

# Comprehensive Annual Financial Report



*For the fiscal year ended June 30, 2014  
Jefferson County, Colorado*

***Our Mission:  
To provide a quality education that prepares all children  
for a successful future.***

**Jefferson County School District No. R-1**  
Jefferson County, Colorado



# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

Presented to the Board of Education

**Board Members**

Ken Witt, President

Julie Williams, First Vice President

Lesley Dahlkemper, Second Vice  
President

John Newkirk, Secretary

Jill Fellman, District 1

**Superintendent**

Dan McMinimee

Prepared by the Financial Services Division  
Kathleen Askelson, Interim Chief Financial Officer  
Lisa Anderson, Manager General Accounting

Jefferson County School District, No. R-1

Comprehensive Annual Financial Report

June 30, 2014

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*Building Bright Futures*

Financial Services

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October 24, 2014

To the Board of Education and citizens of Jefferson County Public Schools:

The Comprehensive Annual Financial Report for the Jefferson County School District (the District) as of and for the fiscal year ended June 30, 2014, is submitted herewith. State law requires that all local governments publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The responsibility for both the accuracy of the data and the completeness of the presentation, including all disclosures, rests with the management of the District. This report was prepared by Financial Services, and to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner to present fairly the financial position and results of operations of the various funds of the District. The District's comprehensive framework of internal controls provides assurance of the accuracy of the reports. District management is responsible for establishing and maintaining internal controls designed to ensure the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. As the cost of internal controls should not outweigh the benefits, the outcome is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under provisions of Article 29-1-603, Colorado Revised Statutes, 1973, an independent public accounting firm must perform an annual audit of the District's accounts. CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the District's financial statements also included the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the District's single audit for the fiscal year ended June 30, 2014, provided no instances of material weaknesses in internal controls or material violations of applicable laws, regulations, contracts and grants. These reports are located in the single audit section of this report.

Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in Management's Discussion and Analysis found on pages 18–29 of this report. All disclosures necessary to enable the reader to gain an understanding of the financial activities for the fiscal year ended June 30, 2014, have been included.

### **The District's Profile**

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The District was formed in 1950 when thirty-nine independent Districts were consolidated into a countywide District encompassing the seven hundred and seventy four square miles of Jefferson County and five square miles of the City and County of Broomfield, Colorado. The District is a legally separate, primary government entity that operates under an elected five member Board of Education. The Board of Education is the policy-making body of the District. The Board is responsible for educational planning and evaluation, staffing and appraisal, school facilities, financial resources and communication. Board members are elected to alternating four-year terms with elections held every two years. Board members represent a specific area of the county but are elected at large.

The District provides a full range of educational programs and services authorized by Colorado state statute to approximately 85,000 enrolled students. District programs and services include basic K-12 education in elementary schools, middle schools, high schools, option schools, special education, vocational education, preschool and numerous other programs. There are fifteen charter schools within the District that are legally separate entities. The charter schools are funded based on the Colorado Department of Education stated per pupil revenue. This revenue is directly allocated to each charter school. The charter schools are disclosed as discretely presented component units of the District.

Colorado state statutes require that the District adopt the budget in June prior to the beginning of the subsequent fiscal year. Budget revisions may be adopted prior to January. The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end and are generally re-established in the following year as an obligation against that year's appropriated budget. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### **Assessment of the District's Economic Condition**

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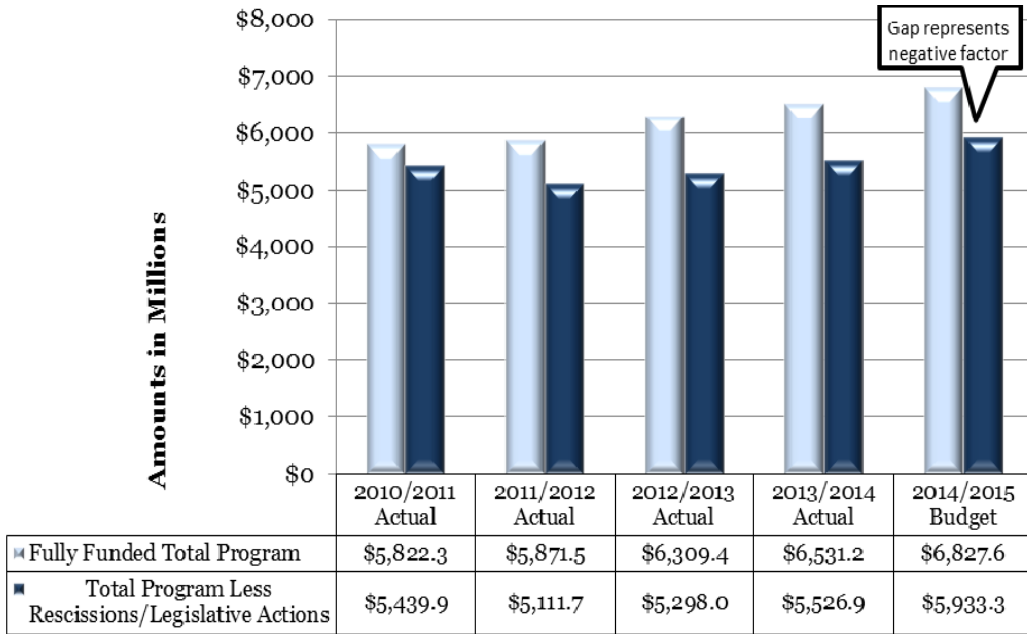
The national economy continues to show modest but uneven growth. As noted in the September 2014 Colorado Economic Outlook, specific areas that are experiencing strong growth are auto sales and tourism. The Institute for Supply Management (ISM) shows new order activity picking up, indicating demand which will result in continued production and sales in the future. This growth is the highest level within the current economic expansion and expected to continue into 2015. Gross Domestic Product (GDP) is estimated to increase 2 percent in 2014. U.S. unemployment is still higher than prerecession but has been decreasing from 7.4 percent in 2013 to 6.3 percent in 2014 and forecasted to decrease to 5.7 percent in 2015. Personal income increased 2 percent in 2013 and is anticipated to be 4.5 percent in 2014. Per capita income grew to \$44,779 in 2013 and is forecasted to be at \$46,439 in 2014. Loan demand and investments increased in the current year, also indicating improving economic conditions. The consumer price index increased 1.5 percent in 2013, 1.9 percent in 2014 and is forecasted to increase 2.1 percent in 2015. There are still risks to the national economy, less accommodative monetary policies from the Federal Reserve and global uncertainties in the Middle East as well as unstable economic conditions in Europe could impact the national growth negatively.

Colorado's economic indicators continue to be some of the top performers in the nation. Colorado's business industry is growing with concentrations of high demand skills such as information technology, bioscience, engineering and aerospace. Agriculture and energy also continue as strong industries in the state. Unemployment was at 5.1 percent in August 2014, the lowest level in six years. Strong employment growth was noted with 47.8 thousand new jobs for the first seven months of the year. Personal income is projected to grow 3.4 percent for 2014. The Denver housing market is also expanding at a fast pace. Growth continues in construction of single family and multifamily projects. The Denver-Boulder-Greeley consumer price index increased 2.8 percent in 2013 and is expected to increase the same percent in 2014. Colorado's economy is at risk from the same factors as the nation's economy. Tighter monetary policy from the Federal Reserve and global issues could interrupt growth.

The State of Colorado continues to recover from the Great Recession. The state's actual revenues have been higher than budget for the past three years. Currently there is over \$1 billion of available funds in the State Education Fund that could be appropriated during fiscal year 2015. Revenue in the state General Fund has continued to grow in fiscal year 2014. State revenue growth is due to increased income taxes and sales tax from an improved economy. Sales tax from marijuana sales will first be used to fund regulation of the industry and then for public school capital construction projects.

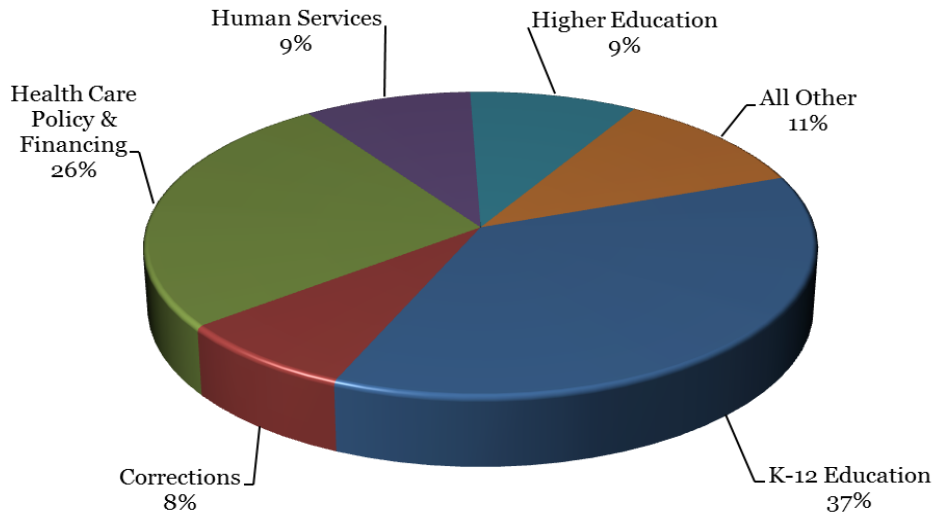
Colorado school districts are funded based on a formula that is comprised of revenues from property taxes and state funding and adjusted by factors. To accommodate state revenue challenges, a negative factor was incorporated into the State School Finance formula to proportionately reduce funding to school districts. This factor is the mechanism used by the state to reduce funding to districts while remaining within the legal limits of the funding formula. The total negative factor for fiscal 2014 was over \$1 billion, the District share is \$96 million. In the spring of 2014 House Bill 14-1292, known as the Student Success Act passed. This bill included additional K-12 funding mainly by reducing the negative factor for fiscal year 2015. It also includes new requirements for financial reporting along with prescribed additional funding for both the English Language Proficiency Act and an early literacy initiative. The chart below shows the difference between fully funded levels and actual funding levels after the application of the negative factor for past four years and the budget for fiscal year 2015.

### State of Colorado Total Program K-12 Education Funding



In addition to K-12 funding, increased demands for other state service areas, specifically Medicaid, have created pressure on the system. The following graph shows the major departments being funded from the State of Colorado.

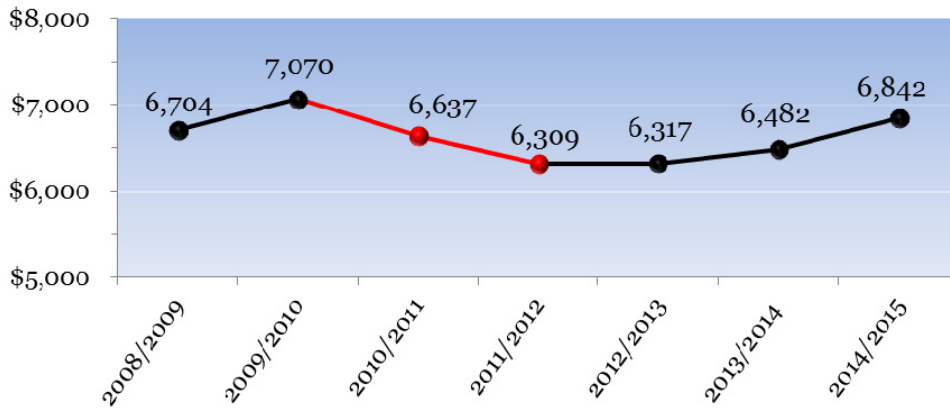
### State of Colorado 2014/2015 Major Department Share of General Fund



Source: Governor's 2014/2015 November Budget Request

As presented, K-12 education is 37 percent of the state General Fund budget. Funding has increased for the District for the last two years but continues to be lower than pupil funding from fiscal year 2009/2010, as noted in the following chart. This loss of funding has impacted every aspect of the District. In November 2012, the voters of Jefferson County approved a mill levy override of \$39 million to be used for operational expenses. This additional funding, along with increases in state funding, was used to reinstate a prior 3 percent reduction in compensation and to offset the \$45 million in reductions originally planned to ensure a structurally balanced budget for fiscal 2014.

### Jeffco's Total Per Pupil Funding



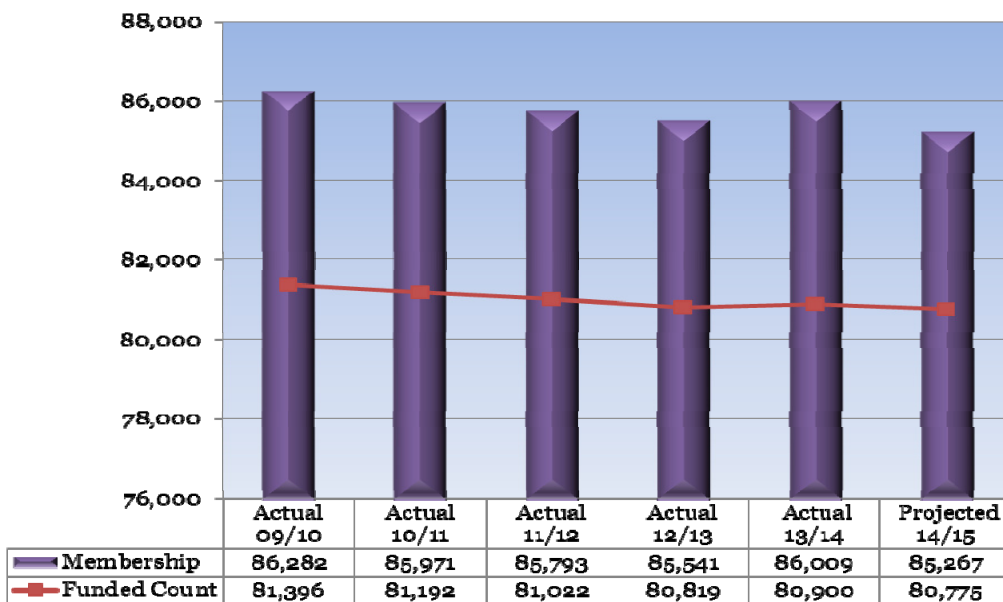
\*\*2014/2015 - CDE has based Total Program and Per Pupil funding numbers on estimated enrollment figures.

Beginning in fiscal year 2004, the District strategically built reserves by not fully appropriating the 2004 mill levy override in the first year. For fiscal years 2009 through 2012, the District purposefully used the additional reserves to offset reduced funding. The years of spending down reserves delayed the impact of reductions that would have closed programs, reduced additional staff and impacted services to students. The Office of the State Auditor prepares a report each year for school districts calculating key indicators from their respective financial reports. Beginning in fiscal year 2010, the District had been noted for having two negative indicators, a direct result of the District's strategic planned spend down of reserves. The indicators do not consider the strategic nature of the planned build up and utilization of reserves. For fiscal year 2013, when the District began to rebuild reserves, no negative indicators were noted from the Office of the State Auditor. Fiscal year 2014 continues to build reserves and indicators are expected to be positive.

Until fiscal year 2014, the District has experienced declining enrollment. The county demographics reflected overall aging with fewer younger families. State funding is calculated on enrollment and decreases as enrollment drops. The state averages five years of enrollment to soften the impact of the changes. As enrollment declines, some variable costs are avoided. Although fewer students can mean fewer classrooms and fewer teachers, some fixed costs cannot be reduced as easily such as buildings, utilities, maintenance and insurance.

For the second time since fiscal year 1999, fiscal year 2014 funded pupil count increased slightly. Enrollment projections continue to estimate small decreases for the next few years. Certain regions of the District are experiencing significant growth with new housing developments that are creating building space issues with the current nearby schools. The District is reviewing alternatives to provide additional space for these growing areas.

### Jeffco Student Membership and Funded Count





## Major Initiatives

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### Call to Action

The District adopted the Call to Action to define its mission to support the Board of Education's ends policies, to establish goals and objectives and to provide measurable indicators. Each year, as part of the ongoing strategic planning process, the Strategic Planning Advisory Council meets to advise the District on setting priorities, allocating District funds and helping with the strategic planning process. The Call to Action is designed to ensure that all members of the Jeffco team focus their work and resources in support of the core mission of the District.

With two goals:

- All students graduate prepared for continued learning and the world of work in the 21<sup>st</sup> century.
- All employees are accountable for a high performing organization.

The Call to Action is broken out by the District's business groups with their respective goals, objectives, indicators, and targets identified that support the two overarching goals.

### Fiscal Management and Strategic Policies

The District has adopted a conservative approach for long-range planning to improve the financial condition of the District. The following are the key components of this plan:

- The budget cycle for each budget year will begin in the fall to ensure adequate time for input and any program adjustments due to projected revenue increases or decreases.
- The District's annual budget is projected for the next four years to enable long-range planning, identify and correct possible issues, and ensure fiscal responsibility.
- The District is continuing to support the internal audit department to provide site evaluations of accounting and internal control processes.
- An independent citizen Financial Oversight Committee meets to review District financial management practices, activities, make recommendations, and report to the Board of Education.
- The Audit Committee was established by the Board of Education in fiscal year 2013. The committee is comprised of members of the Board of Education and community and is designed to provide support for the boards fiduciary responsibilities.
- Quarterly financial reports are a Board of Education agenda item. The Board reviews the quarterly reports with the Financial Oversight Committee and the external auditors. The reports are designed to meet the Colorado Revised Statute 22-45-102 requirements.
- All District financial policies are reviewed annually.
- Monthly budget reports to provide trend data to ensure District spending is monitored and within appropriated levels.

### Budget Development Process

The budget development process is a long-term initiative that aligns available resources to positively impact student achievement. The District's approach encourages communication and leverage between organizational units within the entire District and focuses attention on District goals. Staff and community input during the process is a key component of its success. The District is committed to the continued process of long range planning with the strategic plan as a benchmark for decisions. Please refer to the 2014/2015 Adopted Budget for details on the budgeting process.

### Student Based Budgeting

The budget development process for fiscal year 2016 includes changing the budget model for schools from a staffing allocation model to a student based budget model. Schools will be funded based on student counts with a calculation that begins with a standard base and will incorporate up to two additional funding factors. Student based budgeting is designed to provide the opportunity for principals to make site-specific, student based decisions on the deployment of resources to obtain the greatest student achievement. It will provide greater flexibility to support students' needs and goals, be a uniform and consistent funding model across all schools, and provide better transparency for school funding.

### Student Achievement

The District's focus on student achievement includes meeting the goals defined within two different accountability systems:

- 1) The state accountability system is administered by the Colorado Department of Education (CDE). Colorado aims to prepare all students for postsecondary learning or to enter the workforce by the time they graduate from the K-12 system. CDE has defined four performance indicator areas key to achieving this outcome:
  - Academic Achievement
  - Academic Growth
  - Gaps in Academic Growth
  - Postsecondary and Workforce Readiness (high school only)

CDE's District Performance Framework and School Performance Framework reports provide information about the levels of attainment in each of the four performance indicators. For Districts, the overall evaluation leads to their accreditation. For schools, the overall evaluation leads to the type of plan schools will implement.

- 2) The Federal government mandated the Elementary and Secondary Education Act (ESEA) in 2001 which requires states to set student achievement target goals for all public schools, also known as Adequate Yearly Progress. In 2012, the Colorado Department of Education received a federal waiver for some aspects of this statute. This waiver now gives Colorado the authority to use the state's accountability system in place of key federal accountability requirements. Colorado's state accountability system will now meet many of the No Child Left Behind requirements, including the requisite to annually determine school and District progress in meeting performance targets.

### **Licensed Employee Compensation Redesign**

The District has focused for several years on researching new approaches to compensation for licensed employees (teachers and other professionals who fall under the 'teacher' umbrella such as counselors, teacher librarians, and nurses). Beginning in fiscal year 2015, the board approved a new compensation plan that pushes this work forward in two significant ways: an increase in the overall starting salaries for newly hired employees which better aligns District salaries with the surrounding jurisdictions, and a link between pay increases and educator effectiveness as measured through the evaluation system. This new compensation plan puts the District at the forefront nationwide, moving away from a traditional salary schedule driven by experience and education, and instead links pay to effective teaching practices.

At the same time, the District is entering the final year of funding from a \$39 million grant through the Teacher Incentive Fund to pilot strategic compensation for licensed staff in high-needs schools. This research grant has focused on what type of support or salary incentive can make a difference in student achievement. Specifically, peer evaluators and master teachers have been used in each of the twenty pilot schools, with a focus on professional development and feedback to teachers on effective instructional practices. Additionally, teachers and administrators in half of the schools have been eligible to earn additional pay based on meeting individual, team, and student achievement goals. Results from this study may further inform the direction of teacher compensation in the District.

### **21st Century Learning Environments – Capital Improvements**

The condition of the physical infrastructure is integral to the core mission of the District. Starting in fiscal year 2009/2010, the state mandate requiring transfers for funding capital programs was lifted. The District has continued to transfer revenue to the capital reserve fund in order to expand, improve and maintain its' existing property portfolio. This capital improvement process extends over multiple years to multiple decades and is measured in the context of long-term life-cycle management. Once constructed, a facility has a service life of at least fifty years.

The District's policy for capital improvement funding has been that all capital improvement projects with an estimated useful life in excess of twenty years are financed through the use of general obligation bonds. Those projects include construction of new facilities and capital renewal including, but not limited to, additions to existing facilities, major renovations, replacement of roofing, envelope improvements (doors, windows), building systems such as heating/ventilating, electrical and plumbing.

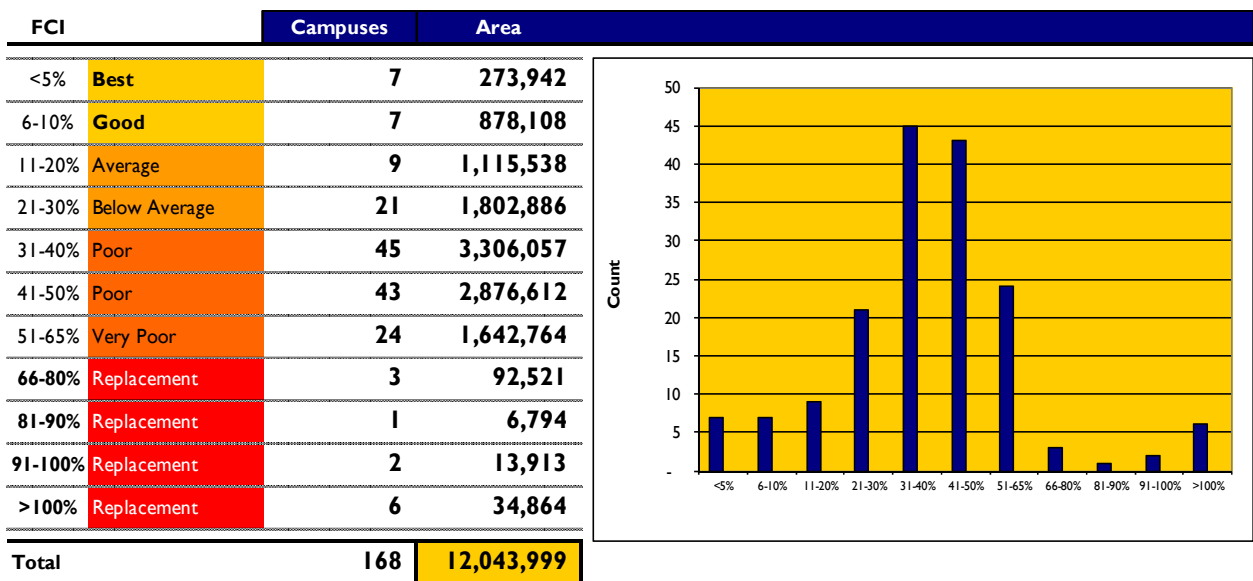
All capital improvements with an estimated useful life of less than twenty years are financed from the capital reserve fund. The capital reserve fund will spend between \$17 million and \$19 million each year for capital improvements to facilities. The amount, while seemingly large, becomes small when put in the perspective of supporting ninety one elementary schools, three K-8 schools, five preschool centers, nineteen middle schools, seventeen high schools, ten option schools, four stadiums, and numerous other programs and support facilities with an area of approximately twelve million square feet and replacement value of \$2.39 billion. The District's facility master planning is critical in prioritizing the needs for schools. Projects in this category include improvement or replacement of finishes, fixtures and furnishings, security systems, fire alarm, parking lots, site work, and minor remodeling.

The Capital Asset Advisory Committee was formed to monitor the planning of capital needs and the implementation of capital projects, which may include future bond programs. The Capital Asset Advisory Committee is made up of independent citizens with experience in the construction industry.

### District Wide Facilities Master Plan

In compliance with District policies, long-term facilities planning and the development of a District-wide Facilities Master Plan (FMP) is ongoing work, of which, current and accurate data is the foundation. In 2009, to ensure consistent and objective collection of data, the District authorized a comprehensive assessment of its facilities. The assessment consisted of a capacity analysis, an educational adequacy assessment, a building condition assessment and a review of all site and building systems with a life cycle renewal forecast. The first Facility Condition Assessment Summary of Findings was published in September 2010. Each year, staff completes the annual cycle of assessing one-third of the District’s facilities, as well as updated cost estimates and life cycle forecasts. These up to date assessments are used for planning and prioritization of all capital spending. Part of the assessment process assigns a Facility Condition Index (FCI) to District facilities. The FCI provides a relative scale of the overall condition of the facility or group of facilities within a facility portfolio. The District will continue to be diligent in analysis, monitoring and management of facilities. The facilities master plan is considered as part of the overall financial plan. Below is a summary of FCI by Site Location from the 2013-2014 Summary of Findings.

### Districtwide Facility Condition Index (FCI) by Site Location



### Renewed Instructional and Business Technology Systems

The District Technology Plan guides the District’s technology decisions, and because of the rapid changes in technology, the plan is updated every year. The plan objectives, expectations, indicators, targets, action plans and measurements are reviewed and modified in order to accommodate technology changes and/or funding challenges. The Plan also articulates a common District vision and identifies strategies for the use of technology in promoting guaranteed and viable curriculum standards and for developing critical thinking skills that are essential for academic and workplace success.

Jeffco has maintained its status as a national K-12 technology leader with the collaboration of technology and instructional staff to develop and implement robust data systems in support of Colorado’s new educator effectiveness legislation. As the District thinks strategically about emerging instructional trends, Education Research and Design, with support from Information Technology (IT), is leading efforts to plan and implement the build-out of IT infrastructure that will eventually enable the use of thousands of mobile wireless devices that will integrate with instruction. Funding has been approved for the Mobile Device Readiness (MDR) program over the next four to five years to achieve this goal. Data governance and the protection of student and staff information is also a critical focus at the District. Ensuring that data is protected with all technology processes is required to create a consistent and secure handling of the data across the District. The Unified Communications Project will be completed by 2<sup>nd</sup> quarter 2015, which replaces the twenty year-old analog voice communication system originally deployed in 1994.

## Awards and Acknowledgements

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The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Jefferson County School District, No. R-1, for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the thirty first consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied 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.

We would like to thank Superintendent Dan McMinimee and the Board of Education for their interest and support in planning and conducting the financial operations of the Jefferson County School District in a responsible and professional manner. We would also like to express our appreciation to the District's independent auditors, CliftonLarsonAllen LLP, for the expert manner in which they have accomplished the audit.

