5%
2008	32,286	674,906,544	20,904	36	3,427	4.8%
2009	32,532	680,048,928	23,307	36	3,298	7.3%
2010	32,191	686,823,596	23,307	36	3,124	8.2%
2011	30,255	602,499,375	25,617	37	2,992	10.2%

Sources:

- (1) City of Englewood
- (2) U.S. Census Bureau - 1990 Census; 2000 Census; 2010 Census
- (3) Englewood Schools
- (4) Colorado Department of Labor and Employment (data presented for Denver Metro area)

ENGLEWOOD SCHOOLS

Principal Employers Ten Years Ago and Current Year

(Unaudited)

Taxpayer	2001			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Columbia Swedish Medical Center	1,300	1	5.83%	1,910	1	8.09%
The Sports Authority				820	2	3.47%
Craig Hospital	512	2	2.30%	720	3	3.05%
City of Englewood	483	4	2.17%	520	4	2.20%
Englewood Schools	503	3	2.26%	424	5	1.80%
Karcher North America				370	6	1.57%
Burt Automotive	475	5	2.13%			
Veolia Transportation				300	7	1.27%
Denver Drywall	365	6	1.64%			
Regional Transportation District (RTD)				250	8	1.06%
Wilkerson Corporation	340	7	1.52%			
Windsor Industries, Inc	270	8	1.21%			
7-Up Bottling Company	250	9	1.12%	220	9	0.93%
Riviera Electric Construction	250	10	1.12%			
Meadow Gold Dairies				190	10	0.80%
Total	<u>4,748</u>		<u>21.29%</u>	<u>5,724</u>		<u>24.23%</u>
Total Employees	22,300			23,620		

Source: City of Englewood Community Development Department

ENGLEWOOD SCHOOLS

Full-Time Equivalent Employees by Type Last Ten Years

(UNAUDITED)

Fiscal Year	Teachers	Counselors	Paraeducators	Other Classified	Administrators	Total
2002	245.0	13.5	32.0	86.0	19.5	396.0
2003	240.5	9.6	29.4	88.6	19.5	387.6
2004	236.6	9.6	25.7	88.6	19.5	380.0
2005	230.1	9.6	28.3	86.6	18.5	373.1
2006	230.7	15.7	28.8	84.3	19.5	379.0
2007	216.4	15.7	27.6	85.4	18.0	363.1
2008	203.1	12.8	23.6	78.6	18.0	336.1
2009	212.7	12.8	26.0	79.3	17.0	347.8
2010	197.8	12.0	30.0	76.0	18.0	333.8
2011	185.2	11.0	32.6	79.9	18.0	326.5

Sources: Englewood Schools

ENGLEWOOD SCHOOLS

Operating Statistics Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Operating Cost per Pupil	Government Wide Expenditures	Government Wide Cost per Pupil	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Approved for Free or Reduced Lunch
2002	4,327	25,813,850	5,966	34,029,107	7,864	245.0	17.7	26.7%
2003	4,200	25,997,636	6,190	33,824,008	8,053	240.5	17.5	26.5%
2004	4,085	25,587,763	6,264	33,992,207	8,321	236.6	17.3	33.5%
2005	3,883	25,861,019	6,660	34,083,569	8,778	230.1	16.9	39.0%
2006	3,733	32,240,748	8,637	35,265,939	9,447	230.7	16.2	42.1%
2007	3,495	31,916,165	9,132	34,780,040	9,951	216.4	16.2	40.3%
2008	3,427	32,443,971	9,467	35,033,702	10,223	203.1	16.9	44.2%
2009	3,298	32,538,103	9,866	35,100,753	10,643	212.7	15.5	49.0%
2010	3,124	32,516,192	10,409	34,602,079	11,076	197.8	15.8	54.9%
2011	2,992	32,052,157	10,713	34,209,991	11,434	194.8	15.4	55.8%

ENGLEWOOD SCHOOLS

Schedule of Insurance June 30, 2011

(Unaudited)

<u>Insurance Company</u>	<u>Policy Number</u>	<u>Term of Insurance</u>		<u>Type of Insurance</u>	<u>Amount of Coverage</u>	<u>07/1/10 - 07/1/11 Premium</u>
		<u>Start Date</u>	<u>Expire Date</u>			
CSDSIP (1)	0301-01-00044	07/01/2010	07/01/2011	Comprehensive General Liability, Including Employee Benefit Programs and Athletic Participation	\$ 106,987,132	\$ 78,049
				School Leaders Errors & Omissions	2,000,000	31,820
CSDSIP	0301-01-00044	07/01/2010	07/01/2011	Equipment Breakdown	100,000,000	8,214
CSDSIP	0301-01-00044	07/01/2010	07/01/2011	Employee Blanket Bond	100,000	1,311
CSDSIP	0301-01-00044	07/01/2010	07/01/2011	Vehicle Insurance	1,000,000	12,163
						<u><u>\$ 131,557</u></u>

(1) Colorado School District Self-Insurance Pool.