Respectfully submitted,



Kathleen Askelson  
Interim Chief Financial Officer



Lisa Anderson  
Manager, General Accounting



Government Finance Officers Association

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

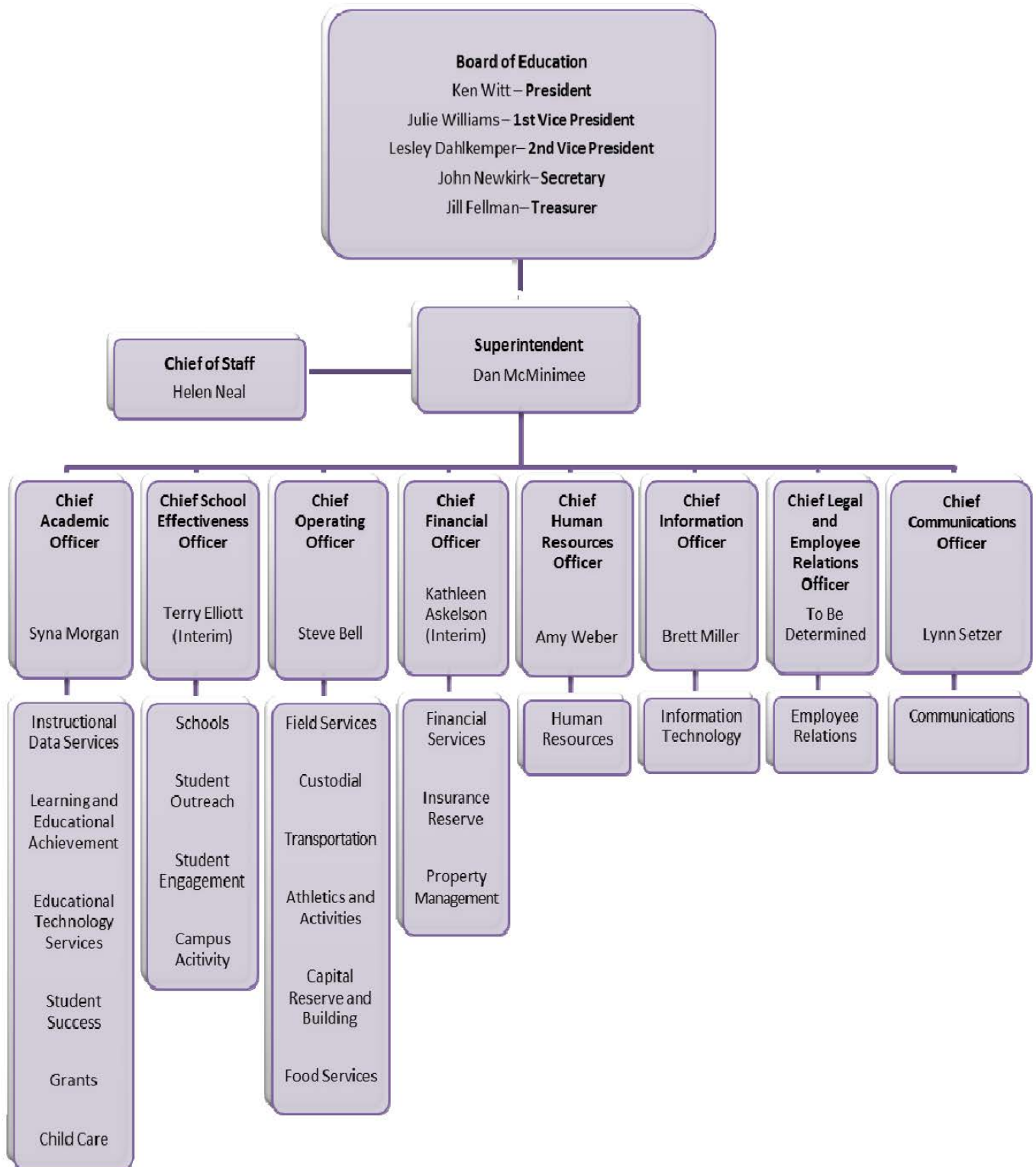
Presented to

**Jefferson County  
School District No. R-1  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



**Superintendent's Cabinet**

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Dan McMinimee ..... Superintendent

Helen Neal ..... Chief of Staff for Superintendent and BOE

Syna Morgan..... Chief Academic Officer

Terry Elliott..... Chief School Effectiveness Officer (Interim)

Steven Bell.....Chief Operating Officer

Kathleen Askelson ..... Chief Financial Officer (Interim)

Amy Weber..... Chief Human Resources Officer

Brett Miller ..... Chief Information Officer

To Be Determined..... Chief Legal Counsel/Executive Director Employee Relations

Lynn Setzer ..... Chief Communications Officer







## INDEPENDENT AUDITORS' REPORT

Board of Education  
Jefferson County School District, No. R-1  
Jefferson County, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County School District, No. R-1 (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining

fund information of the District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements and schedules, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements and schedules, and the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements and schedules, and the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

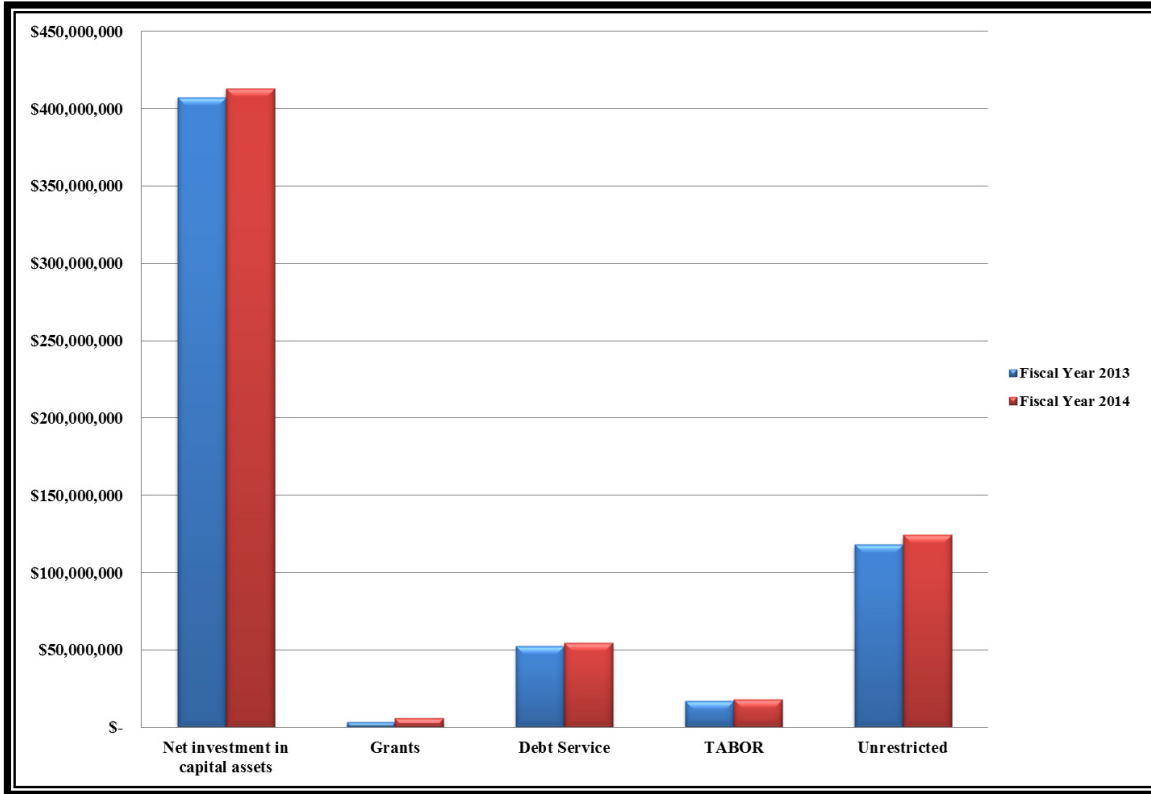
Greenwood Village, Colorado

October 23, 2014



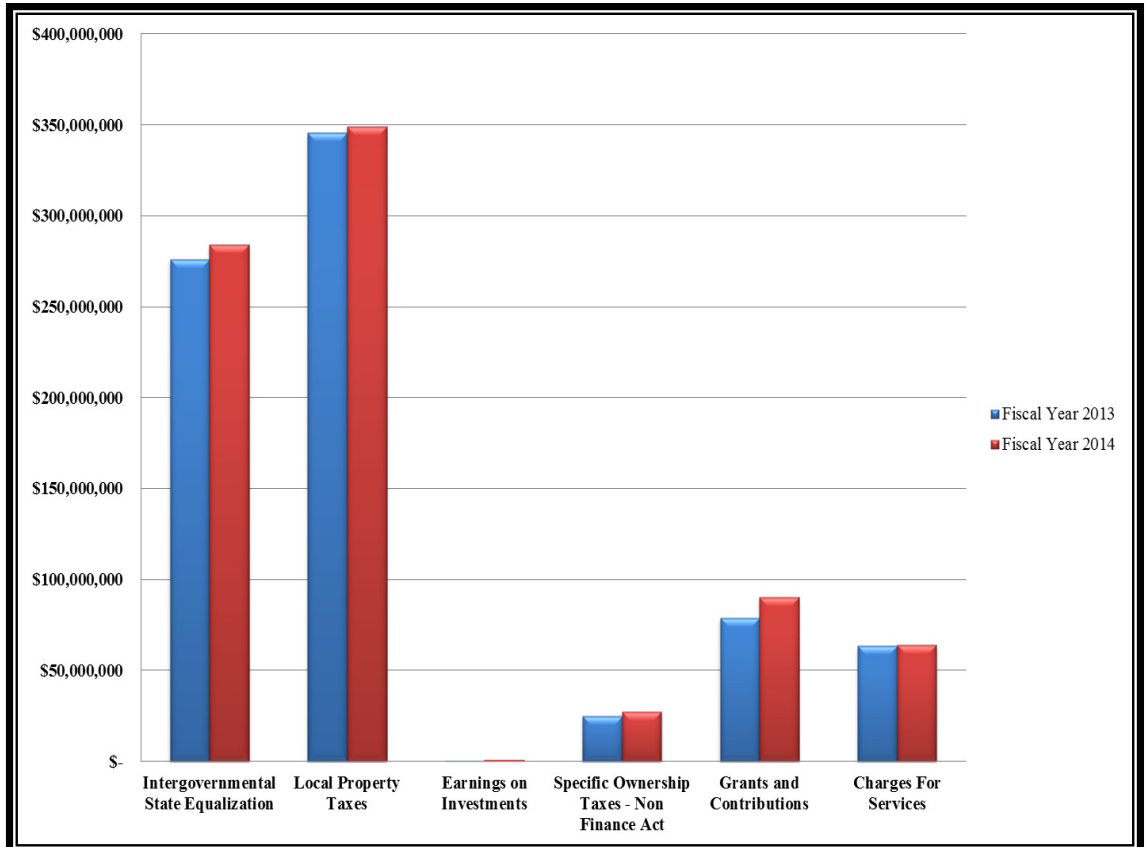
# **Management's Discussion and Analysis**

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2014**



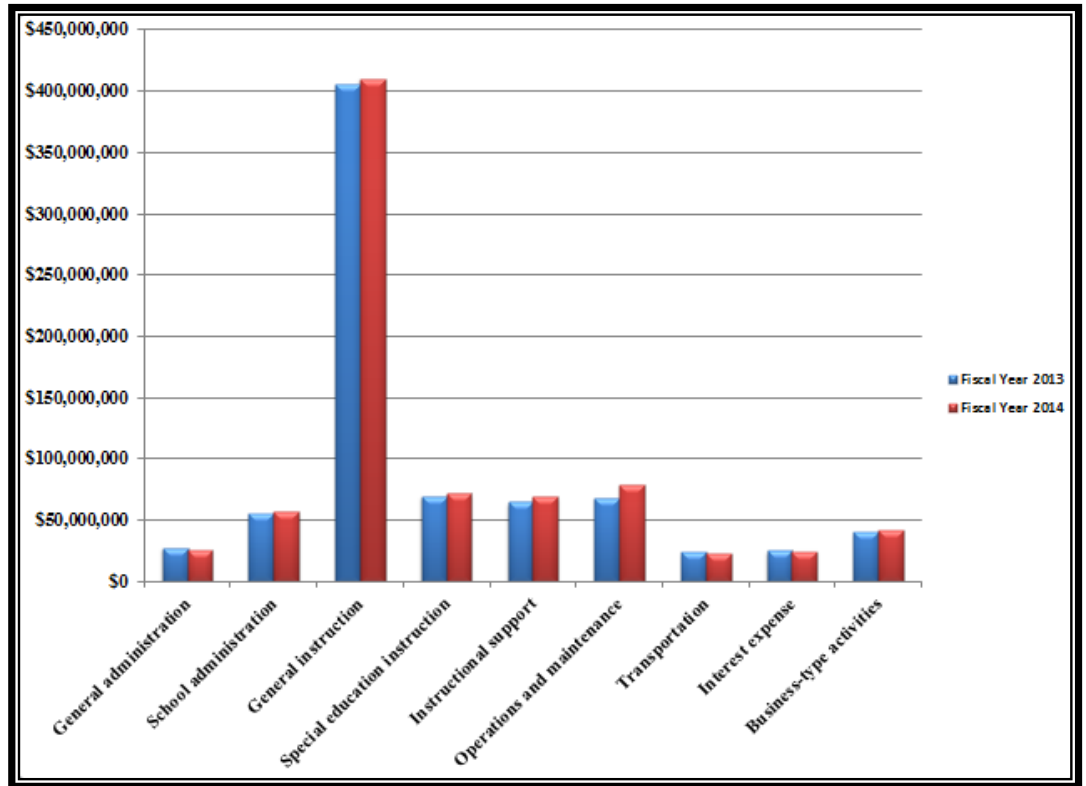
**Primary Government Government-wide Net Position:**  
Increased \$15 million from prior year.

**Primary Government Government-wide Revenues:**  
Increased \$27 million from the prior year



**Jefferson County School District, No. R-1  
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**Primary Government  
Government-wide  
Expenses:**  
Increased \$21 million  
from prior year.



As management of the Jefferson County School District, No. R-1, Jefferson County, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the primary government for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-8.

**Financial highlights**

- Total government-wide net position increased \$15 million in fiscal year 2014. \$118 million (19 percent) of the total \$611 million in net position is unrestricted and available to meet ongoing obligations. Unrestricted net position was increased with additional mill levy property tax and state revenues. Payments on general obligation debt and spend down of proceeds from the prior year bond issuance increase the investment in capital assets.
- Government-wide total assets decreased \$2 million. Equity in pooled cash from building reserves in the general fund increased but was offset by the decreased investments for building fund bond proceeds for capital projects. The net pension asset decreased \$2 million from the prior year.
- Government-wide total liabilities decreased \$21 million from the prior year. Long term liabilities decreased \$35 million from principal payments on general obligation bonds and certificates of participation. Accounts payables liabilities for construction in the building fund capital projects increased \$10 million from the prior year.
- The combined governmental fund balance for fiscal year 2014 is \$236 million, a decrease of \$15 million from the prior year. \$32 million of the general fund balance (5.6 percent of general fund expenditures) is unassigned.

**Overview of the financial statements**

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 32-71 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves on pages 76-101.

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2014**

**Government-wide financial statements**

The government-wide financial statements are designed to provide the reader of the District's Comprehensive Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities. The statement of net position presents information about all of the District's assets, deferred outflows of resources, deferred inflows of resources and liabilities. The difference between assets plus deferred outflows of resources and deferred inflows of resources plus liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The government-wide financial statements consolidate governmental and internal service activities that are supported from taxes and intergovernmental revenues and business-type activities that are intended to recover all or most of their costs from user fees and charges. Governmental activities consolidate governmental funds including the general fund, debt service fund, capital reserve capital projects fund, building fund capital projects fund, grants fund and special revenue funds with internal services funds including the employee benefits fund, the central services fund, the insurance reserve fund and the technology fund. Business-type activities consolidate funds that include the food service fund, the child care fund and property management fund.

The government-wide financial statements also include information on component units that are legally separate from the District (known as the primary government). At the close of the current fiscal year, the District has included information for two component units, the Jefferson County School Finance Corporation and Charter Schools.

The only activity of the District's Finance Corporation is to act as a conduit for the transfer of funds relating to the issuance and refunding of COPs. The Corporation has no assets or liabilities at June 30, 2014, and therefore has no financial impact on the District. Financial information for Charter Schools is presented separately from the primary government because the Charter Schools are considered discrete component units of the District. The financial statements for the Charter School component units can be found on pages 94-101.

The government-wide financial statements can be found on pages 32-33.

**Fund financial statements**

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements for the District include two of the three possible fund types. The fund types presented here are governmental funds and proprietary funds. The District currently does not use fiduciary fund types.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains seven different governmental funds. The major funds are the general fund, the capital reserve capital projects fund, the building fund capital projects fund, the bond redemption debt service fund and grants fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled other governmental funds. Individual fund information for the non-major funds is presented as supplementary information in this document.



**Jefferson County School District, No. R-1**  
**Management's Discussion and Analysis**  
**As of and for the fiscal year ended June 30, 2014**

The District adopts an annual appropriated budget for each of the governmental funds. Budgetary comparison statements for the general fund and grants fund are included in the fund financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as supplementary information.

The basic governmental fund financial statements can be found on pages 34-43.

The District maintains two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The fund financial statements of the enterprise funds provide the same information as the government-wide financial statements only in more detail. Internal service funds are used to accumulate and allocate costs internally among the governmental functions.

The enterprise funds (food service fund, child care fund, and property management fund) are listed individually and are considered to be major funds. Individual internal service fund information is presented as other supplementary information in this document. The District's internal service funds are the central services fund, the employee benefits fund, the insurance reserve fund and the technology fund.

The basic proprietary fund financial statements are presented on pages 44-49.

**Notes to the basic financial statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 52-71 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also contains supplementary information concerning the District's governmental funds, internal service funds and component units. Combining and individual fund statements and schedules can be found on pages 76-91 of this report.

**Government-wide financial analysis**

**Government-wide net position**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. Unrestricted net position increased \$4 million from the prior year due to increasing reserves in the general fund. Net investment in capital assets increased \$6 million primarily from paying off \$34 million in general obligation debt and continued investment in capital assets from the prior year bond issuance. The legally required TABOR reserve is restricted.

Cash and investments account for 29 percent of the total assets. These assets are available to provide resources for near-term operations of the District. Receivables are due in large part as a result of the property tax collection process and federal grants reimbursements. The District receives close to 67 percent of the annual property tax assessment between March and June. The net pension asset is in association with the District's supplemental retirement plan. Capital assets are used in the operations of the District. These assets are land, construction in progress, buildings, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled Capital Assets and Debt Administration elsewhere in this analysis.

The deferred outflows on refunding are the difference between the reacquisition and the net carrying amount of current and advance debt refunding.

Total liabilities include \$81 million of accrued salaries and benefits as of June 30, 2014. This amount includes earned but unpaid salaries associated with teacher contracts for the 2014 school year requiring resources from fiscal year 2014/2015 to liquidate. Long term liabilities are discussed in greater detail in the section titled Capital Assets and Debt Administration elsewhere in this analysis. The total assets and deferred outflows of resources of the primary government activities exceed liabilities by \$611 million with an unrestricted net position balance of \$124 million.

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2014**

**Comparative Summary of Net Position  
As of June 30**

	<u>Fiscal Year 2013</u>			<u>Fiscal Year 2014</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Government-Wide</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Government-Wide</u>
<b>Assets:</b>						
Current and other assets	\$ 447,433,352	\$ 16,366,753	\$ 463,800,105	\$ 441,339,545	\$ 17,786,338	\$ 459,125,883
Capital assets, net of depreciation	<u>828,263,052</u>	<u>3,555,684</u>	<u>831,818,736</u>	<u>830,963,933</u>	<u>3,388,248</u>	<u>834,352,181</u>
Total assets	<u>1,275,696,404</u>	<u>19,922,437</u>	<u>1,295,618,841</u>	<u>1,272,303,478</u>	<u>21,174,586</u>	<u>1,293,478,064</u>
Total deferred outflows of resources	<u>24,381,979</u>	<u>-</u>	<u>24,381,979</u>	<u>20,710,870</u>	<u>-</u>	<u>20,710,870</u>
 <b>Liabilities:</b>						
Other liabilities	131,194,658	2,670,757	133,865,415	144,871,933	3,507,541	148,379,474
Long-term liabilities outstanding	<u>590,596,507</u>	<u>-</u>	<u>590,596,507</u>	<u>555,208,634</u>	<u>-</u>	<u>555,208,634</u>
Total liabilities	<u>721,791,165</u>	<u>2,670,757</u>	<u>724,461,922</u>	<u>700,080,567</u>	<u>3,507,541</u>	<u>703,588,108</u>
 <b>Net position:</b>						
Net investment in capital assets	403,794,024	3,555,684	407,349,708	409,948,271	3,388,248	413,336,519
Restricted for:						
Grants	3,695,034	-	3,695,034	5,986,671	-	5,986,671
Debt service	52,607,880	-	52,607,880	54,882,086	-	54,882,086
TABOR	16,436,709	708,022	17,144,731	17,263,926	729,971	17,993,897
Unrestricted	<u>101,753,571</u>	<u>12,987,974</u>	<u>114,741,545</u>	<u>104,852,827</u>	<u>13,548,826</u>	<u>118,401,653</u>
Total net position	<u>\$ 578,287,218</u>	<u>\$ 17,251,680</u>	<u>\$ 595,538,898</u>	<u>\$ 592,933,781</u>	<u>\$ 17,667,045</u>	<u>\$ 610,600,826</u>

Net investments in capital assets for the District's governmental and business-type activities are computed as follows:

**Comparative Schedule of Net Investment in Capital Assets  
As of June 30**

	<u>Fiscal Year 2013</u>		<u>Fiscal Year 2014</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital assets, net of accumulated depreciation	\$ 828,263,052	\$ 3,555,684	\$ 830,963,933	\$ 3,388,248
Deferred outflows on refunding	24,381,979	-	20,710,870	-
Unspent proceeds from bond issuance	111,590,500	-	84,902,102	-
Less: General obligation bonds	<u>560,441,507</u>	<u>-</u>	<u>526,628,634</u>	<u>-</u>
Net investment in capital assets	<u>\$ 403,794,024</u>	<u>\$ 3,555,684</u>	<u>\$ 409,948,271</u>	<u>\$ 3,388,248</u>

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2014**

**Government-wide activities**

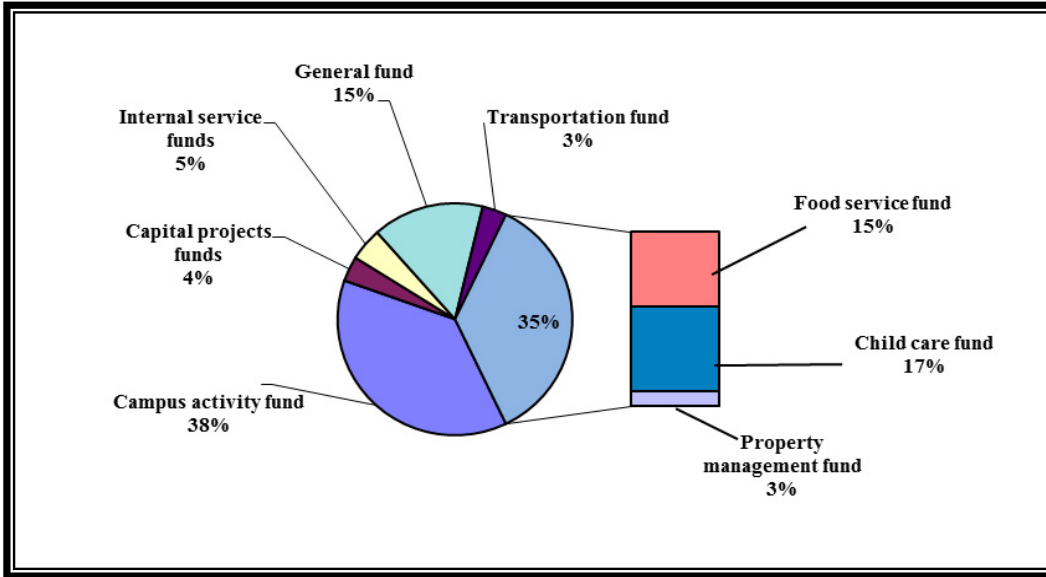
Government-wide activities increased the net position of the District by \$15 million during the year ended June 30, 2014. The following schedules, charts and analysis focus on this increase.

**Comparative Schedule of Changes in Net Position  
As of June 30**

	Fiscal Year 2013			Fiscal Year 2014		
	Governmental Activities	Business-type Activities	Government Wide	Governmental Activities	Business-type Activities	Government Wide
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 40,064,700	\$ 23,476,925	\$ 63,541,625	\$ 41,161,997	\$ 22,862,185	\$ 64,024,182
Operating grants and contributions	65,237,069	13,520,079	78,757,148	76,969,329	13,389,433	90,358,762
Capital grants and contributions	-	135,253	135,253	-	96,924	96,924
General revenues:						
Taxes:						
Local property taxes	345,921,281	-	345,921,281	349,115,550	-	349,115,550
Automotive ownership taxes	25,006,758	-	25,006,758	27,486,392	-	27,486,392
Intergovernmental state equalization	276,148,509	-	276,148,509	284,144,134	-	284,144,134
Earnings on investments	<u>37,569</u>	<u>-</u>	<u>37,569</u>	<u>873,530</u>	<u>49,668</u>	<u>923,198</u>
Total revenues	<u>752,415,886</u>	<u>37,132,257</u>	<u>789,548,143</u>	<u>779,750,932</u>	<u>36,398,210</u>	<u>816,149,142</u>
<b>Expenses</b>						
Governmental activities:						
General administration	27,617,388	-	27,617,388	25,908,579	-	25,908,579
School administration	54,996,871	-	54,996,871	56,613,420	-	56,613,420
General instruction	405,528,254	-	405,528,254	410,335,528	-	410,335,528
Special education instruction	69,392,712	-	69,392,712	71,357,688	-	71,357,688
Instructional support	64,686,916	-	64,686,916	68,774,854	-	68,774,854
Operations and maintenance	67,985,826	-	67,985,826	78,844,714	-	78,844,714
Transportation	24,115,123	-	24,115,123	23,177,884	-	23,177,884
Interest expense, unallocated	25,135,731	-	25,135,731	24,692,063	-	24,692,063
Food services	-	24,588,376	24,588,376	-	24,059,390	24,059,390
Child care	-	14,253,323	14,253,323	-	15,669,253	15,669,253
Property management	<u>-</u>	<u>1,298,134</u>	<u>1,298,134</u>	<u>-</u>	<u>1,653,841</u>	<u>1,653,841</u>
Total expenses	<u>739,458,821</u>	<u>40,139,833</u>	<u>779,598,654</u>	<u>759,704,730</u>	<u>41,382,484</u>	<u>801,087,214</u>
Increase (decrease) in net position before transfers	<u>12,957,065</u>	<u>(3,007,576)</u>	<u>9,949,489</u>	<u>20,046,202</u>	<u>(4,984,274)</u>	<u>15,061,928</u>
Transfers	<u>(4,065,067)</u>	<u>4,065,067</u>	<u>-</u>	<u>(5,399,639)</u>	<u>5,399,639</u>	<u>-</u>
Increase (decrease) in net position	8,891,998	1,057,491	9,949,489	14,646,563	415,365	15,061,928
Net position, July 1	<u>569,395,220</u>	<u>16,194,189</u>	<u>585,589,409</u>	<u>578,287,218</u>	<u>17,251,680</u>	<u>595,538,898</u>
Net position, June 30	<u>\$ 578,287,218</u>	<u>\$ 17,251,680</u>	<u>\$ 595,538,898</u>	<u>\$ 592,933,781</u>	<u>\$ 17,667,045</u>	<u>\$ 610,600,826</u>

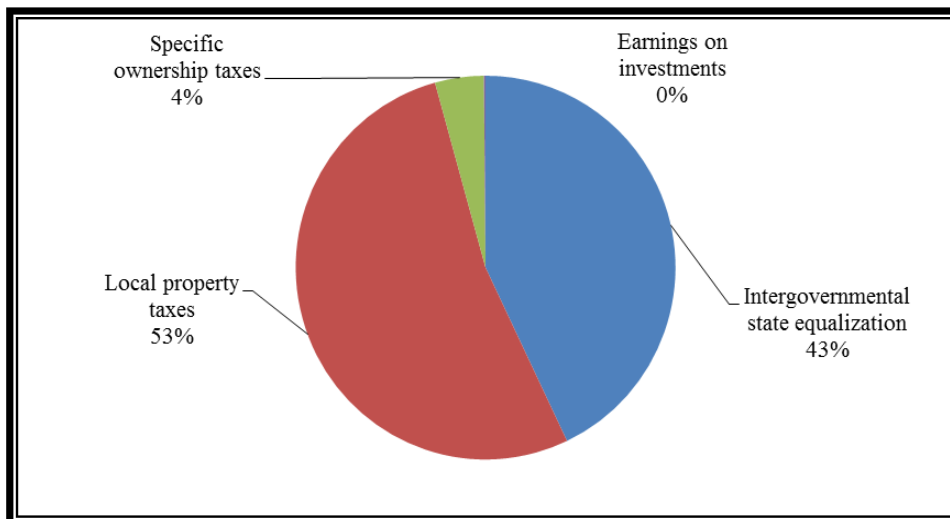
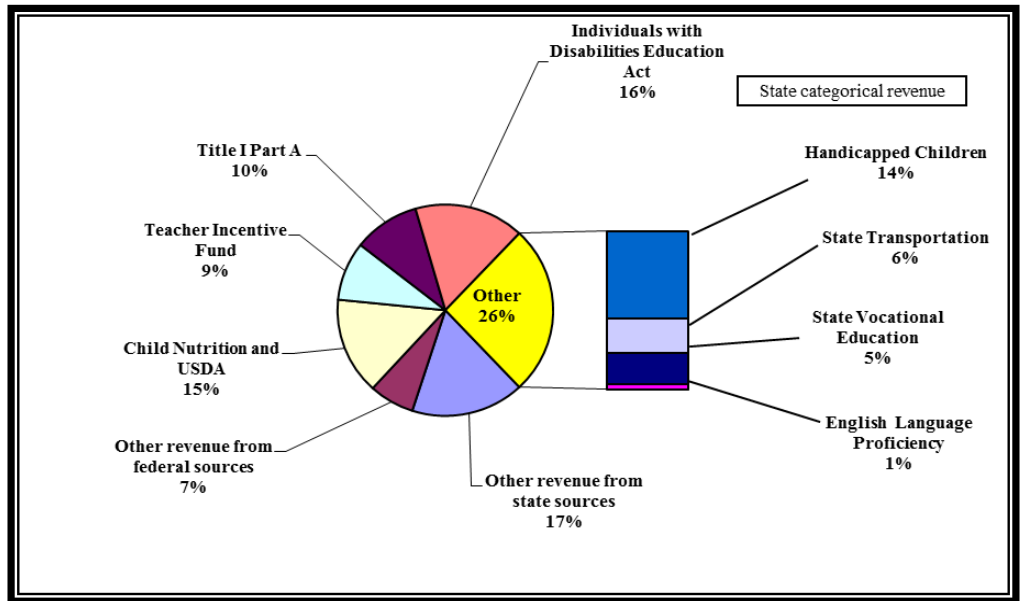
**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2014**

**Analysis of Revenues**



**Government-wide Charges for Services**  
totals \$64 million

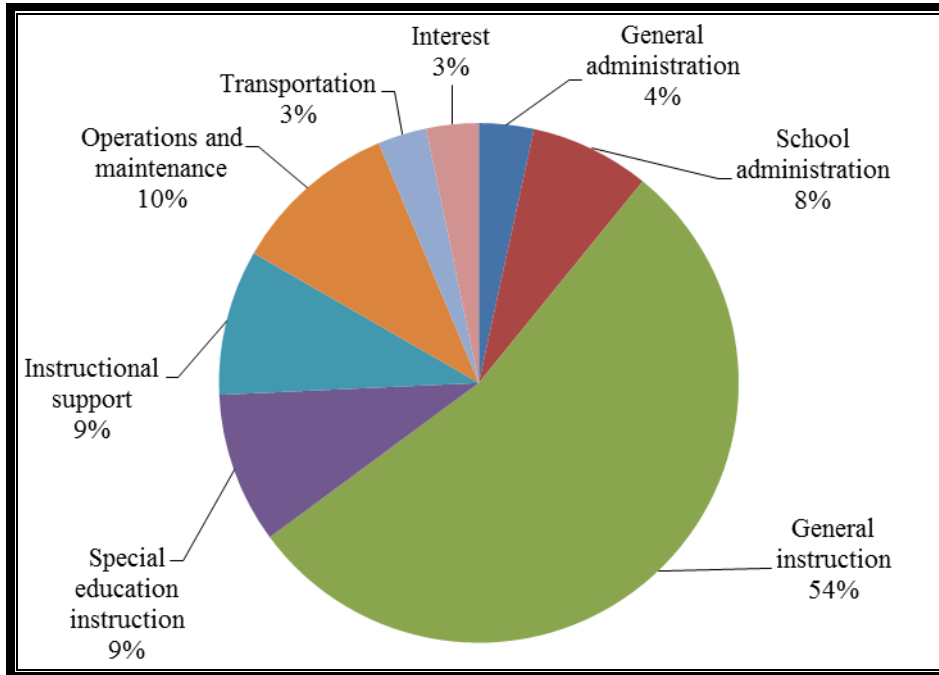
**Government-wide Operating Grants and Contributions**  
(includes Capital grants and contributions)  
totals \$90 million



**Total general revenues**  
of \$662 million

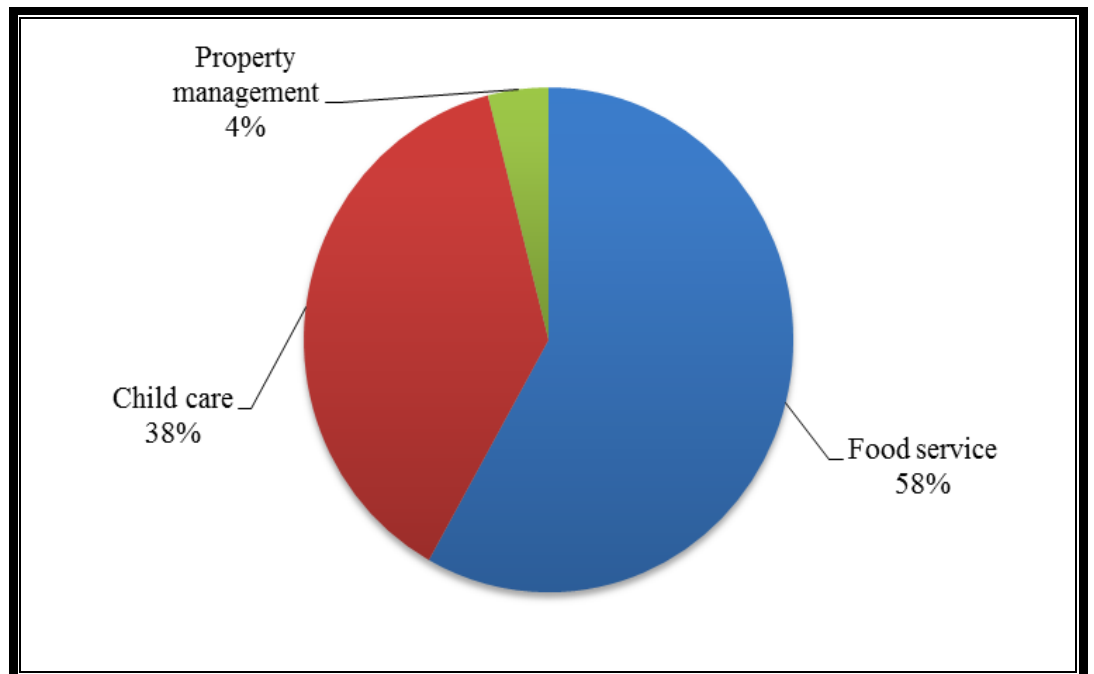
Jefferson County School District, No. R-1  
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As of and for the fiscal year ended June 30, 2014

Analysis of Expenses



**Governmental activities**  
Expenses total  
\$760 million

**Business-type activities**  
Expenses total  
\$41 million



**Jefferson County School District, No. R-1**  
**Management's Discussion and Analysis**  
**As of and for the fiscal year ended June 30, 2014**

**Government-wide revenues**

Government-wide revenues increased \$27 million from the prior year. Local property taxes increased \$3 million and specific ownership tax (a vehicle use tax) increased \$2 million from the prior year. The state economy's growth enabled the state equalization funding to increase by \$8 million. Charges for services were relatively unchanged with less than 1 percent increase. Operating grants and contributions increased \$12 million over the prior year. Two charter schools received \$8 million in Building Excellent Schools Today (BEST) grants for capital construction that was administered through the District's grants fund. The District also had two new grants for fiscal year 2014; the Colorado Read to Ensure Academic Development (READ) grant was an additional \$1 million and the Gates Foundation teacher professional development grant was an additional \$2 million.

**Government-wide expenses**

Government-wide expenses increased \$21 million from the prior year. Compensation increased 3 percent in fiscal year 2014 with the reinstatement of furlough days and non-work days. The employer contribution rate for the Public Employees Retirement Association of Colorado (PERA) increased (as mandated by legislation) .9 percent in January 2014. General instruction expenses went up from the compensation and benefit increase as well as growth in student activities in the campus activity fund by \$3.5 million. Special education instruction expenses also increased from compensation and benefits and costs for special education students placed out of district for services by \$2 million. Instructional support expenses contain a district wide math curriculum purchase for \$4 million. The BEST grant revenues noted above prompted additional grant expenditures of \$8 million in the operations and maintenance expenses as well as \$3 million increased spending for maintenance of buildings from the capital reserve capital projects fund and general fund.

**Proprietary funds**

Governmental activities—internal service funds for the District provide greater detail of the same information presented in the government-wide financial statements. Combining fund financial statements of the internal service funds can be found on pages 86-91 of this report. Following are highlights of activity in the District's internal service funds for fiscal year 2014.

- Central services provide copier and printing services for the school district. The fund had a \$600 thousand decrease in net position from a planned transfer to the technology fund for cost sharing of projects.
- The employee benefits fund accounts for dental and vision self-insurance for the district. The group life insurance was changed from a self-insured to a fully insured model in fiscal year 2014 causing revenues and expenses to decrease. Net position decreased \$100 thousand.
- The insurance reserve fund accounts for self insured property, liability, worker's compensation and other insurance as needed for the school district. Insurance claims and recoveries were higher than the previous year due to an increase in general liability settlements and property claims. The incurred but not reported estimate for the insurance program increased \$800 thousand over the prior year. The fund had a decrease in net position for the year of \$1 million.
- The technology fund supports the District's technology initiatives and systems. An additional transfer was made from the general fund for upgrades to school building infrastructure to support mobile devices. The net position increased \$4 million.

The District's business-type activities increased net position by \$400 thousand. The basic proprietary fund financial statements are presented on pages 44-49. Key elements that highlight the activities in fiscal year 2014 are as follows:

- Student participation in the food service program decreased in fiscal year 2014 resulting in a loss of \$700 thousand. The District participates in the United States Department of Agriculture (USDA) school lunch, breakfast and commodity food programs. The Healthy Hunger Free Kids Act of 2010 brought new regulations to the program resulting in changes to the meals offered to students.
- The child care fund accounts for tuition-based full-day kindergarten, preschool and before and after school care programs. Revenues and expenditures increased over the prior year with additional full-day kindergarten and preschool programs. Net position increased \$900 thousand.
- The property management fund accounts for revenues and expenditures related to the public use of District property. The fund experienced higher revenues in fiscal 2014 from increased building use.

**Jefferson County School District, No. R-1**  
**Management's Discussion and Analysis**  
**As of and for the fiscal year ended June 30, 2014**

**Financial analysis of the District's governmental funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with generally accepted accounting principles (GAAP), the School Finance Act and other related legal requirements.

The governmental funds of the District provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Unassigned fund balance, in particular, measures the District's net resources available for spending at the end of the fiscal year.

Unassigned fund balance for the District at the end of the fiscal year is comprised of the general fund balance of \$32 million, an increase of \$12 million from the prior year.

The general fund is the primary operating fund of the District with the majority of funding based on School Finance Act per pupil revenue and property tax. For the first time in more than a decade, student funded enrollment increased by 81 students for the fiscal year. The student increases were in the component unit charter schools, the primary government continued to experience a decline in enrollment. The immediate effect of prior decreases is softened by the four-year average calculation used by the Colorado Department of Education.

The fiscal year 2013 adopted budget contained plans to implement \$45 million in reductions for fiscal year 2014. With the passage of the mill levy override in fall of 2012, the general fund property tax revenue was increased \$39 million a year. State funding increased but still remains below fiscal 2010 levels which equates to a remaining shortfall of \$51 million. The District did not have to implement the planned reductions for fiscal year 2014 and combined with additional state funding was able to restore the 3 percent compensation reduction. Staff turnovers during the year offset the bulk of the increase. Fund balance for the general fund increased \$11 million as the District planned to rebuild critical reserves.

The bond redemption debt service fund has fund balance of \$56 million. This fund accounts for the voter approved property taxes collected to repay general obligation debt. The current fund balance will be used to make the December 2014 principal and interest payments. The levy to accumulate resources for the June 2015 principal and interest payments will be certified in December 2014. In compliance with Senate Bill 237, the District has contracted with a third party custodian to administer bond principal and interest payments.

The capital reserve capital projects fund is funded with annual transfer funding from the general fund. The projects are focused on infrastructure with the greatest deficiencies from the facility assessment database. The building fund capital projects fund is established to account for the voter approved \$99 million of bond proceeds for capital purposes. The projects to be completed with these funds are also of the greatest deficiencies; projects dedicated to keep students warm, safe and dry, no additional square footage will be added.

The grants fund revenues and expenditures were higher than the prior year primarily from three new grants, the BEST grant for charter school construction, the READ Act grant and the Gates Foundation grant.

Revenues and expenditures increased in the campus activity fund for the current year. The timing of school trips and activities can cause variances for the fund from year to year. Increased billings for outdoor lab school for sixth grade accounted for some of the change.

Per state statute, districts that charge a fee for transportation must account for those activities in a separate special revenue fund. The District is required to make a transfer from the general fund, if needed, to balance the fund. The District collected over \$1.4 million in fees to help offset the cost of transportation. The transfer from the general fund was \$14 million.

**General fund budgetary highlights**

The 2014 Adopted budget for the general fund contained increased revenue assumptions for property tax and state funding. Expenditures were increased for compensation, benefits and legislated mandates for teacher effectiveness and healthcare reform. Two supplemental appropriations adjusted the budget as follows:

- \$3 million additional transfer to the technology fund for mobile device readiness.
- \$200 thousand additional transfer to the campus activity fund to cover waivers of fees for free and reduced lunch students.

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As of and for the fiscal year ended June 30, 2014**

- \$200 thousand additional transfer to the transportation fund for increased costs to provide services to special education students.
- \$1 million increase in transfers to adjust for Colorado Preschool funding to child care fund.
- \$2 million increase in expenditure appropriation for new math curriculum.

General fund expenditures were 99 percent of the final budget. Actual expenditures were lower than planned due to continued conservative spending. The unassigned fund balance for the general fund at the end of the fiscal year is \$32 million, an increase from the prior year of \$12 million.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the general fund including other financing uses—transfers out amounted to \$633 million. Unassigned fund balance represents 5 percent of expenditures while total fund balance represents 10 percent of expenditures. This is a 2 percent decrease from the prior year for both unassigned fund balance and total fund balance.

**Capital assets and debt administration**

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2014, increased to \$834 million (net of accumulated depreciation). The majority of the increase is from capital additions to the internal service technology fund for mobile device readiness. Capital assets include land, buildings, construction in progress, vehicles, and equipment.

Major capital events during the year include the following:

- Additions to construction in progress of \$51 million which include: District-wide warm, safe and dry projects including HVAC improvements, paving and multiple sites roof replacements.
- Depreciation of \$60 million for governmental activities and \$400 thousand for business-type activities.

	<u>Fiscal Year 2013</u>		<u>Fiscal Year 2014</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Non-depreciable assets:				-
Land	\$ 57,321,864	-	\$ 57,229,806	-
Construction in progress	<u>21,620,080</u>	<u>-</u>	<u>31,451,701</u>	<u>-</u>
Total non-depreciable assets	78,941,944	-	88,681,507	-
Depreciable assets (net of accumulated depreciation):				
Buildings and site improvements	717,377,173	-	706,309,964	-
Equipment and vehicles	<u>31,943,935</u>	<u>\$ 3,555,684</u>	<u>35,972,462</u>	<u>\$ 3,388,248</u>
Total depreciable assets	<u>749,321,108</u>	<u>3,555,684</u>	<u>742,282,426</u>	<u>3,388,248</u>
Total capital assets:	<u>\$ 828,263,052</u>	<u>\$ 3,555,684</u>	<u>\$ 830,963,933</u>	<u>\$ 3,388,248</u>

Additional information on the District's capital assets can be found in note 6 on pages 61-63 of this report.

At June 30, 2014, the District had total bonded debt outstanding of \$474 million backed by the full faith and credit of the District. Additionally, the District has long-term debt obligations certificates of participation in the amount of \$29 million for governmental activities still outstanding at the end of the current fiscal year.

**General Obligation Bonds and Certificates of Participation**

	<u>Fiscal Year 2013</u>			<u>Fiscal Year 2014</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
General obligation bonds	\$ 500,785,000	-	\$ 500,785,000	\$ 473,965,000	-	\$ 473,965,000
Certificates of participation	<u>30,155,000</u>	<u>-</u>	<u>30,155,000</u>	<u>28,580,000</u>	<u>-</u>	<u>28,580,000</u>
Total outstanding long-term debt	<u>\$ 530,940,000</u>	<u>-</u>	<u>\$ 530,940,000</u>	<u>\$ 502,545,000</u>	<u>-</u>	<u>\$ 502,545,000</u>



**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
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The certificates of participation were issued to fund the supplemental retirement program. The District maintains an Aa2 credit rating from Moody's and an AA- from Standard & Poor's for general obligation debt. State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$1,402,508,676 and the legal debt margin was \$984,412,410.

Additional information on the District's long-term obligations can be found in notes 9 and 10 on pages 64-67.

**General budgetary highlights and economic factors**

For the 2014/2015 budget, the Board of Education established objectives to be met by the budget process. They determined that the budget would:

- Effectively allocate monetary resources to enhance student achievement.
- Clearly communicate the financial state of the District to the public.
- Comply with all state, federal, and local statutes and regulations as well as internal organizational controls.
- Identify all budgetary changes from year to year.
- Set appropriations to ensure positive reserve balances in all funds.

The budget process will continue to:

- Meet specified deadlines while producing a comprehensive and accurate budget.
- Provide opportunities for community and staff input.
- Identify budget assumptions used for the development process.
- Use forecasting to anticipate future needs and resources.
- Review all programs and department budgets.

Several factors impact the District's Adopted Budget and are considered when making budget assumptions: Colorado School Finance Act increases, declining student funded counts, compensation increases, benefit cost increases, retirement savings and capital infrastructure needs. For the 2014/2015 Adopted Budget, \$13 million net revenue increase is projected for the general fund with \$18 million in net expenditure increase. \$5 million of the increased expenditure appropriation is from previous year's unappropriated revenue. The District plans to continue building reserves in fiscal 2015 by \$3 million.

The budget cycle begins in July and ends in June with the Board adopting the budget. The cycle includes review of all program and department budgets to help establish the budget assumptions. Economic conditions are factored in with the demographic changes for the District. Budget workgroups that involve the community provide significant and valuable input to the process. The budget development process is detailed in the 2014/2015 Adopted Budget:  
<http://www.jeffcopublicschools.org/finance/index.html>.

**Requests for information**

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

Kathleen Askelson, Interim Chief Financial Officer  
Jefferson County School District, No. R-1  
1829 Denver West Drive, Building 27  
Golden, Colorado 80401



# Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Statement of Net Position  
June 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
<b>Assets</b>				
Cash	\$ 110,950	\$ 3,812	\$ 114,762	\$ 62,488
Restricted cash	37,020	-	37,020	7,500,011
Restricted cash TABOR	-	-	-	1,540,054
Cash held by county treasurer	3,097,880	-	3,097,880	-
Equity in pooled cash and investments	209,859,713	14,451,486	224,311,199	9,723,280
Investments	153,139,886	-	153,139,886	-
Property taxes receivable	11,300,055	-	11,300,055	-
Accounts receivable	1,880,930	231,166	2,112,096	126,696
Intergovernmental receivable	13,075,690	1,202,219	14,277,909	-
Due from component units	172,404	-	172,404	-
Inventories	1,927,117	1,856,173	3,783,290	-
Prepaid expenses	3,973,540	41,482	4,015,022	-
Net pension asset	42,764,360	-	42,764,360	-
Capital assets				
Land and construction in progress	88,681,507	-	88,681,507	17,695,672
Depreciable assets	1,593,066,289	8,648,919	1,601,715,208	60,150,726
Accumulated depreciation	(850,783,863)	(5,260,671)	(856,044,534)	(12,616,634)
Total capital assets	<u>830,963,933</u>	<u>3,388,248</u>	<u>834,352,181</u>	<u>65,229,764</u>
Total assets	<u>1,272,303,478</u>	<u>21,174,586</u>	<u>1,293,478,064</u>	<u>84,182,293</u>
<b>Deferred outflows of resources</b>				
Deferred outflows on refunding	<u>20,710,870</u>	<u>-</u>	<u>20,710,870</u>	<u>2,673,801</u>
<b>Liabilities</b>				
Accounts payable	\$ 28,336,568	\$ 779,882	\$ 29,116,450	\$ 395,201
Accrued salaries and benefits	79,660,200	1,363,255	81,023,455	1,892,180
Payroll withholding	22,978,423	-	22,978,423	-
Due to primary government	-	-	-	172,404
Unearned revenue	977,473	1,201,719	2,179,192	523,752
Liability claims/premiums	5,738,652	-	5,738,652	-
Interest payable	986,648	-	986,648	513,131
Early retirement	2,150,000	-	2,150,000	-
Compensated absences (long-term)	4,043,969	162,685	4,206,654	-
Long term liabilities				
Due within 1 year	29,575,000	-	29,575,000	1,594,884
Due in more than 1 year	525,633,634	-	525,633,634	69,719,054
Total liabilities	<u>700,080,567</u>	<u>3,507,541</u>	<u>703,588,108</u>	<u>74,810,606</u>
<b>Net position</b>				
Net investment in capital assets	409,948,271	3,388,248	413,336,519	1,791,966
Restricted for:				
Capital projects	-	-	-	29,990
Grants	5,986,671	-	5,986,671	-
Debt service	54,882,086	-	54,882,086	6,916,910
TABOR	17,263,926	729,971	17,993,897	1,540,054
Unrestricted	104,852,827	13,548,826	118,401,653	1,766,568
Total net position	<u>\$ 592,933,781</u>	<u>\$ 17,667,045</u>	<u>\$ 610,600,826</u>	<u>\$ 12,045,488</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Statement of Activities

Fiscal year ended June 30, 2014

Net (Expenses) Revenue and Changes in Net Position

Functions/Programs	Primary Government						Charter Schools
	Expenses	Charges For Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General administration	\$ 25,908,579	\$ 2,669,066	\$ 3,706,405	-	\$ (19,533,108)	-	\$ (19,533,108)
School administration	56,613,420	-	49,851	-	(56,563,569)	-	(56,563,569)
General instruction	410,335,528	27,047,349	16,423,080	-	(366,865,099)	-	(366,865,099)
Special education instruction	71,357,688	3,195,644	27,343,034	-	(40,819,010)	-	(40,819,010)
Instructional support	68,774,854	-	16,251,832	-	(52,523,022)	-	(52,523,022)
Operations and maintenance	78,844,714	6,116,159	7,920,034	-	(64,808,521)	-	(64,808,521)
Transportation	23,177,884	2,133,779	5,275,093	-	(15,769,012)	-	(15,769,012)
Interest expense, unallocated	24,692,063	-	-	-	(24,692,063)	-	(24,692,063)
Total governmental activities	759,704,730	41,161,997	76,969,329	-	(641,573,404)	-	(641,573,404)
<b>Business-type Activities:</b>							
Food services	24,059,390	9,830,452	13,389,433	\$ 96,924	-	\$ (742,581)	(742,581)
Child care	15,669,253	11,111,356	-	-	-	(4,557,897)	(4,557,897)
Property management	1,653,841	1,920,377	-	-	-	266,536	266,536
Total business-type activities	41,382,484	22,862,185	13,389,433	96,924	-	(5,033,942)	(5,033,942)
Total primary government	\$ 801,087,214	\$ 64,024,182	\$ 90,358,762	\$ 96,924	\$ (641,573,404)	\$ (5,033,942)	\$ (646,607,346)
Component units-Charter schools	\$ 52,549,924	\$ 17,225,779	\$ -	\$ -	-	-	\$ (35,324,145)
<b>General revenues</b>							
Taxes:							
Local property taxes					349,115,550	-	349,115,550
Automotive ownership taxes					27,486,392	-	27,486,392
Unrestricted intergovernmental state equalization					284,144,134	-	284,144,134
Unrestricted investment income					873,530	49,668	923,198
Transfers					(5,399,639)	5,399,639	-
Total general revenues and transfers					656,219,967	5,449,307	661,669,274
Change in net position					14,646,563	415,365	15,061,928
Net position July 1, 2013					578,287,218	17,251,680	595,538,898
Net position June 30, 2014					\$ 592,933,781	\$ 17,667,045	\$ 610,600,826
							\$ 12,045,488

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Balance Sheet  
Governmental Funds  
June 30, 2014