Source: Englewood School District

ENGLEWOOD SCHOOLS

Capital Asset Information June 30, 2011

(Unaudited)

Schools

Elementary

Buildings	4
Square feet	183,500
Capacity	1,668
Enrollment	1,228
Percent capacity	74%

Middle

Buildings	1
Square feet	98,600
Capacity	704
Enrollment	528
Percent capacity	75%

High

Buildings	2
Square feet	242,100
Capacity	1,358
Enrollment	1,008
Percent capacity	74%

Early Childhood Education Center

Buildings	1
Square feet	40,000
Capacity	364
Enrollment	228
Percent capacity	63%

Administration

Buildings	1
Square feet	13,400

Operations, maintenance and transportation

Buildings	1
Square feet	8,500

Athletics

Athletic stadium	1
Baseball fields	1
Running tracks	1
Swimming pools	1
Playgrounds	6

Excess property (vacant and rentals)

Buildings	4
Square feet	128,600

Source: Englewood Schools

COMPLIANCE SECTION

SINGLE AUDIT



Board of Education
Englewood School District
Englewood, Colorado

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Englewood School District as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Englewood School District, and have issued our report thereon dated November 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Swanlund & Company LLC

November 9, 2011



Board of Education
Englewood School District
Englewood, Colorado

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

Compliance

We have audited the Englewood School District's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Englewood School District's major federal programs for the year ended June 30, 2011. The Englewood School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Englewood School District's management. Our responsibility is to express an opinion on the Englewood School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Englewood School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Englewood School District's compliance with those requirements.

In our opinion, the Englewood School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

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

Swainson & Company LLC

November 9, 2011

ENGLEWOOD SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

_____ yes x no

Identification of major programs:

10.553 School Breakfast Program
10.555 National School Lunch Program
84.027 Special Education
84.391 ARRA - Special Education

84.173 Special Education Preschool
84.392 ARRA - Special Education Preschool
84.394 ARRA - State Fiscal Stabilization Fund
84.410 Education Jobs Fund

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

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

Financial Statement Findings

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

Federal Awards Findings and Questioned Costs

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



Board of Education
Englewood School District
Englewood, Colorado

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood School District as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Englewood School District, and have issued our report thereon dated November 9, 2011. These financial statements are the responsibility of the Englewood School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

Swanhorst & Company LLC

November 9, 2011

ENGLEWOOD SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Education			
Direct Programs			
Indian Education		84.060	\$ 7,688
Arts in Education		84.351	266,342
Passed through State Department of Education			
Title I	4010, 5010	84.010	980,082
ARRA - Title I	4389	84.389	140,439
Improving Teacher Quality	4367	84.367	167,117
Special Education	4027	84.027	684,137
ARRA - Special Education	4391	84.391	398,178
Special Education Preschool	4173	84.173	30,808
ARRA - Special Education Preschool	4392	84.392	1,488
Education Technology	4318	84.318	4,484
ARRA - Education Technology	4386	84.386	9,211
English Language Acquisition	4365, 7365	84.365	18,903
Education for Homeless Children and Youth	5196	84.196	4,114
ARRA - Education for Homeless Children and Youth	5387	84.387	37,368
Twenty-First Century Community Learning Centers	5287	84.287	101,771
High School Graduation Initiative	5360	84.360	67,568
ARRA - State Fiscal Stabilization Fund	4394	84.394	236,759
Education Jobs Fund	4410	84.410	616,608
Passed through State Community College System			
Career and Technical Education		84.048	25,440
Passed through Clayton Foundation			
Parental Information and Resource Centers		84.310	1,640
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>3,800,145</u>
U.S. Department of Agriculture			
Passed through State Department of Education			
National School Lunch Program	4555	10.555	538,788
School Breakfast Program	4553	10.553	178,175
Passed through State Department of Human Services			
Food Commodities		10.555	67,091
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>784,054</u>
U.S. Department of Health and Human Services			
Passed through Tri-County Health Department			
ARRA - Prevention and Wellness		93.724	99,207
Passed through Sheridan School District			
Head Start		93.600	249,048
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>348,255</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 4,932,454</u>

See the accompanying Independent Auditors' Report.

ENGLEWOOD SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

NOTE 1: BASIS OF PRESENTATION

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

STATE COMPLIANCE



Board of Education
Englewood School District
Englewood, Colorado

**INDEPENDENT AUDITORS' REPORT ON
AUDITOR'S INTEGRITY REPORT**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood School District as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the Englewood School District, and have issued our report thereon dated November 9, 2011. These financial statements are the responsibility of the Englewood School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

Swanhorst & Company LLC

November 9, 2011

11/08/2011
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Colorado Department of Education
Fiscal Year 2010-2011
Colorado School District/BOCES
Auditor's Integrity Report

ARAPAHOE ENGLEWOOD 1
District Code: 0120

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001 - 0999 Total Expenditures & Other Uses	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	11,824,884	25,420,829	25,058,000	12,187,714
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	57,309	562,214	583,506	36,017
Subtotal	11,882,194	25,983,043	25,641,506	12,223,731
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	4,130,695	-4,130,695	0	0
21 Capital Reserve Spec Revenue Fund	1,155,287	-1,155,287	0	0
22 Govt Designated-Purpose Grants Fund	0	3,958,070	3,958,070	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	3,852,533	3,154,165	3,192,207	3,814,491
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	0	4,160,825	993,723	3,167,102
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	-0	1,952,359	949,195	1,003,164
TOTALS	21,020,708	33,922,480	34,734,700	20,208,488
Proprietary				
51 Food Service Fund	52,723	1,035,033	979,160	108,597
50 Other Enterprise Funds	159,462	395,157	403,378	151,241
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
TOTALS	212,186	1,430,191	1,382,538	259,838
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	94,040	151	3,000	91,191
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	213,649	450,639	488,166	176,122
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	307,689	450,789	491,166	267,313

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

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