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
<b>Assets</b>			
Cash	\$ 2,252	\$ -	\$ 100
Restricted Cash	-	-	20
Cash held by county treasurer	3,014,669	83,211	-
Equity in pooled cash and investments	122,386,696	-	22,009,726
Investments	-	55,037,038	-
Property taxes receivable, net of allowance for doubtful collections of \$7,064,296	9,622,373	1,677,682	-
Accounts, notes, contracts, and interest receivable	1,248,918	-	48,214
Intergovernmental receivables	-	-	-
Due from other funds	4,121,929	-	379,281
Due from component units	172,404	-	-
Inventories	942,951	-	-
Prepaid items	-	-	-
<b>Total assets</b>	<b><u>\$ 141,512,192</u></b>	<b><u>\$ 56,797,931</u></b>	<b><u>\$ 22,437,341</u></b>
<b>Liabilities</b>			
Accounts and retainages payable	\$ 7,147,129	\$ -	\$ 5,501,865
Accrued salaries, benefits, and compensated absences	67,167,180	-	135,144
Due to other funds	-	-	-
Other unearned revenues	552,538	-	-
<b>Total liabilities</b>	<b><u>74,866,847</u></b>	<b><u>-</u></b>	<b><u>5,637,009</u></b>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenues	<u>5,347,462</u>	<u>929,197</u>	<u>-</u>
<b>Fund balances:</b>			
<b>Nonspendable:</b>			
Inventory	942,951	-	-
Prepaid items	-	-	-
<b>Restricted for:</b>			
TABOR	16,494,681	-	69,059
Grants	-	-	-
Debt service	-	55,868,734	-
Construction	-	-	-
<b>Committed to:</b>			
Construction	-	-	16,731,273
Utility reserve	2,000,000	-	-
<b>Assigned to:</b>			
School carry forward	9,600,000	-	-
Special revenue funds	-	-	-
<b>Unassigned</b>	<u>32,260,251</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<b><u>61,297,883</u></b>	<b><u>55,868,734</u></b>	<b><u>16,800,332</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 141,512,192</u></b>	<b><u>\$ 56,797,931</u></b>	<b><u>\$ 22,437,341</u></b>

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

Building Fund Capital Projects	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 108,298	\$ 110,650
-	-	-	20
-	-	-	3,097,880
-	1,252,358	12,478,589	158,127,369
98,102,848	-	-	153,139,886
-	-	-	11,300,055
50,762	149,621	136,853	1,634,368
-	13,075,690	-	13,075,690
-	-	-	4,501,210
-	-	-	172,404
-	-	889,105	1,832,056
-	-	20,209	20,209
<u>98,153,610</u>	<u>\$ 14,477,669</u>	<u>\$ 13,633,054</u>	<u>\$ 347,011,797</u>
\$ 12,872,227	\$ 1,638,096	\$ 600,854	\$ 27,760,171
-	6,852,902	1,855,124	76,010,350
379,281	-	-	379,281
-	-	34,529	587,067
<u>13,251,508</u>	<u>8,490,998</u>	<u>2,490,507</u>	<u>104,736,869</u>
-	-	-	6,276,659
-	-	889,105	1,832,056
-	-	20,209	20,209
-	-	612,563	17,176,303
-	5,986,671	-	5,986,671
-	-	-	55,868,734
84,902,102	-	-	84,902,102
-	-	-	16,731,273
-	-	-	2,000,000
-	-	-	9,600,000
-	-	9,620,670	9,620,670
-	-	-	32,260,251
<u>84,902,102</u>	<u>5,986,671</u>	<u>11,142,547</u>	<u>235,998,269</u>
<u>\$ 98,153,610</u>	<u>\$ 14,477,669</u>	<u>\$ 13,633,054</u>	<u>\$ 347,011,797</u>





JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
 Reconciliation of governmental funds balance sheet to statement of net position  
 June 30, 2014

Governmental funds total fund balances	\$	235,998,269
Add:		
Unearned property tax revenue: Revenues that do not provide current financial resources are unearned on the governmental fund financial statements but recognized on the government-wide financial statements.		6,276,659
Capital assets used in governmental funds are not considered current financial resources and therefore, not reported in the governmental funds.		1,646,012,714
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds.		20,710,870
Net pension assets are not considered current financial resources, therefore, not reported in the governmental funds. The net pension asset is recorded in the noncurrent asset section.		42,764,360
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net position of the internal service funds are included in the governmental activities statement of net position.		34,988,803
Less:		
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition. Internal service funds include depreciation.		832,281,570
Long-term liabilities for general obligation debt, net of discounts and premiums (\$526,628,634), certificates of participation net of discounts and premiums (\$28,580,000), early retirement estimate (\$2,150,000), and compensated absences (\$3,191,042) are not due and payable in the current period and, therefore, not reported in the funds.		560,549,676
Interest payable on certificates of participation and general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.		986,648
Governmental activities net position	\$	592,933,781

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds  
Fiscal Year Ended June 30, 2014

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Revenues:			
Taxes	\$ 325,930,058	\$ 52,118,115	\$ -
Intergovernmental	302,787,422	-	-
Investment income	308,262	3,019	78,037
Other	15,354,564	-	2,223,939
Total revenues	644,380,306	52,121,134	2,301,976
Expenditures:			
Current:			
General administration	25,873,774	-	-
School administration	47,674,311	-	-
General instruction	325,278,336	-	-
Special education instruction	56,692,903	-	-
Instructional support	52,733,838	-	-
Operations and maintenance	65,769,156	-	-
Transportation	-	-	-
Capital outlay	-	-	27,930,643
Debt service:			
Principal retirements	1,575,000	26,820,000	-
Interest and fiscal charges	1,628,233	23,076,674	-
Total expenditures	577,225,551	49,896,674	27,930,643
Excess (deficiency) of revenues over (under) expenditures	67,154,755	2,224,460	(25,628,667)
Other Financing Sources (Uses):			
Transfers out	(55,823,437)	-	-
Transfers in	-	-	21,556,000
Total other financing sources (uses)	(55,823,437)	-	21,556,000
Net change in fund balances	11,331,318	2,224,460	(4,072,667)
Fund balances - July 1, 2013	49,966,565	53,644,274	20,872,999
Fund balances - June 30, 2014	\$ 61,297,883	\$ 55,868,734	\$ 16,800,332

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

Building Fund Capital Projects	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 378,048,173
-	50,305,333	5,082,849	358,175,604
383,063	-	4,316	776,697
-	2,937,859	27,774,761	48,291,123
<u>383,063</u>	<u>53,243,192</u>	<u>32,861,926</u>	<u>785,291,597</u>
-	3,546,878	-	29,420,652
-	47,705	-	47,722,016
-	10,347,176	25,055,138	360,680,650
-	13,694,340	-	70,387,243
-	15,552,338	-	68,286,176
-	7,579,148	-	73,348,304
-	183,970	22,102,304	22,286,274
27,071,461	-	-	55,002,104
-	-	-	28,395,000
-	-	-	24,704,907
<u>27,071,461</u>	<u>50,951,555</u>	<u>47,157,442</u>	<u>780,233,326</u>
(26,688,398)	2,291,637	(14,295,516)	5,058,271
-	-	-	(55,823,437)
-	-	14,471,898	36,027,898
-	-	14,471,898	(19,795,539)
(26,688,398)	2,291,637	176,382	(14,737,268)
111,590,500	3,695,034	10,966,165	250,735,537
<u>\$ 84,902,102</u>	<u>\$ 5,986,671</u>	<u>\$ 11,142,547</u>	<u>\$ 235,998,269</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
 Reconciliation of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the  
 Statement of Activities  
 Fiscal year ended June 30, 2014

Governmental funds changes in fund balances	\$	(14,737,268)
Add:		
Unearned property tax revenue: Revenues that do not provide current financial resources are unearned on the governmental fund financial statements but recognized on the government-wide financial statements.		6,276,659
Principal retirements (net of amortization of discounts): Retirements of principal outstanding on the District's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these reductions against the long-term liabilities.		35,387,873
Reverse the prior year interest payable accrued to offset current year expenditures.		1,036,394
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income of the internal service funds are included in the statement of activities.		1,895,773
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (governmental additions \$55,721,105) exceeded depreciation (disposal of capital assets \$55,583,645) in the current period.		137,460
Less:		
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net position.		580,048
Unearned property taxes of the prior year: Property taxes unearned in the prior year and received in the current year are recognized in the prior year net position on the statement of activities.		7,722,889
Interest payable on certificates of participation and general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.		986,648
Amortization of deferred outflows on refunding.		3,671,110
Governmental funds report pension funding in excess of the annual required contribution as expenditures. However, in the statement of activities the cost of pension funding in excess of the annual required contribution should be reported as an asset. This is the reduction of the asset from the prior year.		2,366,428
Amount of long term compensated absences accrued for the current year.		23,205
Governmental activities change in net position	<u>\$</u>	<u>14,646,563</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
General Fund  
Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 299,903,500	\$ 299,903,500	\$ 298,443,666	\$ (1,459,834)
Automotive ownership taxes	24,000,000	24,000,000	27,486,392	3,486,392
State of Colorado	305,320,900	305,320,900	302,787,422	(2,533,478)
Investment earnings	200,000	200,000	308,262	108,262
Other	14,812,000	14,812,000	15,354,564	542,564
Total revenues	<u>644,236,400</u>	<u>644,236,400</u>	<u>644,380,306</u>	<u>143,906</u>
Expenditures:				
Current:				
General administration	29,842,000	30,732,360	29,077,007	1,655,353
School administration	46,424,600	48,264,236	47,674,311	589,925
General instruction	332,699,400	328,516,854	325,278,336	3,238,518
Special education instruction	53,083,000	57,937,904	56,692,903	1,245,001
Instructional support	54,428,700	52,905,593	52,733,838	171,755
Operations and maintenance	66,095,500	66,016,253	65,769,156	247,097
Total expenditures	<u>582,573,200</u>	<u>584,373,200</u>	<u>577,225,551</u>	<u>7,147,649</u>
Excess of revenues over expenditures	61,663,200	59,863,200	67,154,755	7,291,555
Other financing sources (uses) -				
Transfers out	(52,180,600)	(56,760,200)	(55,823,437)	936,763
Total other financing uses	<u>(52,180,600)</u>	<u>(56,760,200)</u>	<u>(55,823,437)</u>	<u>936,763</u>
Excess of revenues over expenditures and other financing sources (uses)	<u>\$ 9,482,600</u>	<u>\$ 3,103,000</u>	<u>11,331,318</u>	<u>\$ 8,228,318</u>
Fund balance - July 1, 2013			49,966,565	
Fund balance - June 30, 2014			<u>\$ 61,297,883</u>	

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



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Grants Special Revenue Fund  
Fiscal Year Ended June 30, 2014

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Intergovernmental:				
Federal government	\$ 36,356,700	\$ 43,001,900	\$ 40,097,509	\$ (2,904,391)
State of Colorado	1,232,300	10,198,700	10,207,824	9,124
Other:				
Gifts and grants	874,500	1,799,400	2,937,859	1,138,459
Total revenues	38,463,500	55,000,000	53,243,192	(1,756,808)
<b>Expenditures:</b>				
Current:				
General administration	3,878,100	4,580,600	3,546,878	1,033,722
School administration	1,019,500	174,200	47,705	126,495
General instruction	6,925,200	15,531,600	10,347,176	5,184,424
Special education instruction	12,145,500	12,746,100	13,694,340	(948,240)
Instructional support	14,278,100	13,181,200	15,552,338	(2,371,138)
Operations and maintenance	102,500	8,652,100	7,579,148	1,072,952
Transportation	114,600	134,200	183,970	(49,770)
Total expenditures	38,463,500	55,000,000	50,951,555	4,048,445
Excess of revenues over expenditures	\$ -	\$ -	2,291,637	\$ 2,291,637
Fund balance - July 1, 2013			3,695,034	
Fund balance - June 30, 2014			\$ 5,986,671	

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Statement of Net Position  
Proprietary Funds  
June 30, 2014

Assets	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Current assets:		
Cash	\$ 1,330	\$ 2,482
Restricted cash	-	-
Equity in pooled cash and investments	3,589,771	6,445,655
Accounts and other receivable	35,179	29,439
Intergovernmental receivables	1,202,219	-
Inventories	1,856,173	-
Prepaid items	41,482	-
Total current assets	6,726,154	6,477,576
Noncurrent assets:		
Capital assets:		
Vehicles and equipment	6,586,197	621,547
Less accumulated depreciation	(4,211,836)	(318,276)
Total capital assets, net of accumulated depreciation	2,374,361	303,271
Total assets	\$ 9,100,515	\$ 6,780,847
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 736,116	\$ 43,644
Accrued salaries, benefits, and compensated absences	817,708	538,691
Payroll withholding	-	-
Due to other funds	-	-
Other unearned revenues	696,353	505,366
Estimated liability for premiums and claims	-	-
Total current liabilities	2,250,177	1,087,701
Non-current liabilities:		
Compensated absences	129,765	27,372
Total noncurrent liabilities	129,765	27,372
Total liabilities	2,379,942	1,115,073
Net position:		
Net investment in capital assets	2,374,361	303,271
Restricted for:		
TABOR	298,136	374,084
Unrestricted	4,048,076	4,988,419
Total net position	6,720,573	5,665,774
Total liabilities and net position	\$ 9,100,515	\$ 6,780,847

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



Business-Type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Property Management Fund	Totals	Funds
\$ -	\$ 3,812	\$ 300
-	-	37,000
4,416,060	14,451,486	51,732,344
166,548	231,166	246,562
-	1,202,219	-
-	1,856,173	95,061
-	41,482	3,953,331
<u>4,582,608</u>	<u>17,786,338</u>	<u>56,064,598</u>
1,441,175	8,648,919	35,735,082
(730,559)	(5,260,671)	(18,502,293)
710,616	3,388,248	17,232,789
<u>\$ 5,293,224</u>	<u>\$ 21,174,586</u>	<u>\$ 73,297,387</u>
\$ 122	\$ 779,882	\$ 576,397
6,856	1,363,255	3,649,850
-	-	22,978,423
-	-	4,121,929
-	1,201,719	390,406
-	-	5,738,652
<u>6,978</u>	<u>3,344,856</u>	<u>37,455,657</u>
5,548	162,685	852,927
<u>5,548</u>	<u>162,685</u>	<u>852,927</u>
12,526	3,507,541	38,308,584
710,616	3,388,248	17,232,789
57,751	729,971	87,623
4,512,331	13,548,826	17,668,391
5,280,698	17,667,045	34,988,803
<u>\$ 5,293,224</u>	<u>\$ 21,174,586</u>	<u>\$ 73,297,387</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Fiscal Year Ended June 30, 2014

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Operating Revenues:		
Food sales	\$ 9,652,874	\$ -
Insurance premiums	-	-
Service contracts	177,578	1,081,867
Tuition	-	10,029,489
Total operating revenues	9,830,452	11,111,356
Operating Expenses:		
Purchased food	9,223,898	-
USDA commodities	1,469,677	-
Salaries and employee benefits	10,812,478	12,430,609
Administration services	811,822	1,856,004
Utilities	350,834	15,151
Supplies	1,035,445	643,653
Repairs and maintenance	35,580	8,814
Rent	-	683,386
Depreciation	316,329	24,185
Other	3,327	7,451
Claim losses	-	-
Premiums paid	-	-
Total operating expenses	24,059,390	15,669,253
Income (loss) from operations	(14,228,938)	(4,557,897)
Non-operating revenues (expenses):		
USDA commodities	1,465,322	-
Reimbursement from government sponsored programs	11,924,111	-
Investment income	10,489	23,529
Interest expense	-	-
Loss on sale of capital assets	-	-
Total non-operating revenues (expenses)	13,399,922	23,529
Income (loss) before transfers and capital contributions	(829,016)	(4,534,368)
Capital contributions	96,924	-
Transfers out to other funds	-	-
Transfers in from other funds	-	5,399,639
Change in net position	(732,092)	865,271
Total net position - July 1, 2013	7,452,665	4,800,503
Total net position - June 30, 2014	\$ 6,720,573	\$ 5,665,774

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

Business-Type Activities Enterprise Funds		Governmental Activities -
Property Management Fund	Totals	Internal Service Funds
\$ -	\$ 9,652,874	\$ -
-	-	7,109,849
1,920,377	3,179,822	19,475,006
-	10,029,489	-
<u>1,920,377</u>	<u>22,862,185</u>	<u>26,584,855</u>
-	9,223,898	-
-	1,469,677	-
847,673	24,090,760	13,584,164
357,844	3,025,670	4,148,403
209,248	575,233	284,996
106,253	1,785,351	1,854,765
-	44,394	3,460,721
-	683,386	-
84,700	425,214	3,957,455
37,123	47,901	8,530
-	-	9,625,984
-	-	2,062,113
<u>1,642,841</u>	<u>41,371,484</u>	<u>38,987,131</u>
<u>277,536</u>	<u>(18,509,299)</u>	<u>(12,402,276)</u>
-	1,465,322	-
-	11,924,111	-
15,650	49,668	96,834
-	-	(36,902)
(11,000)	(11,000)	(157,783)
<u>4,650</u>	<u>13,428,101</u>	<u>(97,851)</u>
282,186	(5,081,198)	(12,500,127)
-	96,924	-
-	-	(750,000)
-	5,399,639	15,145,900
<u>282,186</u>	<u>415,365</u>	<u>1,895,773</u>
4,998,512	17,251,680	33,093,030
<u>\$ 5,280,698</u>	<u>\$ 17,667,045</u>	<u>\$ 34,988,803</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Statement of Cash Flows  
Proprietary Funds  
Fiscal Year Ended June 30, 2014

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Cash flows from operating activities:		
Receipts from customers	\$ 9,915,111	\$ 11,120,761
Payments to employees	(10,746,416)	(12,391,830)
Payments to vendors	(12,336,997)	(3,220,935)
Net cash provided by (used for) operating activities	<u>(13,168,302)</u>	<u>(4,492,004)</u>
Cash flows from noncapital financing activities:		
Transfers received	-	5,399,639
Federal reimbursements	14,862,564	-
Net cash provided by noncapital financing activities	<u>14,862,564</u>	<u>5,399,639</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(110,017)	-
Interest payments	-	-
Net cash (used for) capital and related financing activities	<u>(110,017)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received	10,489	23,529
Net cash provided by investing activities	<u>10,489</u>	<u>23,529</u>
Net increase (decrease) in cash and cash equivalents	1,594,734	931,164
Cash and cash equivalents - July 1, 2013	1,996,367	5,516,973
Cash and cash equivalents - June 30, 2014	<u>\$ 3,591,101</u>	<u>\$ 6,448,137</u>
Reconciliation of cash flows from operating activities:		
Operating Income (Loss)	\$ (14,228,938)	\$ (4,557,897)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	316,329	24,185
(Increase) decrease intergovernmental and other receivables	(3,633)	(14,130)
(Increase) decrease in prepaid items	14,977	-
Decrease in inventories	-	-
(Increase) in purchased food and supplies inventories	(55,008)	-
Increase (decrease) in accounts payable	633,618	(6,475)
Increase (decrease) in accrued salaries, benefits, and compensated absences	66,063	38,779
Increase in payroll withholding	-	-
Increase in due to other funds	-	-
Increase (decrease) in unearned revenues	88,290	23,534
Increase in estimated liability for premiums and claims	-	-
Net cash provided by (used for) operating activities	<u>\$ (13,168,302)</u>	<u>\$ (4,492,004)</u>
Noncash investing, capital, and financing activities:		
Donated commodities acquired and used from USDA	\$ 1,469,677	-
Disposal and write off of capital assets	-	-
Capital contributions	96,924	-

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

Business-Type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Property Management Fund	Totals	
\$ 1,938,460	\$ 22,974,332	\$ 26,669,583
(848,268)	(23,986,514)	(13,510,132)
(714,954)	(16,272,886)	(21,136,916)
<u>375,238</u>	<u>(17,285,068)</u>	<u>(7,977,465)</u>
-	5,399,639	14,395,900
-	14,862,564	-
-	<u>20,262,203</u>	<u>14,395,900</u>
(61,837)	(171,854)	(7,258,706)
-	-	(36,902)
<u>(61,837)</u>	<u>(171,854)</u>	<u>(7,295,608)</u>
15,650	49,668	96,834
<u>15,650</u>	<u>49,668</u>	<u>96,834</u>
329,051	2,854,949	(780,339)
4,087,009	11,600,349	52,549,983
<u>\$ 4,416,060</u>	<u>\$ 14,455,298</u>	<u>\$ 51,769,644</u>
\$ 277,536	\$ (18,509,299)	\$ (12,402,276)
84,700	425,214	3,957,455
20,026	2,263	78,931
-	14,977	(1,548,477)
-	-	35,388
-	(55,008)	-
(4,485)	622,658	90,141
(595)	104,247	13,795
-	-	669,835
-	-	649,526
(1,944)	109,880	5,802
-	-	472,415
<u>\$ 375,238</u>	<u>\$ (17,285,068)</u>	<u>\$ (7,977,465)</u>
\$ -	\$ 1,469,677	\$ -
11,000	11,000	157,783
-	96,924	-



## **Notes to Basic Financial Statements**

# JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

## Notes to Basic Financial Statements

June 30, 2014

### 1. Summary of significant accounting policies

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Jefferson County School District, No. R-1 (the District), was formed in 1950 when 39 independent districts were consolidated into a countywide district encompassing the 779 square miles of Jefferson County, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 86,000 students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Jefferson County, Colorado. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

#### A) Reporting entity

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (GASB No. 14), as amended by GASB Statements 39 and 61, describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

The District is not included in any other governmental reporting entity as defined in GASB No. 14 and amended by GASB No. 39 and 61. As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity as required by the Colorado Department of Education. None of the component units are considered to be a major fund.

#### Discretely presented component units - charter schools

The State of Colorado Legislature in 1993 enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101." This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter schools are financed from state school finance act revenues, property taxes and from revenues generated by the charter school, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the Jefferson County School District's Board of Education must approve all Charter School applications and budgets. The Charter Schools are discretely presented component units as required by the Colorado Department of Education. All charter schools are required to have individual independent audits.

#### Blended component unit - Jefferson County School District Finance Corporation

The purpose of the Jefferson County School Finance Corporation (the Corporation) is to provide a mechanism to issue certificates of participation. Because the Board of Directors is appointed by the Board of Education and must obtain the Board of Education's approval for renovation and expansion decisions, issuance of debt, disbursements of funds, and any amendments to the articles of incorporation, the Corporation is considered to be a part of the District.

#### B) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the primary government is reported separately from certain legally separate component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or programs are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a



## JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

### Notes to Basic Financial Statements

given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General fund, Bond Redemption Debt Service fund, Capital Reserve Capital Projects funds, Building fund – Capital Projects and Grants fund) and individual enterprise funds (Food Services fund, Child Care fund and Property Management fund) are reported as separate columns in the fund financial statements.

#### **C) Measurement focus, basis of accounting, and financial statement presentation**

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities and component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Property tax revenues are considered to be available if collected within 60 days after year-end. All other revenues are considered to be available if collected within 120 days after year end. Property and automotive ownership taxes are reported as receivables and unearned revenue when levied and as revenues when due for collection in the following year and determined to be available.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue 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.

## JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

### Notes to Basic Financial Statements

#### D) Fund accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- **Major governmental funds**

1. General fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond redemption debt service fund - used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
3. Capital reserve capital projects fund - used to account for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
4. Building fund – Capital projects – used to account for resources to be used from the 2012 voter approved bond for a 3 year capital improvement plan.
5. Grants fund – used to account for federal, state and private sector grant programs.

- **Major proprietary funds-business-type activities**

Enterprise funds - used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

1. Food services fund - this fund accounts for all financial activities associated with the District's school breakfast and lunch programs.
2. Child care fund - this fund accounts for all financial activities associated with the District's school-age child care, preschool, and extended day kindergarten classes.
3. Property management fund - this fund accounts for all financial activities associated with the District's facilities.

- **Internal service funds**

Internal service funds account for central services, employee benefits, insurance reserve and technology operations. These services are provided to other funds of the District on a cost reimbursement basis.

#### E) Cash and investments

The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, U.S. instruments and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from the investment of pooled cash balances are allocated to the various funds based on their respective average periodic equity in pooled cash. The pooled cash and investments are used essentially as demand deposit accounts and are considered to be cash equivalents for cash flow purposes.

#### F) Restricted cash

Certain assets of the Capital Reserve Capital Projects fund and Component Units are classified as restricted because their use is restricted to liabilities relating to deposits and capital leases.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

**Notes to Basic Financial Statements**

**G) Receivables**

Property taxes levied in 2013 but not yet collected as of June 30, 2014 are identified as property taxes receivable and deferred inflows of resources, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$14,277,909 include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. As of June 30, 2014, the District had \$11,682,839 and \$2,595,070 due from the Federal and State government, respectively, reflected as intergovernmental receivables in the accompanying basic financial statements.

**H) Inventories and prepaid items**

Materials and supplies inventories are stated at average cost. Inventories recorded in the Food Services fund consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed. Fund balance is considered nonspendable for the inventory balances as follows: General fund - \$942,951 and Other Governmental funds - \$889,105.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both government-wide and fund financial statements. Fund balance is nonspendable for the prepaid balances as follows: Other Governmental funds - \$20,209.

**I) Capital assets**

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. Depreciation of all capital assets used by proprietary funds is charged as an expense against their operations. No depreciation is recorded in the year of acquisition with the remaining depreciation being recorded in the year of disposition. Estimated useful lives are:

Motor vehicles	5 to 10 years
Equipment, built-in	8 to 20 years
Equipment, movable	3 to 20 years
Buildings and improvements	15 to 30 years

**J) Deferred outflows of resources**

For current refundings and advance refundings, resulting in defeasance of debt reported by governmental activities and component units, the difference between the reacquisition and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources. The District refundings have resulted in deferred outflows of resources of \$20,710,870 and \$2,673,801 for component units.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

**K) Liabilities**

In the government-wide financial statements, and proprietary fund types 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 type statement of net position. The District records long-term debt of governmental funds at the face value.

The District's general obligation bonds are serviced from property taxes of the Bond Redemption Debt Service fund. Certificates of participation are serviced from school finance act, property taxes and other revenues of the General fund. Capital leases are funded from school finance act and other revenue of the component units. The long-term accumulated unpaid vacation, accrued sick and personal leave, and estimated liability for insurance claims (note 12) are serviced from property taxes and other revenues by the respective fund type from future appropriations.

**L) Constitutional amendment**

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

On November 2, 1999, the District conducted a TABOR revenue and expenditure override election and the Jefferson County voters approved the measure exempting the District from the TABOR revenue and expenditure limits. Management believes it is in compliance with the provisions of TABOR. However, the provisions are complex and subject to interpretation. Many of the provisions may require judicial interpretation.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to restrict emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These restricted fund balances are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2014, for budgetary purposes the District restricted \$16,494,681 in the General fund, \$69,059 in the Capital Reserve Capital Projects fund, \$612,563 in Other Governmental funds, \$298,136 in the Food Service fund, \$374,084 in the Child Care fund, \$57,751 in the Property Management fund, \$87,623 in Internal Service funds and \$1,540,054 was restricted in the Component Units Charter Schools for this purpose.

**M) Property taxes**

Under Colorado law, all property taxes are due and payable in the year following the year levied. The property tax calendar for Jefferson County was as follows:

Levy date	December 22
Lien date	January 1
Tax bills mailed	January 1
First installment due	February 28/29
Second installment due	June 15
If paid in full, due	April 30

**N) Accumulated sick and personal leave and vacation**

District policy allows unlimited accumulation of sick and personal leave, and accumulation of vacation to a maximum of 40 days. Accrued vacation is paid to employees upon termination of employment. Payment for unused sick and personal leave days is made upon meeting eligibility requirements at the rate of .0015 times annual rate of pay times accumulated days up to a maximum of 660 hours. Each fund liquidates the accrued vacation, personal and sick leave for its respective liabilities.

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Notes to Basic Financial Statements

As of June 30, 2014, a summary of changes in accumulated vacation is as follows:

Fund	Accumulated Vacation				Due within one year
	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	
General	\$ 4,183,250	\$ 699,986	\$ (736,096)	\$ 4,147,140	\$ 1,382,242
Grants fund	116,816	40,930	(17,495)	140,251	46,746
Special Revenue	319,085	49,982	(40,855)	328,212	109,393
Capital projects	132,367	46,085	(7,731)	170,721	56,901
Enterprise	239,444	38,872	(34,292)	244,024	81,339
Internal service	<u>1,242,586</u>	<u>220,581</u>	<u>(183,841)</u>	<u>1,279,326</u>	<u>426,399</u>
	<u>\$ 6,233,548</u>	<u>\$ 1,096,436</u>	<u>\$ (1,020,310)</u>	<u>\$ 6,309,674</u>	<u>\$ 2,103,020</u>

Accumulated vacation pay is recorded as accrued salaries, benefits and compensated absences with the current portion reported as current liabilities in the government-wide financial statements. The short-term portion is included in the District's accrued salaries and benefits and the long-term portion is included in compensated absences in the government-wide financial statements.

**O) Fund balance**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Fund balances are classified in one of five categories: 1) nonspendable, 2) restricted, 3) committed, 4) assigned and 5) unassigned. Nonspendable fund balance represents assets that will never be converted to cash. Restricted fund balances reflect resources that are subject to externally enforceable legal restrictions. Committed fund balance includes amounts that can be used only for the specific purposes that are limited by actions of the Board of Education, the highest level of decision-making authority at the District. The committed reserves are established during the budget appropriation process and cannot be used for other purposes without a formal board resolution. Assigned fund balance displays the District's intended use of these resources. The Board of Education executive limitations 5 directs the Superintendent to submit the financial plan that includes any assignments for fund balance. The Superintendent or their designee is allowed by board policy to make any necessary adjustments to this assignment. Unassigned fund balance for the general fund represents the net resources in excess of the prior classifications. The District does have a formal fund balance reserve policy for all funds to establish a level of reserves above the statutorily required TABOR amount to insure a continued strong financial position. This reserve does not meet the GASB Statement No. 54 requirements for a stabilization agreement and is included in unassigned. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions. Fund balance is adopted annually by the Board of Education during the budgeting process.

**P) New and Future Accounting Pronouncements**

The GASB issued Statement No. 68 *Accounting and Financial Reporting for Pensions* (Statement No. 68), which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA). Statement No. 68 requires cost-sharing employers participating in the PERA program, such as the District, to record their proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District has no legal obligation to fund this

**Notes to Basic Financial Statements**

shortfall nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA or the General Assembly. The requirement of Statement No. 68 to record a portion of PERA’s unfunded liability will negatively impact the District’s future unrestricted net position. Statement No. 68 is effective for fiscal year 2015. At this time, management is unable to estimate the magnitude of this impact. Information regarding PERA’s current funding status can be found in its Comprehensive Annual Financial Report.

**2. Reconciliation of government-wide and fund financial statements**

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The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

Due to the general fund from other funds – fund statements	\$ 4,294,333
Elimination of governmental and internal service interfund activity	<u>(4,121,929)</u>
Due to the primary government – governmental activities	<u>\$ 172,404</u>

**3. Budgetary information**

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The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Within the fourth quarter of the fiscal year, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings and citizen reviews are conducted at special meetings and at regular Board of Education meetings to obtain taxpayer comments.
3. Prior to June 30, the budget is legally adopted by the Board of Education.
4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. The District issues a separate budget document after it is approved by the Board of Education.

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. Where applicable, the Board of Education includes available fund balance in the amount appropriated in the annual Appropriations Resolution. GAAP serves as the basis for budgeting.

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the superintendent and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

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Notes to Basic Financial Statements

Supplemental appropriations are approved by the Board of Education. The budget for the Grants fund includes the adopted budget and additional expenditures and grants approved by the Board of Education. The budget and actuals for the Proprietary funds, Internal Service funds and Component Units at June 30, 2014 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Food services fund	\$ 25,706,900	\$24,059,390	\$1,647,510
Child care fund	16,400,000	15,669,253	730,747
Property management fund	1,756,600	1,642,841	113,759
Central services fund	3,602,500	3,339,611	262,889
Employee benefits fund	6,466,300	5,993,827	472,473
Insurance reserve fund	10,310,100	9,213,220	1,096,880
Technology fund	21,427,600	20,440,473	987,127
Component Units	54,500,000	53,908,852	591,148

**4. Excess expenditures over appropriations and deficit fund equity**

As of June 30, 2014, one Component Unit Charter School, Addenbrooke Classical Academy, had an accumulated deficit of \$26,427. The charter schools review their budgets with management and are monitored closely.

**5. Deposits and investments**

<b>Deposits:</b>	Government-wide Statement of Net Position		
	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash	\$ 114,762	\$ 62,488	\$ 177,250
Restricted cash and cash held by third parties	3,134,900	9,040,065	12,174,965
Equity in pooled cash and investments	224,311,200	9,723,280	234,034,480
Investments	<u>153,139,886</u>	<u>-</u>	<u>153,139,886</u>
Total cash and investments	<u>\$ 380,700,748</u>	<u>\$ 18,825,833</u>	<u>\$ 399,526,581</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$83,400,336.

The District investment policies are approved by the Board of Education and governed by Colorado statute. The discretely presented component units' investment policies are approved by their respective Boards and governed by Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial 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 the aggregate uninsured deposits.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2014, \$79,204,251 of the District and the discretely presented component unit's bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$78,898,718 are collateralized with securities held by the pledging financial institution through PDPA. Deposits of \$305,533 are insured under FDIC. The District's investment policy calls for minimizing this risk by pre-qualifying financial institutions.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

**Cash held in trust:**

As of June 30, 2014 the District had \$3,097,880 held in trust. Jefferson County collects the property taxes for the District and holds the funds in trust until sent to the District monthly.

**Investments:**

As of June 30, 2014, the District (including the primary government and component units) had the following investments:

<u>Investment Type</u>	<u>Fair Market Value</u>	Weighted Average	Ratings	
		<u>Maturities (yrs)</u>	<u>S&amp;P</u>	<u>Moody's</u>
Money Market Mutual Funds	\$ 134,151	Overnight	AAA	Aaa
CSafe	171,060,398	Under 60 days	AAAm	N/A
FFCB	15,103,860	2.24	AA+	Aaa
FNMA	17,188,546	1.59	AA+	Aaa
FHLMC	12,733,953	1.74	AA+	Aaa
FHLB	5,372,945	1.87	AA+	Aaa
US Treasury T-Notes	9,161,484	2.39	AA+	Aaa
Commercial Paper	19,388,149	.31	90% A-1	P-1
Corporate Bonds	10,945,720	Average 1.48 years	10% A-1+	
			37% AA+	28% Aaa
			48% AA-	67% Aa3
			9% AAA	5% Aa2
			6% AA	
Forward delivery agreement (U.S. Instrumentality)	<u>55,037,038</u>	Less than 1 year	N/A	N/A
	<u>\$ 316,126,244</u>			

**Local Governmental Pool** – The Colorado Surplus Asset Fund (CSafe) is an investment vehicle established under state statute for local governments to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing CSafe. CSafe is similar to a money market fund, with each share valued at \$1.00.

**Forward delivery agreements** – The agreement with JP Morgan has a maturity date of December 15, 2017, but the District has the option of canceling the agreement prior to that date. The District has received interest in advance on the investment which is recorded as unearned revenue in the General Fund. If the District cancelled the agreement prior to the December 15, 2017 date, an amount calculated at that date would be returned to JP Morgan.

**Interest rate risk** – In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its overall investment portfolio to less than two years. The Colorado revised statutes generally limit investment maturities to five years. Revenue bonds of U.S. local governments, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

**Credit risk** - State law allows school districts to invest U.S. treasury securities and other securities guaranteed by the full credit of the U.S. Treasury without any credit quality limitations. Securities issued by the Government National Mortgage Association and by Federal Government Sponsored Enterprises require the highest rating by at least two nationally recognized rating agencies. Money market instruments including bankers acceptances and commercial paper must be rated A-1, P-1, or F-1, or the equivalent by at least two nationally recognized rating agencies. State law allows other securities, including money market funds that are registered under the Federal Investment Company Act of 1940, if they have assets in excess of \$1 billion or have the highest credit rating from one or more of a nationally recognized rating agency.

**Concentration of Credit Risk** – The District has investments in FNMA that are greater than 5.4 percent of the total portfolio. The District does diversify its investments so that the impact of potential losses from any one type of security or from any one



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Notes to Basic Financial Statements

individual issuer will be minimized. The District will minimize credit risk by limiting investments to the types of securities listed in District policy and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the District will do business in accordance with policy. Aggregate investments in commercial paper, corporate bonds, and municipal bonds shall not exceed 40% of the District's total portfolio.

Type of Security	Maximum Percentage of the Total Portfolio
U. S. Treasury Obligations	100%
Federal Instrumentality Securities	100%
Repurchase Agreements	100%
Local Government Investment Pools	100%
Money Market Mutual Funds	100%
Time Certificates of Deposit	15%
Commercial Paper	25%
Corporate Debt	25%
General Obligation Debt	15%
Revenue Obligation Debt	15%

Foreign Investment Risk – The District does not allow foreign investments in accordance with state statute restrictions.

**6. Capital assets**

A summary of changes in capital assets is as follows:

**Governmental Activities**

	Balance July 1, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Non-depreciable assets:					
Land	\$ 57,321,864	\$ -	\$ (92,058)	\$ -	\$ 57,229,806
Construction in progress	<u>21,620,080</u>	<u>51,280,122</u>	<u>(245,927)</u>	<u>(41,202,574)</u>	<u>31,451,701</u>
Total non-depreciable assets	<u>\$ 78,941,944</u>	<u>\$ 51,280,122</u>	<u>\$ (337,985)</u>	<u>\$ (41,202,574)</u>	<u>\$ 88,681,507</u>
Depreciable assets:					
Buildings and site improvements	\$1,453,686,571	\$ 623,062	\$ (284,778)	\$ 41,202,574	\$1,495,227,429
Equipment and vehicles – <b>Internal service funds</b>	31,990,358	7,258,706	(3,513,982)	-	35,735,082
Equipment and vehicles	<u>61,419,578</u>	<u>3,817,921</u>	<u>(3,133,721)</u>	<u>-</u>	<u>62,103,778</u>
Total depreciable assets	<u>\$1,547,096,507</u>	<u>\$ 11,699,689</u>	<u>\$ (6,932,481)</u>	<u>\$ 41,202,574</u>	<u>\$1,593,066,289</u>
Less accumulated depreciation for:					
	Balance July 1, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Building and site improvements	\$ (736,309,398)	\$ (52,843,724)	\$ 235,657	\$ -	\$ (788,917,465)
Equipment and vehicles – <b>Internal service funds</b>	(17,901,038)	(3,957,455)	3,356,200	-	(18,502,293)
Equipment and vehicles	<u>(43,564,963)</u>	<u>(2,739,921)</u>	<u>2,940,779</u>	<u>-</u>	<u>(43,364,105)</u>
Total accumulated depreciation	<u>\$ (797,775,399)</u>	<u>\$ (59,541,100)</u>	<u>\$ 6,532,636</u>	<u>\$ -</u>	<u>\$ (850,783,863)</u>
Total capital assets, net	<u>\$ 828,263,052</u>	<u>\$ 3,438,711</u>	<u>\$ (737,831)</u>	<u>\$ -</u>	<u>\$ 830,963,932</u>

Note: In the reconciliation of governmental funds balance sheet to statement of net position on page 37, internal service funds will be a reconciling item with the capital assets added.

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Notes to Basic Financial Statements

**Business-type activities**

A summary of changes in Food services fund capital assets is as follows:

	Balance				Balance
	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
Equipment	\$ 6,975,238	\$ 206,941	\$ (595,982)	\$ -	\$ 6,586,197
Accumulated depreciation	<u>(4,491,489)</u>	<u>(316,329)</u>	<u>595,982</u>	<u>-</u>	<u>(4,211,836)</u>
Total	<u>\$ 2,483,749</u>	<u>\$ (109,388)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,374,361</u>

A summary of changes in Child care fund capital assets is as follows:

	Balance				Balance
	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
Equipment	\$ 626,635	\$ -	\$ (5,088)	\$ -	\$ 621,547
Accumulated depreciation	<u>(299,179)</u>	<u>(24,185)</u>	<u>5,088</u>	<u>-</u>	<u>(318,276)</u>
Total	<u>\$ 327,456</u>	<u>\$ (24,185)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,271</u>

A summary of changes in Property management fund capital assets is as follows:

	Balance				Balance
	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
Equipment	\$ 1,400,813	\$ 61,837	\$ (21,475)	\$ -	\$ 1,441,175
Accumulated depreciation	<u>(656,334)</u>	<u>(84,700)</u>	<u>10,475</u>	<u>-</u>	<u>(730,559)</u>
Total	<u>\$ 744,479</u>	<u>\$ (22,863)</u>	<u>\$ (11,000)</u>	<u>\$ -</u>	<u>\$ 710,616</u>

Total capital assets being depreciated, business-type activities	\$ 8,648,919
Accumulated depreciation	<u>(5,260,671)</u>
Business-type activities capital assets, net	<u>\$ 3,388,248</u>

**Discretely presented component units**

A summary of changes in component unit charter schools capital assets is as follows:

	Balance				Balance
	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
Non-depreciable assets:					
Land	\$ 9,418,254	\$ 92,058	\$ -	\$ -	\$ 9,510,312
Construction in progress	<u>1,359,802</u>	<u>9,398,036</u>	<u>-</u>	<u>(2,572,477)</u>	<u>8,185,361</u>
Total Non-depreciable assets:	<u>\$ 10,778,056</u>	<u>\$ 9,490,094</u>	<u>\$ -</u>	<u>\$ (2,572,477)</u>	<u>\$ 17,695,673</u>
Depreciable assets:					
Buildings and equipment	\$ 56,975,966	\$ 608,079	\$ (5,797)	\$ 2,572,477	\$ 60,150,725
Accumulated depreciation	<u>(10,518,265)</u>	<u>(2,103,983)</u>	<u>5,614</u>	<u>-</u>	<u>(12,616,634)</u>
Total	<u>\$ 57,235,757</u>	<u>\$ 7,994,190</u>	<u>\$ (183)</u>	<u>\$ -</u>	<u>\$ 65,229,764</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

**Notes to Basic Financial Statements**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Administration	\$ 627,915
School Administration	7,639,252
General Instruction	43,289,095
Special Ed Instruction	30,301
Instructional Support	2,193
Operations & Maintenance	1,791,546
Transportation	2,203,343
Capital assets held by the District's internal service funds	<u>3,957,455</u>
Total depreciation expense – governmental activities	<u>\$ 59,541,100</u>

Business-type activities:

Food services	\$ 316,329
Child care	24,185
Property management	<u>84,700</u>
Total depreciation expense – business-type activities	<u>\$ 425,214</u>

**Construction commitments**

The District has active construction projects as of June 30, 2014. The projects include renovations and site improvements. At year end, commitments with contractors on all projects are too numerous to list. All accumulated resources for capital projects are reserved for construction commitments. A list of significant commitments as of June 30, 2014, are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
District Wide Upgrades 6 High Schools	\$2,937,292	\$6,052,570
District Wide Mechanical Upgrades	315,714	4,032,546
Columbine HS General Upgrades	993,471	3,628,285
District Wide Paving & Concrete	6,139,715	3,135,873
Dakota Ridge HS General Upgrades	399,015	2,744,033
District Wide Fire Alarms	2,478,752	1,657,674
District Wide HVAC Controls	1,541,645	1,103,184

**7. Interfund receivables and payables**

The following identifies amounts due to and from individual funds at June 30, 2014:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General fund	\$ 4,121,929	\$ -
Governmental fund:		
Capital Reserve Capital Projects	379,281	-
Building Fund Capital Projects	-	379,281
Internal service – Technology fund	<u>-</u>	<u>4,121,929</u>
	<u>\$4,501,210</u>	<u>\$4,501,210</u>

Internal services internal balances with the general government are not included in the total for the statement of net position (see note 2).

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Notes to Basic Financial Statements

8. Transfers

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. At June 30, 2014, the detail for these transfers is as follows:

Campus activity fund	\$ 589,495
Transportation fund	13,882,403
Capital reserve capital projects fund	<u>21,556,000</u>
Net transfers within the governmental funds	<u>36,027,898</u>
Child care fund	5,399,639
Internal service funds	<u>14,395,900</u>
Net transfers into the proprietary funds	<u>19,795,539</u>
Total transfers out from the General fund	<u>\$ 55,823,437</u>
Internal service fund – Central Services transfer out	\$ 750,000
Internal service fund – Technology transfer in	\$ <u>750,000</u>

9. Capital leases and certificates of participation (COP's)

Certificates of participation terms are twenty years with interest ranging from 4.89 percent to 5.45 percent. Certificates of participation and capital lease obligations for the fiscal year ended June 30, 2014, are comprised of the following:

	Balance July 1, 2013	Additions	Retirements	Outstanding June 30, 2014	Current Portion
<b><u>Governmental activities</u></b>					
Supplemental Retirement 2006A COP's	19,855,000	\$ -	(1,030,000)	18,825,000	1,090,000
Supplemental Retirement 2006B COP's	<u>10,300,000</u>	<u>-</u>	<u>(545,000)</u>	<u>9,755,000</u>	<u>565,000</u>
Governmental activity long-term liabilities	<u>\$ 30,155,000</u>	<u>\$ -</u>	<u>\$ (1,575,000)</u>	<u>\$ 28,580,000</u>	<u>\$ 1,655,000</u>

The 2006A and 2006B COP's were issued to apply towards the Supplemental Retirement Plan unfunded actuarial accrued liability. The security for the COP's consists of nine schools, the net book value as of June 30, 2014 was \$13,260,547.

	Balance July 1, 2013	Additions	Retirements	Outstanding June 30, 2014	Current Portion
<b><u>Component unit activities:</u></b>					
Component units – Buildings/Capital leases	\$ 72,365,000	\$ -	\$ (1,430,000)	\$ 70,935,000	\$ 1,535,000
Less deferred amounts:					
For discounts and premiums	<u>241,490</u>	<u>-</u>	<u>(16,377)</u>	<u>225,113</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 72,606,490</u>	<u>\$ -</u>	<u>\$ (1,446,377)</u>	<u>\$ 71,160,113</u>	<u>\$ 1,535,000</u>
Component Units - Promissory notes	<u>\$ 193,114</u>	<u>\$ -</u>	<u>\$ (39,289)</u>	<u>\$ 153,825</u>	<u>\$ 59,884</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

**Notes to Basic Financial Statements**

For financial reporting purposes, the District follows the requirements of GAAP; for capital leases, the present value of future minimum lease payments is shown as a liability and related assets are capitalized in the basic financial statements. It is the expectation that the leases will be renewed annually until title to the related property is acquired pursuant to the leases.

Capital leases and COP's have the following minimum annual lease payments:

**Capital leases**

Fiscal Year Ending <u>June 30</u>	Governmental Activities		Component Units	
	COP's		Charter Schools	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,655,000	\$ 1,546,531	\$ 1,535,000	\$ 3,924,560
2016	1,740,000	1,459,802	1,610,000	3,849,618
2017	1,830,000	1,367,989	16,505,000	3,767,987
2018	1,935,000	1,268,703	1,500,000	2,841,509
2019	2,040,000	1,162,947	1,585,000	2,760,227
2020-2024	12,030,000	3,978,301	9,000,000	12,448,078
2025-2029	7,350,000	628,644	11,740,000	9,713,378
2030-2034	-	-	13,600,000	6,204,474
2035-2039	-	-	8,780,000	2,815,736
2040-2043	-	-	5,080,000	563,944
Total	<u>\$28,580,000</u>	<u>\$11,412,917</u>	<u>\$70,935,000</u>	<u>\$48,889,511</u>

**Promissory note**

Fiscal Year Ending <u>June 30</u>	Component Units	
	Charter Schools	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 59,884	\$ 4,160
2016	41,492	3,551
2017	11,158	2,885
2018	11,856	2,187
2019	12,598	1,445
2020	<u>16,837</u>	<u>694</u>
Total	<u>\$ 153,825</u>	<u>\$ 14,922</u>

The District has appropriated amounts from 2015 revenues in the General Fund to meet the lease payments for the COP principal and interest which is due in 2015.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

**10. General obligation bonds payable**

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The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds payable and payments on the bonds for the fiscal year ended June 30, 2014 are comprised of the following:

\$48,315,000 2003 Series Refunding Bonds due in semi-annual installments with one payment remaining of \$18,130,000 due December 15, 2014. Interest rate: 3.00% to 5.00%.	\$ 17,700,000
\$257,000,000 2004 Series Bonds due in semi-annual installments with annual payments of \$135,625 to \$5,560,625 through December 15, 2014. Interest rate: 3.50% to 5.00%. \$244,135,000 of the bonds were refunded and defeased with Series 2010 Refunding Bonds. \$2,200,000 of the bonds were refunded and defeased with Series 2012 Refunding Bonds.	5,425,000
\$63,440,000 2004 Series A Refunding Bonds due in semi-annual installments with annual payments of \$456,375 to \$18,711,375 through December 15, 2015. Interest rate: 2.00% to 5.25%.	18,255,000
\$39,595,000 2005 Series A Refunding Bonds due in semi-annual installments with annual payments of \$499,625 to \$20,484,625 through December 15, 2017. Interest rate: 3.00% to 5.00%.	39,020,000
\$233,400,000 2010 Series Refunding Bonds due in semi-annual installments with annual payments of \$844,400 to \$35,335,375 through December 15, 2024. Interest rate: 2.00% to 5.25%.	229,745,000
\$69,540,000 2012 Series Refunding Bonds due in semi-annual installments with annual payments of \$854,250 to \$35,024,250 through December 15, 2026. Interest rate: 3.50% to 5.00%.	69,540,000
\$99,000,000 2012 Series Bonds due in semi-annual installments with annual payments of \$271,625 to \$11,136,625 through December 15, 2032. Interest rate: 2.00% to 5.00%.	<u>94,280,000</u>
Total	<u>\$ 473,965,000</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

	Balance July 1, <u>2013</u>	New and Refunding Issues	Payments & Amortization of Discount	Balance June 30, <u>2014</u>	Current Portion
Refunding – 2003	\$ 34,560,000	\$ -	\$ (16,860,000)	\$ 17,700,000	\$ 17,700,000
Construction – 2004	10,665,000	-	(5,240,000)	5,425,000	5,425,000
Refunding – 2004	18,255,000	-	-	18,255,000	-
Refunding – 2005	39,020,000	-	-	39,020,000	-
Refunding – 2010	229,745,000	-	-	229,745,000	-
Refunding – 2012	69,540,000	-	-	69,540,000	-
Construction – 2012	99,000,000	-	(4,720,000)	94,280,000	4,795,000
Less deferred amounts:					
Discounts and premiums	<u>59,656,507</u>	<u>-</u>	<u>(6,992,873)</u>	<u>52,663,634</u>	<u>-</u>
	<u>\$ 560,441,507</u>	<u>\$ -</u>	<u>\$ (33,812,873)</u>	<u>\$ 526,628,634</u>	<u>\$ 27,920,000</u>

Future year's general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 27,920,000	\$ 21,893,300
2016	29,150,000	20,604,475
2017	30,500,000	19,228,175
2018	26,255,000	17,913,450
2019	27,480,000	16,630,275
2020-2024	159,010,000	60,977,888
2025-2029	133,055,000	20,995,375
2030-2033	<u>40,595,000</u>	<u>4,083,225</u>
Total	<u>\$ 473,965,000</u>	<u>\$ 182,326,163</u>

The bonds are secured by the District's covenant to certify a rate of levy sufficient to meet the principal and interest payments with respect to the bonds. Payment of principal and interest for general obligation bonds is made from the Bond Redemption Debt Service Fund. The legal debt limit and debt margin as of June 30, 2014, are \$1,402,508,676 and \$984,412,410, respectively. Management of the District believes it is in compliance with the legal debt limit.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

**11. Defeased debt**

The District has issued bonds for the purpose of refunding portions of the 2004 bonds and the 2006 bonds. The proceeds of these bonds were placed in an irrevocable trust to provide the future debt service payments on the old bonds. The trust account assets and the liabilities for the defeased bonds are not included in the District's basic financial statements. At June 30, 2014 the defeased debt and respective assets and liabilities are as follows:

<u>Refunding Series</u>	<u>Amount Financed</u>	<u>Escrow Disbursement Completion</u>	<u>Assets in Trust</u>	<u>Principal Outstanding</u>
2010	\$244,135,000	December, 2014	\$247,491,222	\$244,135,000
2012	\$ 69,000,000	December, 2016	\$ 76,469,414	\$ 69,000,000

**12. Risk management**

The Employee Benefits Fund and Insurance Reserve Fund are provided to maintain and to account for insurance reserves on a self-insurance basis and other benefits provided to employees. The Insurance Reserve Fund was established in 1981 by the Colorado Legislature to provide insurance reserves to fund certain liability, property and workers' compensation claims, including estimates for incurred but not reported claims, premiums and applicable administrative costs. The Insurance Reserve Fund allows the District to manage its exposure to risk, i.e., loss of assets by fire, weather, etc., loss through third party litigation, and work place injury obligations based on statutory requirements imposed by the Workers' Compensation Act. This is accomplished by self-insuring at the various risk retention levels and the purchase of appropriate excess insurance coverage above the risk retention levels.

The District retains the first \$250,000 of any property loss, the first \$500,000 of any liability loss, or errors and omissions loss. The District also retains the first \$500,000 of any in state automobile liability loss and the first \$150,000 of any out of state automobile liability loss. For workers' compensation losses the District retains the first \$450,000. In order to minimize expenditures for self-insured losses and for excess premiums, the District adjusts its own workers' compensation claims and manages the handling of all other claims.

The District manages a loss control program and maintains a security department and system, which provides for around-the-clock computerized monitoring of District facilities for intrusion and fire.

The cost of Insurance Reserve Fund claims and premiums are recorded when incurred. Estimates for unsettled and incurred but not reported claims in the amount of \$5,237,082 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2014. Claim liabilities are calculated considering the effects of inflation and claim settlement trends that include such factors as pay-out amounts and economic and social indicators. The incurred but not reported amount was calculated by Aon Global Risk Consulting/Arm Tech at the request of the District. It is contained in the Unpaid Loss and Allocated Loss Adjustment Expense Reserve Review as of June 30, 2014 for the District. The claim liability is classified as current as the bulk of the claims are expected to be settled within the year.

The change in the Insurance Reserve Fund estimates for unsettled and incurred but not reported claims are:

Balance July 1, 2013	\$ 4,467,380
Increase (Decrease) in estimated claims:	
Estimated property claims	499,043
Automobile claims	210,837
General liability claims	243,466
Workers' compensation claims	<u>(183,644)</u>
Balance June 30, 2014	<u>\$ 5,237,082</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

The following is a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year:

	<u>2013</u>	<u>2014</u>
Amount of claims liabilities at July 1	\$ 3,832,003	\$ 4,467,380
Incurred claims and change in reserve	3,408,086	4,478,377
Payments on claims	<u>(2,772,709)</u>	<u>(3,708,675)</u>
Amount of claims liabilities at June 30	<u>\$ 4,467,380</u>	<u>\$ 5,237,082</u>

The Employee Benefits Fund was established in 1984 to account for the District's previous self-insured medical plan and retired paid-up life insurance programs for eligible employees, retirees, dependents, and other approved individuals. The Employee Benefits Fund is reimbursed by the other funds based on predetermined rates or allowances. Included in the current liability total in the Employee Benefits Fund is \$210,661 and \$47,737 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2014, related to the District's self-insured dental and vision plans respectively and \$243,172 for medical insurance and other benefit premiums. The claim liability is classified as current as the bulk of the claims are expected to be settled within the year.

	<u>2013</u>	<u>2014</u>
Amount of claims liabilities at July 1	\$ 293,751	\$ 262,001
Incurred claims and change in reserve	5,387,551	5,147,607
Payments on claims	<u>(5,419,301)</u>	<u>(5,151,210)</u>
Amount of claims liabilities at June 30	<u>\$ 262,001</u>	<u>\$ 258,398</u>

**13. Commitments and contingencies**

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A number of claims are presently pending against the District, but management believes final settlement of these matters will not result in any material adverse effect on the financial operations of the District. The District receives revenues from various federal and state grant programs subject to final review and approval as to allowability of expenditures by the respective grantor agencies. District management believes that disallowances, if any, will be immaterial to the basic financial statements. From time to time, the District enters into long-term construction contracts for which future commitments may exist.

**14. Pension plan**

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All District full-time employees are members of the Public Employees' Retirement Association of Colorado (PERA). The District contributes to the School Division Trust Fund (CSSDTF) within PERA. PERA administers this cost-sharing multiple-employer defined benefit plan (the Plan). 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 CSSDTF. 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).

Plan members and the District are required to contribute to the CSSDTF at a rate set by statute. 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 is 8.0 percent and, for the District, the fiscal year 2014 rate changed from 16.55 percent to 17.45 percent on January 1, 2014. Also, a portion of the District's contribution (1.02 percent of covered salary) is allocated for the Health Care Trust Fund (see below). The District's contributions to CSSDTF for the years ending June 30, 2012, 2013 and 2014 were \$72,179,102 and \$76,232,148, and \$80,053,031 respectively, equal to their required contributions for each year.

A portion of the District's contribution is allocated by PERA to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The Health Fund provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. The District is required to contribute at a rate of 1.02 percent of covered salary 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 contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

amended. The District's contributions to HCTF for the years ending June 30, 2012, 2013 and 2014 were \$4,790,989, \$4,779,500, and \$4,743,503 respectively, equal to their required contributions for each year.

**15. Early, supplemental and post retirement benefits**

**Plan Description** - On October 15, 1998, the District obtained approval from the Board of Education (the Board) to revise its early retirement program. Subsequently, the Board adopted the Supplemental Retirement Plan (the Plan) effective August 31, 1999. Participation in the Plan was immediately frozen and included only those employed on 8/31/1999 in full-time or approved job-share positions and whose participation was covered under the Plan provisions. The Plan has subsequently been amended and restated, most recently as of September 2008 with a subsequent amendment adopted as of 4/16/2009. In February of 2009, the Plan received its most recent IRS determination letter. The Supplemental Retirement plan is a single employer defined benefit plan qualified under Section 401(a) of the Internal Revenue Service Code. A participant reaches normal retirement under the plan at age 55 with 20 years of eligible service; reduced early retirement benefits are available with attainment of age 50 provided the service requirement has been met. The Plan's benefit formula is currently .257 percent multiplied by the applicable years of service as of 8/31/1999 (capped at 20 years) and the scheduled salary as of 8/31/1999. In late 2006, certificates of participation were issued and used to make additional employer contributions to the Plan. Subsequently, in an effort to improve the Plan's funded status, in the spring of 2007, existing retirees in receipt and those fully vested employees currently employed by the District, were offered the ability to take a voluntary lump-sum payout of their remaining Plan benefits. For participants who vest and retire after 9/01/2007, benefits are payable in the form of a one-time, lump-sum payout, or in 120 monthly payments. The Board approves funding of the plan each year with the budget adoption. For fiscal year 2011/2012, the Board of Education initially determined that additional contributions for the foreseeable future would not be made to the Plan. As a result, and due to actuarial necessity, benefits were eliminated for participants who had not met the vesting requirements of age 50 and 20 years of eligible service as of 8/31/2011. The plan still is operational for active and deferred vested participants and those participants and beneficiaries in receipt of payment. Upon recommendation of legal counsel, the Board of Education approved a deminimus contribution of \$5,000 in fiscal year 2014. Plan information is available from the District employee benefits department, 1829 Denver West Drive, Golden, CO. 80401. (303)982-6527. The District does not issue a separate audited financial statement for the Plan.

**Funding Policy** – The Plan and each obligation of the District hereunder are subject to and contingent upon funds being budgeted and appropriated for such purpose prior to the beginning of each applicable fiscal year of the District in accordance with the requirements of Article X, Section 20 of the Colorado State Constitution and any other existing or future constitutional or statutory provision that may apply. For fiscal year 2013/2014, the Board of Education determined that additional contributions, other than deminimus, would not be made to the Plan for the foreseeable future.

**Annual pension cost and net pension obligation (asset)** – The District's annual pension cost and net pension asset from the plan for the current year were as follows:

Annual required contributions (ARC)	\$ 432,491
Actual annual contribution for fiscal year 2014	<u>( 5,000)</u>
Increase in net pension obligation (Asset)	427,491
Interest on net pension obligation	(2,707,846)
Adjustment on annual required contribution	4,646,783
Net pension asset, beginning of year	<u>(45,130,788)</u>
Net pension asset, end of year	<u><u>\$ (42,764,360)</u></u>

The annual required contribution for the current year was determined as part of the September 1, 2013 actuarial valuation prepared by Gabriel Roeder Smith & Company, using the traditional (unprojected) unit credit actuarial cost method and a level dollar amortization method for a 20 year closed period (30 year open period prior to fiscal year 2009). The actuarial assumptions include (a) 6.00 percent investment rate of return for August 31, 2010 and later, 6.50 percent investment rate of return for August 31, 2007 through August 31, 2009, 7.75 percent investment rate of return before August 31, 2007, and 8.75 percent before August 31, 2005, (b) inflation at 2.8 percent after August 31, 2008, 4.50 percent before August 31, 2005 and no projected salary or cost of living increases. The actuarial value of assets was equal to market value. The net pension asset is recorded as prepaid expense in the government-wide statements. The District makes an annual lump sum payment. The costs for the plan year mirror the Districts fiscal year costs.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

**Trend information**

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contributions	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 2012	\$1,811,012	\$500,000	27.6%	\$ (47,348,358)
June 30, 2013	2,222,570	5,000	0.2	(45,130,788)
June 30, 2014	2,371,427	5,000	0.2	(42,764,360)

**Schedule of funding progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
August 31, 2011	\$ 7,857,703	\$11,736,048	\$3,878,345	67.0%	\$15,950,578	24.3%
August 31, 2012	6,389,439	10,440,181	4,050,742	61.2	13,081,966	31.0
August 31, 2013	4,303,263	8,755,752	4,452,490	49.1	9,130,552	48.8

Payment of unused sick and personal leave in the amount of \$1,382,356 was paid to terminating employees with 20 or more years of service in fiscal year 2014. The Board had appropriated \$2,150,000 for its early retirement programs to be paid in Fiscal year 2014. Budgeted expenditures for unused sick and personal leave for Fiscal year 2015 is \$2,150,000.

A District-paid \$2,000 life insurance policy is provided each retiree who retired prior to August 31, 2005, upon reaching age 65 and is accounted for through a retired life insurance program in the Employee Benefits Fund.



## **Supplementary Information**

The Combining Financial Statements represent the second level of financial reporting for the District. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.



## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

**Campus Activity Fund** – This fund is used to account for revenues collected on behalf of the participants who will benefit from the expenditures.

**Transportation Fund** – This fund is used to account for student transportation services.

## **Major Governmental Funds**

### **Bond Redemption Debt Service**

**Bond Redemption Debt Service Fund** – This fund is used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

### **Capital Projects**

**Capital Reserve Capital Projects Fund** – This fund is authorized by Colorado School Law and is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

**Building Fund – Capital Projects** – This fund is used to account for resources from the 2012 voter approved bond for a three year capital improvement program.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Combining Balance Sheet  
Nonmajor Governmental Funds - Special Revenue Funds  
June 30, 2014

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	
Assets			
Cash	\$ 107,798	\$ 500	\$ 108,298
Equity in pooled cash and investments	10,529,455	1,949,134	12,478,589
Accounts and interest receivable	40,827	96,026	136,853
Inventories	321,497	567,608	889,105
Prepaid items	-	20,209	20,209
<b>Total assets</b>	<b>\$ 10,999,577</b>	<b>\$ 2,633,477</b>	<b>\$ 13,633,054</b>
Liabilities			
Accounts payable	\$ 396,179	\$ 204,675	\$ 600,854
Accrued salaries and benefits	14,139	1,840,985	1,855,124
Unearned revenues	34,529	-	34,529
<b>Total liabilities</b>	<b>444,847</b>	<b>2,045,660</b>	<b>2,490,507</b>
Fund Balances:			
Nonspendable:			
Inventory	321,497	567,608	889,105
Prepaid items	-	20,209	20,209
Restricted for:			
TABOR	612,563	-	612,563
Assigned to:			
Special revenue funds	9,620,670	-	9,620,670
<b>Total fund balance</b>	<b>10,554,730</b>	<b>587,817</b>	<b>11,142,547</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,999,577</b>	<b>\$ 2,633,477</b>	<b>\$ 13,633,054</b>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds - Special Revenue Funds  
Fiscal Year Ended June 30, 2014

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	
Revenues:			
Intergovernmental:			
State of Colorado	\$ -	\$ 5,082,849	\$ 5,082,849
Other:			
Interest	4,316	-	4,316
Student activities	6,956,128	-	6,956,128
Fundraising	3,916,799	-	3,916,799
Fees and dues	6,480,730	-	6,480,730
Donations	3,635,445	-	3,635,445
Miscellaneous	3,060,790	-	3,060,790
Service contracts	-	3,724,869	3,724,869
Total revenues	<u>24,054,208</u>	<u>8,807,718</u>	<u>32,861,926</u>
Expenditures:			
Current:			
General instruction	25,055,138	-	25,055,138
Transportation	-	22,102,304	22,102,304
Total expenditures	<u>25,055,138</u>	<u>22,102,304</u>	<u>47,157,442</u>
Excess of revenues over (under) expenditures	(1,000,930)	(13,294,586)	(14,295,516)
Other financing sources (uses):			
Transfers in	589,495	13,882,403	14,471,898
Total other financing sources (uses)	<u>589,495</u>	<u>13,882,403</u>	<u>14,471,898</u>
Excess of revenues and other financing sources over (under) expenditures	(411,435)	587,817	176,382
Fund balances - July 1, 2013	10,966,165	-	10,966,165
Fund balances - June 30, 2014	<u>\$ 10,554,730</u>	<u>\$ 587,817</u>	<u>\$ 11,142,547</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balances - Budget and Actual  
Bond Redemption Debt Service Fund  
Fiscal Year Ended June 30, 2014

Bond Redemption Debt Service Fund

	<u>Original and Final Budget Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Taxes:			
Property taxes	\$ 50,489,000	\$ 52,118,115	\$ 1,629,115
Interest	5,000	3,019	(1,981)
Total taxes	<u>50,494,000</u>	<u>52,121,134</u>	<u>1,627,134</u>
Expenditures:			
Debt Service			
Principal retirement	26,820,000	26,820,000	-
Interest and fiscal charges	<u>23,093,500</u>	<u>23,076,674</u>	<u>16,826</u>
Total expenditures	<u>49,913,500</u>	<u>49,896,674</u>	<u>16,826</u>
Excess of revenues over expenditures	<u>\$ 580,500</u>	2,224,460	<u>\$ 1,643,960</u>
Fund balances - July 1, 2013		<u>53,644,274</u>	
Fund balances - June 30, 2014		<u>\$ 55,868,734</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Capital Reserve Capital Projects Fund  
Fiscal Year Ended June 30, 2014

Capital Reserve Capital Projects Fund			
	Original and Final Budget Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Interest	\$ 30,000	\$ 78,037	\$ 48,037
Other	350,000	2,223,939	1,873,939
Total revenues	380,000	2,301,976	1,921,976
Expenditures:			
Capital outlay:			
Facility improvements	26,867,700	25,169,825	1,697,875
District utilization	1,134,000	214,461	919,539
New construction	-	-	-
Vehicles	2,527,700	2,546,357	(18,657)
Total expenditures	30,529,400	27,930,643	2,598,757
Excess of revenues over (under) expenditures	(30,149,400)	(25,628,667)	4,520,733
Other financing sources:			
Transfers in	21,556,000	21,556,000	-
Total other financing sources	21,556,000	21,556,000	-
Excess of revenues and other financing sources over (under) expenditures	\$ (8,593,400)	(4,072,667)	\$ 4,520,733
Fund balance - July 1, 2013		20,872,999	
Fund balance - June 30, 2014		\$ 16,800,332	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balances - Budget and Actual  
 Building Fund - Capital Projects  
 Fiscal Year Ended June 30, 2014

Building Fund - Capital Projects

	<u>Original and Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Interest	\$ 123,200	\$ 383,063	\$ 259,863
Total revenues	<u>123,200</u>	<u>383,063</u>	<u>259,863</u>
Expenditures:			
Capital outlay:			
Facility improvements	27,162,800	27,071,461	91,339
Total expenditures	<u>27,162,800</u>	<u>27,071,461</u>	<u>91,339</u>
Excess of revenues over (under) expenditures	<u>\$ (27,039,600)</u>	(26,688,398)	<u>\$ 351,202</u>
Fund balance - July 1, 2013		111,590,500	
Fund balance - June 30, 2014		<u>\$ 84,902,102</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual (Budget Basis)  
Campus Activity Special Revenue Fund  
Fiscal Year Ended June 30, 2014

	Campus Activity Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Interest	\$ 3,100	\$ 3,100	\$ 4,316	\$ 1,216
Student activities	6,903,900	6,903,900	6,956,128	52,228
Fundraising	4,247,500	4,247,500	3,916,799	(330,701)
Fees and dues	6,456,200	6,456,200	6,480,730	24,530
Donations	3,388,100	3,388,100	3,635,445	247,345
Miscellaneous	2,160,200	2,160,200	3,060,790	900,590
Total revenues	23,159,000	23,159,000	24,054,208	895,208
Expenditures:				
Current:				
Athletics and activities	23,884,600	26,000,000	25,055,138	944,862
Total expenditures	23,884,600	26,000,000	25,055,138	944,862
Excess of revenues over (under) expenditures	(725,600)	(2,841,000)	(1,000,930)	1,840,070
Other financing sources:				
Transfers in	550,000	750,000	589,495	(160,505)
Total other financing sources (uses)	550,000	750,000	589,495	(160,505)
Excess of revenues and other financing sources over (under) expenditures	\$ (175,600)	\$ (2,091,000)	(411,435)	\$ 1,679,565
Fund balance - July 1, 2013			10,966,165	
Fund balance - June 30, 2014			\$ 10,554,730	



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Transportation Special Revenue Fund  
Fiscal Year Ended June 30, 2014

	Transportation Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Service contracts	\$ 3,050,000	\$ 3,050,000	\$ 3,724,869	\$ 674,869
State of Colorado	<u>4,500,000</u>	<u>4,500,000</u>	<u>5,082,849</u>	<u>582,849</u>
Total revenues	<u>7,550,000</u>	<u>7,550,000</u>	<u>8,807,718</u>	<u>1,257,718</u>
Expenditures:				
Current:				
Transporation	<u>22,007,300</u>	<u>23,000,000</u>	<u>22,102,304</u>	<u>897,696</u>
Total expenditures	<u>22,007,300</u>	<u>23,000,000</u>	<u>22,102,304</u>	<u>897,696</u>
Excess of revenues over (under) expenditures	(14,457,300)	(15,450,000)	(13,294,586)	2,155,414
Other financing sources:				
Transfers in	<u>14,457,300</u>	<u>14,657,300</u>	<u>13,882,403</u>	<u>(774,897)</u>
Total other financing sources (uses)	<u>14,457,300</u>	<u>14,657,300</u>	<u>13,882,403</u>	<u>(774,897)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (792,700)</u>	587,817	<u>\$ 1,380,517</u>
Fund balance - July 1, 2013			-	
Fund balance - June 30, 2014			<u>\$ 587,817</u>	





## Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments and schools on a cost-reimbursement basis.

**Central Services Fund** – This fund accounts for costs of operations to various users. Costs of operations include all direct costs plus depreciation, space rental, utilities, interest, and maintenance costs. Programs include: Copier, Printing, and Equipment Repair.

**Employee Benefits Fund** – This fund accounts for the self-insurance programs for dental, vision and group life.

**Insurance Reserve Fund** – This fund is authorized by state law to allow the District to maintain an insurance reserve for self-insurance purposes and to fund liability, workers' compensation, and property insurance premiums.

**Technology Fund** – This fund is used to allocate the costs for the various technology-related activities to schools and departments.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2014

<u>Assets</u>	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Current assets:			
Cash	\$ 300	\$ -	\$ -
Restricted cash	-	37,000	-
Equity in pooled cash and investments	458,707	40,249,463	11,024,174
Accounts and other receivable	27,980	3,352	71,989
Inventories	87,685	-	-
Prepaid items	21,775	-	1,915,475
Total current assets	<u>596,447</u>	<u>40,289,815</u>	<u>13,011,638</u>
Capital assets:			
Vehicles and equipment	2,178,243	-	347,805
Less accumulated depreciation	(1,096,500)	-	(170,230)
Total capital assets net of accumulated depreciation	<u>1,081,743</u>	<u>-</u>	<u>177,575</u>
Total assets	<u>\$ 1,678,190</u>	<u>\$ 40,289,815</u>	<u>\$ 13,189,213</u>
<u>Liabilities and Net Position</u>			
Current liabilities:			
Accounts payable	\$ 60,391	\$ -	\$ 257,509
Accrued salaries, benefits, and compensated absences	78,897	2,587,721	157,764
Payroll withholding	-	22,978,423	-
Due to other funds	-	-	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	501,570	5,237,082
Total current liabilities	<u>139,288</u>	<u>26,067,714</u>	<u>5,652,355</u>
Non-current liabilities:			
Compensated absences	72,371	2,158	154,257
Total non-current liabilities	<u>72,371</u>	<u>2,158</u>	<u>154,257</u>
Total liabilities	<u>211,659</u>	<u>26,069,872</u>	<u>5,806,612</u>
<u>Net Position</u>			
Net investment in capital assets	1,081,743	-	177,575
Restricted for:			
TABOR	1,715	6,846	36,546
Unrestricted	383,073	14,213,097	7,168,480
Total net position	<u>1,466,531</u>	<u>14,219,943</u>	<u>7,382,601</u>
Total liabilities and net position	<u>\$ 1,678,190</u>	<u>\$ 40,289,815</u>	<u>\$ 13,189,213</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	37,000
-	51,732,344
143,241	246,562
7,376	95,061
2,016,081	3,953,331
<u>2,166,698</u>	<u>56,064,598</u>
33,209,034	35,735,082
(17,235,563)	(18,502,293)
<u>15,973,471</u>	<u>17,232,789</u>
<u>\$ 18,140,169</u>	<u>\$ 73,297,387</u>
\$ 258,497	\$ 576,397
825,468	3,649,850
-	22,978,423
4,121,929	4,121,929
390,406	390,406
-	5,738,652
<u>5,596,300</u>	<u>37,455,657</u>
624,141	852,927
<u>624,141</u>	<u>852,927</u>
6,220,441	38,308,584
15,973,471	17,232,789
42,516	87,623
(4,096,259)	17,668,391
<u>11,919,728</u>	<u>34,988,803</u>
<u>\$ 18,140,169</u>	<u>\$ 73,297,387</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
Fiscal Year Ended June 30, 2014

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
<b>Revenues:</b>			
Insurance premiums	\$ -	\$ 5,832,044	\$ 1,277,805
Service contracts	3,461,272	-	70,250
<b>Total revenues</b>	<u>3,461,272</u>	<u>5,832,044</u>	<u>1,348,055</u>
<b>Expenses:</b>			
Salaries and employee benefits	1,019,086	63,178	2,224,660
Administration services	284,364	702,629	504,490
Utilities	3,355	-	-
Supplies	1,381,923	-	-
Repairs and maintenance	360,403	-	-
Depreciation	290,138	-	23,993
Other	342	-	-
Claim losses	-	5,147,607	4,478,377
Premiums paid	-	80,413	1,981,700
<b>Total expenses</b>	<u>3,339,611</u>	<u>5,993,827</u>	<u>9,213,220</u>
<b>Income (loss) from operations</b>	<u>121,661</u>	<u>(161,783)</u>	<u>(7,865,165)</u>
<b>Non-operating revenues (expenses):</b>			
Interest revenues	2,701	49,259	44,874
Interest expense	-	-	-
Gain (loss) on sale of capital assets	(1,782)	-	-
<b>Total non-operating revenues (expenses)</b>	<u>919</u>	<u>49,259</u>	<u>44,874</u>
<b>Income (loss) before transfers</b>	122,580	(112,524)	(7,820,291)
Transfers from the general fund	-	-	6,717,600
Transfers out to other funds	(750,000)	-	-
<b>Change in net position</b>	<u>(627,420)</u>	<u>(112,524)</u>	<u>(1,102,691)</u>
Net position - July 1, 2013	2,093,951	14,332,467	8,485,292
<b>Net position - June 30, 2014</b>	<u>\$ 1,466,531</u>	<u>\$ 14,219,943</u>	<u>\$ 7,382,601</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 7,109,849
15,943,484	19,475,006
<u>15,943,484</u>	<u>26,584,855</u>
10,277,240	13,584,164
2,656,920	4,148,403
281,641	284,996
472,842	1,854,765
3,100,318	3,460,721
3,643,324	3,957,455
8,188	8,530
-	9,625,984
-	2,062,113
<u>20,440,473</u>	<u>38,987,131</u>
<u>(4,496,989)</u>	<u>(12,402,276)</u>
-	96,834
(36,902)	(36,902)
(156,001)	(157,783)
<u>(192,903)</u>	<u>(97,851)</u>
(4,689,892)	(12,500,127)
8,428,300	15,145,900
-	(750,000)
<u>3,738,408</u>	<u>1,895,773</u>
8,181,320	33,093,030
<u>\$ 11,919,728</u>	<u>\$ 34,988,803</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Combining Statement of Cash Flows  
Internal Service Funds  
Fiscal Year Ended June 30, 2014

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,458,480	\$ 5,833,925	\$ 1,420,431
Cash paid to employees	(1,028,595)	(63,685)	(2,204,385)
Cash paid to vendors	(2,082,940)	(5,618,334)	(6,168,226)
Net cash provided by (used for) in operating activities	<u>346,945</u>	<u>151,906</u>	<u>(6,952,180)</u>
Cash flows from noncapital financing activities:			
Transfers in and (out)	(750,000)	-	6,717,600
Net cash provided by noncapital financing activities	<u>(750,000)</u>	<u>-</u>	<u>6,717,600</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(311,833)	-	(79,611)
Interest payments	-	-	-
Net cash (used for) capital and related financing activities	<u>(311,833)</u>	<u>-</u>	<u>(79,611)</u>
Cash flows from investing activities:			
Interest received	2,701	49,259	44,874
Net cash provided by investing activities	<u>2,701</u>	<u>49,259</u>	<u>44,874</u>
Net increase (decrease) in cash and cash equivalents	(712,187)	201,165	(269,317)
Cash and cash equivalents - July 1, 2013	1,171,194	40,085,298	11,293,491
Cash and cash equivalents - June 30, 2014	<u>\$ 459,007</u>	<u>\$ 40,286,463</u>	<u>\$ 11,024,174</u>
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ 121,661	\$ (161,783)	\$ (7,865,165)
Cash flows from operating activities:			
Depreciation	290,138	-	23,993
Decrease intergovernmental and other receivables	(2,792)	1,883	72,378
(Increase) decrease in prepaid items	(20,677)	-	(154,941)
(Increase) decrease in other inventories	27,571	-	-
Increase (decrease) in accounts payable	(59,446)	-	181,579
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	(9,510)	(60,742)	20,274
Increase in payroll withholding	-	669,835	-
Increase in due to other funds	-	-	-
Increase in deferred revenues	-	-	-
Increase (decrease) in estimated liability for premiums and claims	-	(297,287)	769,702
Net cash provided by (used for) in operating activities	<u>\$ 346,945</u>	<u>\$ 151,906</u>	<u>\$ (6,952,180)</u>
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ 1,782	\$ -	\$ -

Technology Fund	Governmental Activities - Internal Service Funds
\$ 15,956,747	\$ 26,669,583
(10,213,467)	(13,510,132)
(7,267,416)	(21,136,916)
<u>(1,524,136)</u>	<u>(7,977,465)</u>
8,428,300	14,395,900
<u>8,428,300</u>	<u>14,395,900</u>
(6,867,262)	(7,258,706)
(36,902)	(36,902)
<u>(6,904,164)</u>	<u>(7,295,608)</u>
-	96,834
-	<u>96,834</u>
-	(780,339)
-	52,549,983
<u>\$ -</u>	<u>\$ 51,769,644</u>

\$ (4,496,989)	\$ (12,402,276)
3,643,324	3,957,455
7,462	78,931
(1,372,859)	(1,548,477)
7,817	35,388
(31,992)	90,141
63,773	13,795
-	669,835
649,526	649,526
5,802	5,802
-	472,415
<u>\$ (1,524,136)</u>	<u>\$ (7,977,465)</u>

\$ 156,001	\$ 157,783
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## **Component Units**

The component units consist of fifteen charter school administrative units: Addenbrooke Classical Academy, Collegiate Academy of Colorado, Compass Montessori - Wheatridge, Compass Montessori – Golden, Excel, Free Horizon, Jefferson Academy, Lincoln Academy, Montessori Peaks, Mountain Phoenix, New America, Rocky Mountain Academy Evergreen, Rocky Mountain Deaf School, Two Roads High School and Woodrow Wilson Charter Schools. The schools have separate governing boards.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Combining Statement of Net Position  
Component Units  
June 30, 2014

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
<b>Assets</b>							
Cash	\$ 500	\$ 1,000	\$ 200	\$ 56,033	\$ 500	\$ -	\$ 1,305
Restricted cash	-	722,521	-	769,980	810,418	587,945	653,694
Restricted cash for TABOR	23,038	79,845	67,753	88,271	113,331	82,175	329,571
Equity in pooled cash and investments	828	-	344,489	343,336	990,040	727,355	1,780,640
Accounts receivable	-	-	240	185	72	2,185	-
<b>Capital assets</b>							
Land and construction in progress	-	964,930	-	1,016,509	235,981	1,420,687	1,118,630
Depreciable assets	-	5,139,175	104,873	4,474,441	5,093,554	5,045,356	14,402,872
Accumulated depreciation	-	(2,042,927)	(22,704)	(1,489,630)	(1,528,040)	(630,813)	(1,730,415)
Total capital assets	-	4,061,178	82,169	4,001,320	3,801,495	5,835,230	13,791,087
Total assets	<u>\$ 24,366</u>	<u>\$ 4,864,544</u>	<u>\$ 494,851</u>	<u>\$ 5,259,125</u>	<u>\$ 5,715,856</u>	<u>\$ 7,234,890</u>	<u>\$ 16,556,297</u>
<b>Deferred outflows of resources</b>							
Deferred outflows on refunding	-	-	-	416,100	1,037,191	-	225,721
<b>Liabilities</b>							
Accounts payable	\$ 9,723	\$ 3,546	\$ 10,394	\$ 17,745	\$ 19,222	\$ 5,544	\$ 69,684
Accrued salaries and benefits	41,070	119,694	110,968	152,210	152,389	108,057	399,848
Due to the general fund	-	75,496	-	-	-	-	-
Unearned revenues	-	1,910	59,348	25,910	14,735	121,562	23,630
Accrued interest	-	13,293	-	117,056	28,421	14,421	36,654
<b>Long term liabilities</b>							
Due within 1 year	-	240,000	-	144,884	185,000	110,000	240,000
Due in more than 1 year	-	5,987,248	-	5,517,941	6,570,169	6,178,890	15,330,000
Total liabilities	<u>50,793</u>	<u>6,441,187</u>	<u>180,710</u>	<u>5,975,746</u>	<u>6,969,936</u>	<u>6,538,474</u>	<u>16,099,816</u>
<b>Net Position</b>							
Net investment in capital assets	-	(1,590,428)	82,169	(776,099)	(1,385,927)	14,127	(993,310)
<b>Restricted for:</b>							
Capital projects	-	-	-	-	-	-	-
Debt service	-	709,228	-	652,924	781,997	573,524	617,040
TABOR	23,038	79,845	67,753	88,271	113,331	82,175	329,571
Unrestricted	(49,465)	(775,288)	164,219	(265,617)	273,710	26,590	728,901
Total net position	<u>\$ (26,427)</u>	<u>\$ (1,576,643)</u>	<u>\$ 314,141</u>	<u>\$ (300,521)</u>	<u>\$ (216,889)</u>	<u>\$ 696,416</u>	<u>\$ 682,202</u>

Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 700	\$ 500	\$ -	\$ 300	\$ 430	\$ -	\$ 520	\$ 500	\$ 62,488
752,980	863,897	995,396	-	552,127	-	47,780	743,273	7,500,011
125,941	109,628	99,326	54,543	94,365	63,638	79,463	129,166	1,540,054
945,916	591,926	-	195,264	597,925	142,542	176,751	2,886,268	9,723,280
-	-	-	-	-	123,965	49	-	126,696
2,685,452	1,134,999	830,000	-	90,809	7,147,452	-	1,050,223	17,695,672
6,400,766	4,653,411	4,358,190	250,703	5,004,440	-	-	5,222,945	60,150,726
(207,041)	(1,501,449)	(89,769)	(106,097)	(1,417,806)	-	-	(1,849,943)	(12,616,634)
8,879,177	4,286,961	5,098,421	144,606	3,677,443	7,147,452	-	4,423,225	65,229,764
\$ 10,704,714	\$ 5,852,912	\$ 6,193,143	\$ 394,713	\$ 4,922,290	\$ 7,477,597	\$ 304,563	\$ 8,182,432	\$ 84,182,293
153,134	740,468	-	-	101,187	-	-	-	2,673,801
\$ 35,508	\$ 1,920	\$ 9,772	\$ 124,542	\$ 6,398	\$ 66,389	\$ 12,326	\$ 2,488	\$ 395,201
160,859	179,309	3,463	50,695	162,120	116,091	58,614	76,793	1,892,180
-	-	96,908	-	-	-	-	-	172,404
36,917	7,200	145,851	-	58,026	-	5,884	22,779	523,752
108,479	60,196	55,738	-	56,320	-	-	22,553	513,131
190,000	165,000	70,000	-	100,000	-	-	150,000	1,594,884
7,368,837	6,450,000	6,115,732	-	4,833,750	-	-	5,366,487	69,719,054
7,900,600	6,863,625	6,497,464	175,237	5,216,614	182,480	76,824	5,641,100	74,810,606
1,966,889	(1,061,391)	(321,432)	144,606	(764,428)	7,147,452	-	(670,262)	1,791,966
17,190	-	-	-	-	2,800	10,000	-	29,990
627,311	803,701	939,658	-	490,807	-	-	720,720	6,916,910
125,941	109,628	99,326	54,543	94,365	63,638	79,463	129,166	1,540,054
219,917	(122,183)	(1,021,873)	20,327	(13,881)	81,227	138,276	2,361,708	1,766,568
\$ 2,957,248	\$ (270,245)	\$ (304,321)	\$ 219,476	\$ (193,137)	\$ 7,295,117	\$ 227,739	\$ 2,541,332	\$ 12,045,488



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
 Combining Statement of Activities  
 Component Units  
 Fiscal year ended June 30, 2014

	Expenses	Charges For Services	Governmental Activities	General Revenues	Change in net position	Net position beginning	Net position ending
<b>Schools</b>							
Addenbrooke Classical Academy	\$ 827,640	\$ 24,716	\$ (802,924)	\$ 776,497	\$ (26,427)	\$ -	\$ (26,427)
Collegiate Academy of Colorado	2,866,733	506,278	(2,360,455)	2,605,687	245,232	(1,821,875)	(1,576,643)
Compass Montessori - Wheat Ridge	2,250,630	885,105	(1,365,525)	1,468,498	102,973	211,168	314,141
Compass Montessori - Golden	3,056,799	787,089	(2,269,710)	2,332,294	62,584	(363,105)	(300,521)
Excel Charter School	3,959,494	494,034	(3,465,460)	3,455,438	(10,022)	(206,867)	(216,889)
Free Horizon	2,895,765	1,476,345	(1,419,420)	2,013,158	593,738	102,678	696,416
Jefferson Academy	10,939,642	960,130	(9,979,512)	10,439,873	460,361	221,841	682,202
Lincoln Academy Charter School	4,230,642	452,859	(3,777,783)	3,914,603	136,820	2,820,428	2,957,248
Montessori Peaks	3,937,876	957,061	(2,980,815)	2,898,331	(82,484)	(187,761)	(270,245)
Mountain Phoenix	3,452,049	724,071	(2,727,978)	2,730,800	2,822	(307,143)	(304,321)
New America	1,809,877	176,609	(1,633,268)	1,704,964	71,696	147,780	219,476
Rocky Mountain Academy Evergreen	3,416,960	881,961	(2,534,999)	2,594,350	59,351	(252,488)	(193,137)
Rocky Mountain Deaf School	2,143,497	8,177,702	6,034,205	617,483	6,651,688	643,429	7,295,117
Two Roads High School	2,626,654	132,653	(2,494,001)	2,610,369	116,368	111,371	227,739
Woodrow Wilson Academy	4,135,666	589,166	(3,546,500)	4,031,207	484,707	2,056,625	2,541,332
<b>Total</b>	<b>\$ 52,549,924</b>	<b>\$ 17,225,779</b>	<b>\$ (35,324,145)</b>	<b>\$ 44,193,552</b>	<b>\$ 8,869,407</b>	<b>\$ 3,176,081</b>	<b>\$ 12,045,488</b>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

All Component Units  
Combining Balance Sheet

June 30, 2014

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
<b>Assets:</b>							
Cash	\$ 500	\$ 1,000	\$ 200	\$ 56,033	\$ 500	\$ -	\$ 1,305
Restricted Cash	23,038	802,366	67,753	858,251	923,749	670,120	983,265
Equity in pooled cash and investments	828	-	344,489	343,336	990,040	727,355	1,780,640
Accounts, notes, contracts, and interest receivable	-	-	240	185	72	2,185	-
<b>Total Assets</b>	<b>\$ 24,366</b>	<b>\$ 803,366</b>	<b>\$ 412,682</b>	<b>\$ 1,257,805</b>	<b>\$ 1,914,361</b>	<b>\$ 1,399,660</b>	<b>\$ 2,765,210</b>
<b>Liabilities and fund balances (deficit)</b>							
<b>Liabilities:</b>							
Accounts and retainages payable	\$ 9,723	\$ 3,546	\$ 10,394	\$ 17,745	\$ 19,222	\$ 5,544	\$ 69,684
Accrued salaries, benefits, and compensated absences	41,070	119,694	110,968	152,210	152,389	108,057	399,848
Due to primary government	-	75,496	-	-	-	-	-
Unearned revenues	-	1,910	59,348	25,910	14,735	121,562	23,630
<b>Total Liabilities</b>	<b>50,793</b>	<b>200,646</b>	<b>180,710</b>	<b>195,865</b>	<b>186,346</b>	<b>235,163</b>	<b>493,162</b>
<b>Fund balances:</b>							
<b>Restricted for:</b>							
TABOR	23,038	79,845	67,753	88,271	113,331	82,175	329,571
Debt service	-	722,521	-	769,980	810,418	587,945	653,694
Construction	-	-	-	-	-	-	0
Unassigned	(49,465)	(199,646)	164,219	203,689	804,266	494,377	1,288,783
<b>Total fund balances (deficit)</b>	<b>(26,427)</b>	<b>602,720</b>	<b>231,972</b>	<b>1,061,940</b>	<b>1,728,015</b>	<b>1,164,497</b>	<b>2,272,048</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,366</b>	<b>\$ 803,366</b>	<b>\$ 412,682</b>	<b>\$ 1,257,805</b>	<b>\$ 1,914,361</b>	<b>\$ 1,399,660</b>	<b>\$ 2,765,210</b>
Amounts reported for component unit activities in the statement of net position are different because:							
Component units total fund balance	\$ (26,427)	\$ 602,720	\$ 231,972	\$ 1,061,940	\$ 1,728,015	\$ 1,164,497	\$ 2,272,048
Add: Capital assets	-	6,104,105	104,873	5,490,950	5,329,535	6,466,043	15,521,502
Deferred outflow on refunding	-	-	-	416,100	1,037,191	-	225,721
Less: Accumulated depreciation	-	(2,042,927)	(22,704)	(1,489,630)	(1,528,040)	(630,813)	(1,730,415)
Long-term liabilities	-	(6,227,248)	-	(5,662,825)	(6,755,169)	(6,288,890)	(15,570,000)
Accrued interest	-	(13,293)	-	(117,056)	(28,421)	(14,421)	(36,654)
<b>Net position of component unit activities</b>	<b>\$ (26,427)</b>	<b>\$ (1,576,643)</b>	<b>\$ 314,141</b>	<b>\$ (300,521)</b>	<b>\$ (216,889)</b>	<b>\$ 696,416</b>	<b>\$ 682,202</b>

Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 700	\$ 500	\$ -	\$ 300	\$ 430	\$ -	\$ 520	\$ 500	\$ 62,488
878,921	973,525	1,094,722	54,543	646,492	63,638	127,243	872,439	9,040,065
945,916	591,926	-	195,264	597,925	142,542	176,751	2,886,268	9,723,280
-	-	-	-	-	123,965	49	-	126,696
<u>\$ 1,825,537</u>	<u>\$ 1,565,951</u>	<u>\$ 1,094,722</u>	<u>\$ 250,107</u>	<u>\$ 1,244,847</u>	<u>\$ 330,145</u>	<u>\$ 304,563</u>	<u>\$ 3,759,207</u>	<u>\$ 18,952,529</u>

\$ 35,508	\$ 1,920	\$ 9,772	\$ 124,542	\$ 6,398	\$ 66,389	\$ 12,326	\$ 2,488	\$ 395,201
160,859	179,309	3,463	50,695	162,120	116,091	58,614	76,793	1,892,180
-	-	96,908	-	-	-	-	-	172,404
36,917	7,200	145,851	-	58,026	-	5,884	22,779	523,752
<u>233,284</u>	<u>188,429</u>	<u>255,994</u>	<u>175,237</u>	<u>226,544</u>	<u>182,480</u>	<u>76,824</u>	<u>102,060</u>	<u>2,983,537</u>

125,941	109,628	99,326	54,543	94,365	63,638	79,463	129,166	1,540,054
735,791	863,897	995,396	-	547,127	-	-	743,273	7,430,042
17,190	-	-	-	-	2,800	10,000	-	29,990
713,331	403,997	(255,994)	20,327	376,811	81,227	138,276	2,784,708	6,968,906
<u>1,592,253</u>	<u>1,377,522</u>	<u>838,728</u>	<u>74,870</u>	<u>1,018,303</u>	<u>147,665</u>	<u>227,739</u>	<u>3,657,147</u>	<u>15,968,992</u>
<u>\$ 1,825,537</u>	<u>\$ 1,565,951</u>	<u>\$ 1,094,722</u>	<u>\$ 250,107</u>	<u>\$ 1,244,847</u>	<u>\$ 330,145</u>	<u>\$ 304,563</u>	<u>\$ 3,759,207</u>	<u>\$ 18,952,529</u>

\$ 1,592,253	\$ 1,377,522	\$ 838,728	\$ 74,870	\$ 1,018,303	\$ 147,665	\$ 227,739	\$ 3,657,147	\$ 15,968,992
9,086,218	5,788,410	5,188,190	250,703	5,095,249	7,147,452	-	6,273,168	77,846,398
153,134	740,468	-	-	101,187	-	-	-	2,673,801
(207,041)	(1,501,449)	(89,769)	(106,097)	(1,417,806)	-	-	(1,849,943)	(12,616,634)
(7,558,837)	(6,615,000)	(6,185,732)	-	(4,933,750)	-	-	(5,516,487)	(71,313,938)
(108,479)	(60,196)	(55,738)	-	(56,320)	-	-	(22,553)	(513,131)
<u>\$ 2,957,248</u>	<u>\$ (270,245)</u>	<u>\$ (304,321)</u>	<u>\$ 219,476</u>	<u>\$ (193,137)</u>	<u>\$ 7,295,117</u>	<u>\$ 227,739</u>	<u>\$ 2,541,332</u>	<u>\$ 12,045,488</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
All Component Units  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)  
Fiscal Year Ended June 30, 2014

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
<b>Revenues:</b>							
Intergovernmental	\$ 776,497	\$ 2,605,687	\$ 1,468,498	\$ 2,332,294	\$ 3,455,438	\$ 2,013,158	\$ 10,439,873
Other revenue	24,716	191,348	885,105	777,089	494,034	876,531	960,130
Total revenues	<u>801,213</u>	<u>2,797,035</u>	<u>2,353,603</u>	<u>3,109,383</u>	<u>3,949,472</u>	<u>2,889,689</u>	<u>11,400,003</u>
<b>Expenditures:</b>							
<b>Current:</b>							
Salaries and benefits	603,663	1,749,668	1,652,618	1,802,927	2,402,180	1,690,273	6,332,866
Purchased services	204,407	543,616	473,566	621,108	842,574	469,472	2,206,414
Materials and supplies	19,570	65,812	119,657	144,244	172,421	188,707	957,604
Capital outlay	-	-	-	-	60,125	-	244,674
Debt service	-	595,538	-	462,856	524,333	460,506	1,117,418
Total other instructional programs	<u>827,640</u>	<u>2,954,634</u>	<u>2,245,841</u>	<u>3,031,135</u>	<u>4,001,633</u>	<u>2,808,958</u>	<u>10,858,976</u>
Excess of revenues over (under) expenditures	(26,427)	(157,599)	107,762	78,248	(52,161)	80,731	541,027
Fund balance (deficit) - July 1, 2013	-	760,319	124,210	983,692	1,780,176	1,083,766	1,731,021
Fund balance (deficit) - June 30, 2014	<u>\$ (26,427)</u>	<u>\$ 602,720</u>	<u>\$ 231,972</u>	<u>\$ 1,061,940</u>	<u>\$ 1,728,015</u>	<u>\$ 1,164,497</u>	<u>\$ 2,272,048</u>
Amounts reported for component unit activities in the statement of activities are different because:							
Excess of Revenues and other Financing Sources Over (Under) Expenditures							
	\$ (26,427)	\$ (157,599)	\$ 107,762	\$ 78,248	\$ (52,161)	\$ 80,731	\$ 541,027
Less: Depreciation expense	-	(175,651)	(4,789)	(148,744)	(168,432)	(200,600)	(479,634)
Loss on disposal of assets	-	-	-	-	-	-	-
Other sources - debt and amortization of premiums and discounts	-	(1,927)	-	-	21,758	3,611	-
Deferred outflow on refunding	-	-	-	(18,914)	(51,860)	-	(75,240)
Change in accrued interest	-	479	-	2,704	547	183	530
Add: Net capital outlay asset additions	-	314,930	-	10,000	60,125	599,814	248,678
Principal payment on long-term liabilities	-	265,000	-	139,289	180,000	110,000	225,000
Change in net position of component unit activities	<u>\$ (26,427)</u>	<u>\$ 245,232</u>	<u>\$ 102,973</u>	<u>\$ 62,583</u>	<u>\$ (10,023)</u>	<u>\$ 593,739</u>	<u>\$ 460,361</u>



Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 3,914,603	\$ 2,898,331	\$ 2,730,800	\$ 1,704,964	\$ 2,594,350	\$ 617,483	\$ 2,610,369	\$ 4,031,207	\$ 44,193,552
452,859	921,291	724,071	176,609	704,881	1,524,572	132,653	420,597	\$ 9,266,486
<u>4,367,462</u>	<u>3,819,622</u>	<u>3,454,871</u>	<u>1,881,573</u>	<u>3,299,231</u>	<u>2,142,055</u>	<u>2,743,022</u>	<u>4,451,804</u>	<u>53,460,038</u>
2,728,613	2,546,491	2,128,121	943,169	2,078,183	1,624,356	1,438,822	2,565,963	32,287,913
830,863	658,358	707,123	770,363	719,015	436,663	1,093,130	831,208	11,407,880
177,840	173,265	133,050	60,979	87,125	82,478	94,702	195,589	2,673,043
652,600	8,023	811,812	-	-	283,330	-	64,720	2,125,284
414,251	524,545	445,900	-	451,216	-	-	418,169	5,414,732
<u>4,804,167</u>	<u>3,910,682</u>	<u>4,226,006</u>	<u>1,774,511</u>	<u>3,335,539</u>	<u>2,426,827</u>	<u>2,626,654</u>	<u>4,075,649</u>	<u>53,908,852</u>
(436,705)	(91,060)	(771,135)	107,062	(36,308)	(284,772)	116,368	376,155	(448,814)
2,028,958	1,468,582	1,609,863	(32,192)	1,054,611	432,437	111,371	3,280,992	16,417,806
<u>\$ 1,592,253</u>	<u>\$ 1,377,522</u>	<u>\$ 838,728</u>	<u>\$ 74,870</u>	<u>\$ 1,018,303</u>	<u>\$ 147,665</u>	<u>\$ 227,739</u>	<u>\$ 3,657,147</u>	<u>\$ 15,968,992</u>
\$ (436,705)	\$ (91,060)	\$ (771,135)	\$ 107,062	\$ (36,308)	\$ (284,772)	\$ 116,368	\$ 376,155	\$ (448,814)
(185,907)	(157,955)	(87,126)	(35,366)	(178,595)	-	-	(281,184)	(2,103,983)
(183)	-	-	-	-	-	-	-	(183)
(2,316)	-	(6,466)	-	(9,306)	-	-	11,024	16,378
(5,280)	(33,658)	-	-	(4,818)	-	-	-	(189,770)
(34,982)	1,395	55,738	-	1,299	-	-	424	28,317
662,193	43,793	811,812	-	177,080	6,936,460	-	233,288	10,098,173
140,000	155,000	-	-	110,000	-	-	145,000	1,469,289
<u>\$ 136,820</u>	<u>\$ (82,485)</u>	<u>\$ 2,823</u>	<u>\$ 71,696</u>	<u>\$ 59,352</u>	<u>\$ 6,651,688</u>	<u>\$ 116,368</u>	<u>\$ 484,707</u>	<u>\$ 8,869,407</u>



## Statistical Section

This part of the District's 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>Content</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	104-113
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's property tax revenue.	114-119
<b>Debt Capacity</b> 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.	120-123
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	124-125
<b>Operating Information</b> These schedules contain staffing, key operating statistics comparisons and capital asset 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.	126-131

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Financial Trend Schedule 1  
Jefferson County School District, No.R-1  
Net Assets/Net Position by Component,  
Last Ten Fiscal Years  
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 270,489,848	\$ 272,131,267	\$ 279,690,380	\$ 282,779,947
Restricted	111,961,310	119,886,342	137,222,692	157,681,790
Unrestricted	44,946,760	82,472,483	84,308,430	130,950,972
Total governmental activities net assets/net position	<u>\$ 427,397,918</u>	<u>\$ 474,490,092</u>	<u>\$ 501,221,502</u>	<u>\$ 571,412,709</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 2,887,640	\$ 2,610,619	\$ 2,524,688	\$ 2,399,710
Restricted	688,076	709,513	758,429	799,858
Unrestricted	5,240,516	8,077,616	10,085,377	12,430,067
Total business-type activities net assets/net position	<u>\$ 8,816,232</u>	<u>\$ 11,397,748</u>	<u>\$ 13,368,494</u>	<u>\$ 15,629,635</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 273,377,488	\$ 274,741,886	\$ 282,215,068	\$ 285,179,657
Restricted	112,649,386	120,595,855	137,981,121	158,481,648
Unrestricted	50,187,276	90,550,099	94,393,807	143,381,039
Total primary government net assets/net position	<u>\$ 436,214,150</u>	<u>\$ 485,887,840</u>	<u>\$ 514,589,996</u>	<u>\$ 587,042,344</u>

Fiscal Year

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 300,549,882	\$ 344,003,602	\$ 360,914,728	\$ 376,550,610	\$ 403,794,024	\$ 409,948,271
149,063,262	122,592,857	122,902,877	118,918,869	69,044,589	78,132,683
128,442,632	117,372,458	91,113,699	73,925,741	105,448,605	104,852,827
<u>\$ 578,055,776</u>	<u>\$ 583,968,917</u>	<u>\$ 574,931,304</u>	<u>\$ 569,395,220</u>	<u>\$ 578,287,218</u>	<u>\$ 592,933,781</u>
\$ 2,702,062	\$ 3,642,539	\$ 3,706,030	\$ 3,434,251	\$ 3,555,684	\$ 3,388,248
781,383	747,019	720,617	691,773	708,022	729,971
12,771,303	10,045,737	9,883,367	12,068,165	12,987,974	13,548,826
<u>\$ 16,254,748</u>	<u>\$ 14,435,295</u>	<u>\$ 14,310,014</u>	<u>\$ 16,194,189</u>	<u>\$ 17,251,680</u>	<u>\$ 17,667,045</u>
\$ 303,251,944	\$ 347,646,141	\$ 364,620,758	\$ 379,984,861	\$ 407,349,708	\$ 413,336,519
149,844,645	123,339,876	123,623,494	119,610,642	69,752,611	78,862,654
141,213,935	127,418,195	100,997,066	85,993,906	118,436,579	118,401,653
<u>\$ 594,310,524</u>	<u>\$ 598,404,212</u>	<u>\$ 589,241,318</u>	<u>\$ 585,589,409</u>	<u>\$ 595,538,898</u>	<u>\$ 610,600,826</u>

Financial Trend Schedule 2  
Jefferson County School District, No.R-1  
Changes in Net Assets/Net Position, Last Ten Fiscal Years  
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses *					
Governmental activities:					
School administration	\$ -	\$ -	\$ -	\$ -	\$ -
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	389,330,732	420,089,848	436,859,865	441,488,697	475,473,399
Indirect instruction	120,382,252	126,074,406	124,087,808	125,534,158	139,506,864
Transportation	17,269,372	18,779,643	19,993,110	20,201,331	21,744,799
Custodial services	23,354,067	24,209,356	25,002,154	26,277,156	27,158,925
Field services	18,665,080	21,508,695	20,441,219	21,725,526	24,507,637
Telecommunications, networking and utilities	16,500,402	19,653,828	17,523,410	18,945,386	19,361,791
Support services	18,753,372	18,789,170	18,212,328	21,950,387	23,191,961
General administration	2,859,645	2,894,361	3,127,500	2,575,859	3,328,842
District-wide	2,374,468	1,548,547	1,624,570	2,296,287	1,123,258
Interest expense, unallocated	31,651,073	36,819,243	37,525,398	36,810,282	34,967,047
Total governmental activities expenses	<u>641,140,463</u>	<u>690,367,097</u>	<u>704,397,362</u>	<u>717,805,069</u>	<u>770,364,523</u>
Business-type activities					
Food services	19,130,176	19,750,220	21,215,750	22,169,060	23,425,181
Child care	9,899,843	11,039,953	12,138,653	13,611,593	14,547,344
Property management	1,466,991	1,125,385	1,319,568	1,356,529	1,225,624
Other enterprise	-	-	-	-	-
Total business-type activities expenses	<u>30,497,010</u>	<u>31,915,558</u>	<u>34,673,971</u>	<u>37,137,182</u>	<u>39,198,149</u>
Total primary government expenses	<u>\$ 671,637,473</u>	<u>\$ 722,282,655</u>	<u>\$ 739,071,333</u>	<u>\$ 754,942,251</u>	<u>\$ 809,562,672</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General administration	\$ -	\$ -	\$ -	\$ -	\$ -
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	4,366,210	4,329,271	4,847,435	4,149,185	4,323,891
Indirect instruction	32,540,920	29,837,974	30,532,826	31,273,508	30,296,343
Transportation	229,677	502,601	435,245	446,566	384,133
Field services	3,258,778	2,292,589	3,255,854	11,994,896	3,169,242
District-wide	2,744,283	3,537,713	1,993,172	1,969,309	569,173
Operating grants and contributions:					
General administration	-	-	-	-	-
School administration	-	-	-	-	-
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	37,005,381	41,131,579	45,512,301	43,214,748	41,273,450
Indirect instruction	6,038,113	7,020,660	7,729,655	7,350,301	7,225,032
Transportation	4,393,792	4,234,626	4,081,376	4,302,427	4,463,314
Total governmental activities program revenues	<u>90,577,154</u>	<u>92,887,013</u>	<u>98,387,864</u>	<u>104,700,940</u>	<u>91,704,578</u>
Business-type activities					
Charges for services:					
Food services	12,705,589	12,906,439	13,222,800	13,233,844	12,732,788
Child care	8,383,059	8,669,515	9,747,943	11,285,473	11,019,746
Property management	1,802,491	1,906,311	1,937,185	1,921,999	1,728,955
Other enterprise	-	-	-	-	-
Operating grants and contributions:					
Food services	6,360,540	7,092,392	7,414,794	7,758,304	8,735,385
Capital grants and contributions:					
Food services	1,011,907	1,405,393	1,281,906	1,981,771	1,682,642
Property management	-	-	-	-	32,738
Other enterprise	-	-	-	-	-
Total business-type activities program revenues	<u>30,263,586</u>	<u>31,980,050</u>	<u>33,604,628</u>	<u>36,181,391</u>	<u>35,932,254</u>
Total primary government program revenues	<u>\$ 120,840,740</u>	<u>\$ 124,867,063</u>	<u>\$ 131,992,492</u>	<u>\$ 140,882,331</u>	<u>\$ 127,636,832</u>
Net (Expense)/Revenue					
Governmental activities	\$ (550,563,309)	\$ (597,480,084)	\$ (606,009,498)	\$ (613,104,129)	\$ (678,659,945)
Business-type activities	(233,424)	64,492	(1,069,343)	(955,791)	(3,265,895)
Total primary government net expense	<u>\$ (550,796,733)</u>	<u>\$ (597,415,592)</u>	<u>\$ (607,078,841)</u>	<u>\$ (614,059,920)</u>	<u>\$ (681,925,840)</u>

\*Recategorized expense types starting in fiscal year 2012.

Fiscal Year

	2010	2011	2012*	2013	2014
\$	-	\$ -	\$ 57,409,152	\$ 54,996,871	\$ 56,613,420
	-	-	408,204,654	405,528,254	410,335,528
	-	-	65,020,783	69,392,712	71,357,688
	-	-	67,648,351	64,686,916	68,774,854
	-	-	69,998,170	67,985,826	78,844,714
	488,851,713	488,170,063	-	-	-
	146,058,971	148,378,364	-	-	-
	21,105,227	20,850,913	23,703,443	24,115,123	23,177,884
	27,460,710	26,864,799	-	-	-
	23,020,164	21,763,434	-	-	-
	21,021,606	21,974,077	-	-	-
	25,970,162	25,168,348	-	-	-
	4,122,191	3,909,716	27,898,413	27,617,388	25,908,579
	1,383,435	596,970	-	-	-
	32,332,211	28,681,991	25,666,711	25,135,731	24,692,063
	<u>791,326,390</u>	<u>786,358,675</u>	<u>745,549,677</u>	<u>739,458,821</u>	<u>759,704,730</u>
	25,200,972	24,402,366	22,995,136	24,588,376	24,059,390
	14,728,222	14,277,646	13,664,939	14,253,323	15,669,253
	2,051,238	1,288,442	1,276,209	1,298,134	1,653,841
	-	-	-	-	-
	<u>41,980,432</u>	<u>39,968,454</u>	<u>37,936,284</u>	<u>40,139,833</u>	<u>41,382,484</u>
\$	<u>833,306,822</u>	<u>826,327,129</u>	<u>783,485,961</u>	<u>779,598,654</u>	<u>801,087,214</u>
\$	-	\$ -	\$ 1,152,290	\$ 1,323,748	\$ 2,669,066
	-	-	25,645,123	26,903,962	27,047,349
	-	-	4,713,718	4,932,848	3,195,644
	-	-	3,842,879	4,929,770	6,116,159
	5,053,827	5,148,800	-	-	-
	27,065,122	28,066,756	-	-	-
	400,388	354,195	1,386,407	1,974,372	2,133,779
	3,998,449	3,747,188	-	-	-
	474,589	1,358,775	-	-	-
	-	-	3,652,537	3,889,298	3,706,405
	-	-	861,829	-	49,851
	-	-	14,548,969	16,103,053	16,423,080
	-	-	25,408,016	24,338,028	27,343,034
	-	-	16,402,238	15,731,027	16,251,832
	-	-	797,353	165,699	7,920,034
	49,402,008	69,228,523	-	-	-
	9,914,138	13,358,689	-	-	-
	4,785,359	4,866,106	5,103,034	5,009,964	5,275,093
	<u>101,093,880</u>	<u>126,129,032</u>	<u>103,514,393</u>	<u>105,301,769</u>	<u>118,131,326</u>
	11,736,773	11,634,444	11,514,984	11,049,462	9,830,452
	10,295,931	10,281,161	9,867,724	10,630,601	11,111,356
	1,674,886	1,763,175	1,595,449	1,796,862	1,920,377
	-	-	-	-	-
	10,964,421	11,709,247	12,716,967	13,520,079	13,389,433
	1,172,164	352,528	84,766	135,253	96,924
	-	-	-	-	-
	-	-	-	-	-
	<u>35,844,175</u>	<u>35,740,555</u>	<u>35,779,890</u>	<u>37,132,257</u>	<u>36,348,542</u>
\$	<u>136,938,055</u>	<u>161,869,587</u>	<u>139,294,283</u>	<u>142,434,026</u>	<u>154,479,868</u>
\$	(690,232,510)	\$ (660,229,643)	\$ (642,035,284)	\$ (634,157,052)	\$ (641,573,404)
	(6,136,257)	(4,227,899)	(2,156,394)	(3,007,576)	(5,033,942)
\$	<u>(696,368,767)</u>	<u>(664,457,542)</u>	<u>(644,191,678)</u>	<u>(637,164,628)</u>	<u>(646,607,346)</u>

Financial Trend Schedule 2  
Jefferson County School District, No.R-1  
Changes in Net Assets/Net Position, Last Ten Fiscal Years, continued  
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General revenues and other changes in net assets/net position					
Taxes					
Local property taxes	\$ 319,150,542	\$ 321,679,910	\$ 323,604,561	\$ 351,299,729	\$ 349,209,271
Automotive ownership taxes	30,817,445	30,814,386	29,414,761	28,858,670	26,428,023
School finance act	273,963,074	281,173,393	289,340,251	293,763,172	307,102,545
Earnings on investments	9,924,454	13,237,589	16,617,507	14,824,519	6,230,214
Special Item	-	-	(36,049,258)	(2,620,742)	-
Transfers (a)	<u>(1,733,944)</u>	<u>(2,333,020)</u>	<u>(2,717,145)</u>	<u>(2,830,012)</u>	<u>(3,667,041)</u>
Total governmental activities	<u>632,121,571</u>	<u>644,572,258</u>	<u>620,210,677</u>	<u>683,295,336</u>	<u>685,303,012</u>
Business-type activities:					
Earnings on investments	44,723	184,004	322,944	386,920	223,967
Transfers	<u>1,733,944</u>	<u>2,333,020</u>	<u>2,717,145</u>	<u>2,830,012</u>	<u>3,667,041</u>
Total business-type activities	<u>1,778,667</u>	<u>2,517,024</u>	<u>3,040,089</u>	<u>3,216,932</u>	<u>3,891,008</u>
Total primary government	<u>\$ 633,900,238</u>	<u>\$ 647,089,282</u>	<u>\$ 623,250,766</u>	<u>\$ 686,512,268</u>	<u>\$ 689,194,020</u>
Change in net assets/net position					
Governmental activities	\$ 81,558,262	\$ 47,092,174	\$ 14,201,179	\$ 70,191,207	\$ 6,643,067
Business-type activities	<u>1,545,243</u>	<u>2,581,516</u>	<u>1,970,746</u>	<u>2,261,141</u>	<u>625,113</u>
Total primary government	<u>\$ 83,103,505</u>	<u>\$ 49,673,690</u>	<u>\$ 16,171,925</u>	<u>\$ 72,452,348</u>	<u>\$ 7,268,180</u>



Fiscal Year

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	351,591,719	\$ 350,455,667	\$ 339,051,527	\$ 345,921,281	\$ 349,115,550
	24,730,646	23,665,288	23,537,666	25,006,758	27,486,392
	321,046,426	278,313,571	279,036,998	276,148,509	284,144,134
	3,045,378	841,952	1,159,227	37,569	873,530
	-	2,000,000	-	-	-
	<u>(4,268,518)</u>	<u>(4,084,448)</u>	<u>(4,040,569)</u>	<u>(4,065,067)</u>	<u>(5,399,639)</u>
	<u>696,145,651</u>	<u>651,192,030</u>	<u>638,744,849</u>	<u>643,049,050</u>	<u>656,219,967</u>
	48,286	18,170	-	-	49,668
	<u>4,268,518</u>	<u>4,084,448</u>	<u>4,040,569</u>	<u>4,065,067</u>	<u>5,399,639</u>
	<u>4,316,804</u>	<u>4,102,618</u>	<u>4,040,569</u>	<u>4,065,067</u>	<u>5,449,307</u>
\$	<u>700,462,455</u>	<u>\$ 655,294,648</u>	<u>\$ 642,785,418</u>	<u>\$ 647,114,117</u>	<u>\$ 661,669,274</u>
\$	5,913,141	\$ (9,037,613)	\$ (3,290,435)	\$ 8,891,998	\$ 14,646,563
	<u>(1,819,453)</u>	<u>(125,281)</u>	<u>1,884,175</u>	<u>1,057,491</u>	<u>415,365</u>
\$	<u>4,093,688</u>	<u>\$ (9,162,894)</u>	<u>\$ (1,406,260)</u>	<u>\$ 9,949,489</u>	<u>\$ 15,061,928</u>

Financial Trend Schedule 3  
Jefferson County School District, No.R-1  
Fund Balances, Governmental Funds, Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	20,017,939	21,464,542	22,281,498	24,531,395
Unreserved	<u>22,912,895</u>	<u>50,631,896</u>	<u>83,291,265</u>	<u>85,945,926</u>
Total general fund	<u>\$ 42,930,834</u>	<u>\$ 72,096,438</u>	<u>\$ 105,572,763</u>	<u>\$ 110,477,321</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Reserved	359,255,671	297,538,614	270,407,102	194,021,205
Unreserved, reported in:				
Special revenue funds	<u>6,625,601</u>	<u>6,730,727</u>	<u>6,881,402</u>	<u>6,574,094</u>
Total all other governmental funds	<u>\$ 365,881,272</u>	<u>\$ 304,269,341</u>	<u>\$ 277,288,504</u>	<u>\$ 200,595,299</u>

a) In fiscal year 2009, the District adopted GASB Statement No. 54, Fund Balance Reporting and Fund changing the titles and classifications of fund balances.

Fiscal Year

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,859,185	\$ 1,533,697	\$ 1,533,815	\$ 1,159,891	\$ 982,570	\$ 942,951
16,943,784	17,249,094	15,932,358	15,839,341	15,756,129	16,494,681
15,700,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
6,476,265	12,700,000	13,300,000	13,860,000	11,500,000	9,600,000
56,787,350	45,977,675	21,994,915	3,195,321	19,727,866	32,260,251
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 97,766,584</u>	<u>\$ 79,460,466</u>	<u>\$ 54,761,088</u>	<u>\$ 36,054,553</u>	<u>\$ 49,966,565</u>	<u>\$ 61,297,883</u>
\$ 374,986	\$ 377,613	\$ 410,265	\$ 895,860	\$ 1,058,751	\$ 909,314
133,186,115	107,254,805	108,862,085	106,895,470	169,532,657	147,439,129
-	-	-	-	20,833,322	16,731,273
8,128,793	9,024,564	9,760,257	9,426,449	9,344,242	9,620,670
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 141,689,894</u>	<u>\$ 116,656,982</u>	<u>\$ 119,032,607</u>	<u>\$ 117,217,779</u>	<u>\$ 200,768,972</u>	<u>\$ 174,700,386</u>

Financial Trend Schedule 4  
 Jefferson County School District, No.R-1  
 Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues</b>				
Taxes	\$ 351,941,711	\$ 352,032,843	\$ 356,019,175	\$ 376,039,826
Intergovernmental	321,400,360	333,560,257	346,663,583	348,630,647
Interest	9,924,454	13,237,590	16,617,508	14,824,519
Other	47,875,643	46,436,068	41,217,685	43,162,248
<b>Total revenues</b>	<u>731,142,168</u>	<u>745,266,758</u>	<u>760,517,951</u>	<u>782,657,240</u>
<b>Expenditures</b>				
School administration	-	-	-	-
General instruction	-	-	-	-
Special education instruction	-	-	-	-
Instructional support	-	-	-	-
Operation and maintenance	-	-	-	-
Direct instruction	358,618,075	377,762,106	392,101,766	410,321,635
Indirect instruction	115,402,442	120,459,541	119,231,799	128,922,159
Transportation	17,027,582	18,502,815	18,898,149	21,046,842
Custodial services	23,053,952	23,956,510	24,942,750	27,375,447
Field services	16,600,149	17,608,414	18,584,068	19,260,767
Telecommunications, networking and utilities	16,424,892	19,606,348	17,218,062	19,441,113
Support services	16,297,504	17,482,207	17,755,527	19,506,311
General administration	2,721,353	2,716,752	3,135,039	2,666,852
Districtwide	678,239	662,017	735,878	1,380,883
Capital outlay	42,507,356	91,940,532	129,343,041	109,400,964
Debt service				
Principal	36,215,000	37,935,000	39,885,000	42,600,000
Interest	39,781,092	36,890,523	37,562,972	38,479,744
<b>Total expenditures</b>	<u>685,327,636</u>	<u>765,522,765</u>	<u>819,394,051</u>	<u>840,402,717</u>
Excess of revenues over (under) expenditures	45,814,532	(20,256,007)	(58,876,100)	(57,745,477)
<b>Other financing sources (uses)</b>				
Certificates of participation proceeds	-	-	38,670,000	-
Arbitrage expenses	-	-	-	-
General obligation bond proceeds	360,035,000	-	66,800,000	35,890,000
Payment to refunded escrow agent	(104,775,000)	-	-	(37,762,766)
Premium from bonds	30,240,565	-	7,030,291	2,139,650
Transfers out	(27,642,544)	(30,898,320)	(30,287,445)	(33,097,312)
Transfers in	20,738,015	18,708,000	19,208,000	21,408,000
<b>Total other financing sources (uses)</b>	<u>278,596,036</u>	<u>(12,190,320)</u>	<u>101,420,846</u>	<u>(11,422,428)</u>
Special Item: Supplemental Retirement Contribution	-	-	(36,049,258)	(2,620,742)
<b>Net change in fund balances</b>	<u>\$ 324,410,568</u>	<u>\$ (32,446,327)</u>	<u>\$ 6,495,488</u>	<u>\$ (71,788,647)</u>
Debt service as a percentage of noncapital expenditures	11.8%	11.1%	11.1%	11.1%

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 375,892,943	\$ 374,594,521	\$ 375,134,147	\$ 360,296,394	\$ 374,687,742	\$ 378,048,173
360,064,341	385,147,930	365,766,889	345,156,765	340,256,614	358,175,604
6,230,214	3,045,377	841,952	1,156,276	37,569	776,697
41,339,653	39,671,470	41,292,003	42,070,227	44,315,203	48,291,123
<u>783,527,151</u>	<u>802,459,298</u>	<u>783,034,991</u>	<u>748,679,662</u>	<u>759,297,128</u>	<u>785,291,597</u>
-	-	-	47,311,834	46,137,612	47,722,016
-	-	-	354,467,295	356,803,464	360,680,650
-	-	-	65,517,724	68,713,508	70,387,243
-	-	-	68,187,899	64,140,368	68,286,176
-	-	-	66,662,982	64,358,499	73,348,304
421,454,600	435,488,836	431,750,029	-	-	-
136,721,737	139,563,450	142,607,586	-	-	-
21,630,426	20,801,433	20,483,317	20,812,436	21,786,813	22,286,274
26,858,804	27,170,968	26,426,741	-	-	-
21,002,692	19,400,040	16,980,978	-	-	-
19,036,775	20,786,072	21,461,102	-	-	-
22,895,006	22,814,261	19,468,562	-	-	-
3,348,044	4,119,005	3,828,233	28,525,989	28,427,746	29,420,652
980,999	827,863	785,525	-	-	-
87,808,282	50,355,185	29,121,654	27,359,625	34,662,226	55,002,104
44,810,000	51,600,000	52,285,000	51,505,000	52,955,000	28,395,000
35,439,587	30,498,774	28,832,069	25,778,672	24,156,542	24,704,907
<u>841,986,952</u>	<u>823,425,887</u>	<u>794,030,796</u>	<u>756,129,456</u>	<u>762,141,778</u>	<u>780,233,326</u>
(58,459,801)	(20,966,589)	(10,995,805)	(7,449,794)	(2,844,650)	5,058,271
-	-	-	-	-	-
-	-	-	-	-	-
-	233,400,000	-	-	168,540,000	-
-	(278,158,016)	-	-	(83,415,163)	-
-	35,855,493	-	-	31,296,785	-
(35,484,341)	(43,179,718)	(37,165,333)	(46,468,984)	(51,448,042)	(55,823,437)
<u>22,328,000</u>	<u>29,709,800</u>	<u>23,837,385</u>	<u>33,397,415</u>	<u>35,334,275</u>	<u>36,027,898</u>
<u>(13,156,341)</u>	<u>(22,372,441)</u>	<u>(13,327,948)</u>	<u>(13,071,569)</u>	<u>100,307,855</u>	<u>(19,795,539)</u>
-	-	2,000,000	-	-	-
<u>\$ (71,616,142)</u>	<u>\$ (43,339,030)</u>	<u>\$ (22,323,753)</u>	<u>\$ (20,521,363)</u>	<u>\$ 97,463,205</u>	<u>\$ (14,737,268)</u>
10.6%	10.6%	10.6%	10.6%	10.6%	7.3%

Revenue Capacity Schedule 5  
Jefferson County School District, No.R-1  
Assessed Value and Estimated Actual Value of Taxable Property,  
Last Ten Fiscal Years  
(in thousands of dollars)

Fiscal Year Ended June 30,	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Agriculture Property (1)	Natural Resources (1)
2005	3,828,912	1,750,309	496,363	24,538	6,929
2006	3,935,613	1,970,232	502,297	25,275	7,971
2007	3,989,081	1,953,258	502,370	26,349	8,503
2008	4,270,101	2,174,353	564,280	30,685	8,986
2009	4,308,594	2,178,628	586,701	31,576	6,701
2010	4,238,350	2,249,807	606,931	33,911	5,255
2011	4,251,217	2,191,182	598,493	31,958	2,429
2012	4,088,469	2,025,114	554,366	32,869	3,328
2013	4,105,825	1,985,242	561,340	33,785	3,660
2014	4,123,082	2,024,122	554,163	33,948	4,281

Source: (1) - Jefferson County Assessor annual Abstracts of Assessments  
(2) - Jefferson County Assessor Certification of Value to Jefferson County School District

Note: Assessed value as per official notice from Jefferson County Assessor. (Colorado Revised Statutes 39-1-104, 39-1-105).

<u>Public Utilities (1)</u>	<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value (2)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
221,699	6,328,750	51.10	55,709,328	11.36
223,203	6,664,591	49.05	57,874,509	11.52
230,513	6,710,074	49.03	58,481,141	11.48
242,326	7,290,731	48.12	62,853,282	11.60
244,200	7,356,400	48.28	63,428,368	11.60
271,355	7,405,609	48.15	63,105,199	11.74
277,320	7,352,599	48.21	63,080,682	11.66
293,460	6,997,606	48.72	60,998,376	11.47
297,197	6,987,049	50.62	60,780,934	11.50
316,639	7,056,234	50.37	61,043,655	11.56

Revenue Capacity Schedule 6  
 Jefferson County School District, No.R-1  
 Direct and Overlapping Property Tax Rates,  
 Last Ten Fiscal Years  
 (rate per \$1,000 of assessed value)

Fiscal Year	School District Rates			Overlapping Rates	
	General Fund	Debt Service Fund	Total	Jefferson County	Broomfield County
2005	39.85	11.25	51.10	24.35	27.24
2006	37.80	11.25	49.05	24.35	27.24
2007	37.78	11.25	49.03	24.35	27.23
2008	36.87	11.25	48.12	24.35	27.23
2009	37.03	11.25	48.28	24.35	27.23
2010	36.90	11.25	48.15	24.35	27.23
2011	36.96	11.25	48.21	24.35	27.23
2012	37.47	11.25	48.72	24.35	26.72
2013	43.13	7.49	50.62	24.35	26.72
2014	42.88	7.49	50.37	25.85	26.72

Source: Jefferson County and Broomfield Assessor annual Abstracts of Assessments

Note: The District's property tax rate may be increased only by a majority vote of the county's residents. Rates for debt service are set based on each year's requirements for bonds authorized by a majority vote of the county's residents. The Special Revenue Fund and the Capital Project Funds have been included in the General Fund.



Revenue Capacity Schedule 7  
Jefferson County School District, No.R-1  
Principal Property Tax Payers  
Most Recent Full Calendar Year and Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Public Service Co of Colorado	\$ 185,912,070	1	2.6 %	\$ 99,622,400	2	1.6 %
MillerCoors LLC/Coors Brewing Company	122,597,401	2	1.7	121,443,780	1	1.9
Qwest Corp	58,407,500	3	0.8	62,725,260	3	1.0
Colorado Mills Mall Limited Partnership	31,320,000	4	0.4	42,152,030	4	0.7
Martin Marietta Corporation	29,675,410	5	0.4			
Ball Metal Beverage Container Corp	29,190,528	6	0.4			
Lockheed Martin Corporation	23,173,430	7	0.3	35,977,160	5	0.6
Wal Mart Real Estate Business	19,891,970	8	0.3			
Plains End LLC	17,139,200	9	0.2	16,194,400	8	0.3
Southwest Denver Land LLC	16,586,550	10	0.2			
Denver West Office				30,144,950	6	0.5
Southwest Plaza Mall				23,994,840	7	0.4
KN Interstate Gas Transmission CO				13,636,500	9	0.2
Westminster Mall				11,820,690	10	0.2
Total	<u>\$ 533,894,059</u>		<u>7.6 %</u>	<u>\$ 457,712,010</u>		<u>7.3 %</u>

Source: Jefferson County



Revenue Capacity Schedule 8  
 Jefferson County School District, No.R-1  
 Property Tax Levies and Collections  
 Last Ten Fiscal Periods

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collected	(1) Total Tax Collections	% of Total Tax Collected to Tax Levy
2005	322,746,732	306,490,187	95.0	14,333,830	320,824,017	99.4
2006	324,930,276	308,601,938	95.0	12,188,005	320,789,943	98.8
2007	328,515,387	314,407,449	95.7	11,733,893	326,141,342	99.3
2008	349,794,736	331,199,301	94.7	15,536,805	346,736,106	99.1
2009	353,658,743	333,495,499	94.3	15,482,126	348,977,625	98.7
2010	354,066,586	332,813,015	94.0	16,555,364	349,368,379	98.7
2011	352,393,439	332,186,581	94.0	18,746,027	350,932,608	99.6
2012	343,143,485	320,929,279	94.0	15,378,979	336,308,258	98.0
2013	351,754,785	333,000,851	94.7	16,290,293	349,291,144	99.3
2014	353,214,798	336,584,984	95.3	13,640,227	350,225,211	99.2

Notes: (1) Includes General, Special Revenue, Capital Projects, and Debt Service Funds

Assessments : Jefferson County assesses and collects all District property taxes charging a collection fee of .5 percent of the gross taxes collected.

Taxes Due: General property taxes are due January 1 of each year. The first half is due on and becomes delinquent after the last day of February and the second half is due on June 15 and becomes delinquent after July 31. If the entire amount of the tax is paid at one time on or before April 30, no interest will be charged on the first half.

Delinquent Taxes and Tax Sales: Delinquent general property taxes are advertised and subject to distraint, seizure, and sale after delinquent dates. When real estate is sold for taxes, the tax, plus interest, advertising, and certificate fees, draw interest from the date of the sale.

Delinquent Taxes Outstanding: The District's delinquent tax payments are not received based upon tax year; therefore, delinquent taxes outstanding by tax year are not readily available. After the sale, real estate may be redeemed at any time within three years from the date of sale or at any time before a tax deed is issued.

Debt Capacity Schedule 9  
 Jefferson County School District, No.R-1  
 Ratios of Outstanding Debt by Type,  
 Last Ten Fiscal Periods

Governmental Activities				
Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	Total Primary Government
2005	717,762,295	9,603,750	763,744	728,129,789
2006	680,551,786	8,508,250	362,374	689,422,410
2007	715,084,297	44,854,500	156,530	760,095,327
2008	672,901,212	42,582,500	-	715,483,712
2009	630,515,736	40,639,310	-	671,155,046
2010	576,827,793	34,174,778	-	611,002,571
2011	523,928,367	32,830,246	-	556,758,613
2012	471,878,553	31,420,714	-	503,299,267
2013	560,441,507	30,155,000	-	590,596,507
2014	526,628,634	28,580,000	-	555,208,634

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements. General obligation bonds and certificates of participation are both repaid from property tax revenue.

(a) See schedule 5 for taxable property value data.

<u>Ratio of Net Debt to Assessed Value (a)</u>	<u>Net Debt Per Capita</u>	<u>Population</u>	<u>Percentage of Personal Income</u>
11.51%	1,359	535,657	3.2
10.34%	1,280	538,556	2.9
11.33%	1,416	536,748	3.0
9.81%	1,329	538,371	2.7
9.12%	1,235	543,278	2.4
8.25%	1,116	547,728	2.1
7.57%	1,042	534,543	1.9
7.11%	936	537,487	2.2
8.45%	1,080	546,653	2.1
7.87%	1,010	549,643	2.1

Debt Capacity Schedule 10  
Jefferson County School District, No.R-1  
Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin  
Last Ten Fiscal Periods

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General bonded debt outstanding				
General obligation debt	\$700,940,289	\$664,553,474	\$693,618,979	\$651,955,000
Percentage of estimated property value (a)	1.26%	1.15%	1.19%	1.04%
Per capita (b)	1,309	1,234	1,292	1,211
Less: Amounts set aside to repay general debt	<u>(57,407,112)</u>	<u>(57,623,732)</u>	<u>(58,083,150)</u>	<u>(63,022,587)</u>
Total net debt applicable to debt limit	643,533,177	606,929,742	635,535,829	588,932,413
Legal debt limit (c)	1,263,992,262	1,324,813,065	1,340,113,353	1,453,903,886
Legal debt margin (d)	<u>\$620,459,085</u>	<u>\$717,883,323</u>	<u>\$704,577,524</u>	<u>\$864,971,473</u>
Legal debt margin as a percentage of the debt limit	49.09%	54.19%	52.58%	59.49%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(a) Property value data can be found in Schedule 5: Taxable Assessed and Estimated Full Value of Property.

(b) Population data can be found in Schedule 9: Ratios of Outstanding Debt by Type.

(c) Colorado Revised Statute 22-42-104 limits the District's available borrowing to no more than 20% of the assessed value of property.

(d) The legal debt margin is the District's available borrowing authority calculated by subtracting the net debt applicable to the legal debt from the debt limit.

Fiscal Year

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$609,570,000	\$553,715,000	\$502,790,000	\$452,710,000	\$500,785,000	\$473,965,000
0.96%	0.88%	0.80%	0.74%	0.82%	0.78%
1,122	1,011	941	842	916	862
<u>(68,924,667)</u>	<u>(68,230,744)</u>	<u>(72,341,627)</u>	<u>(76,032,525)</u>	<u>(53,644,274)</u>	<u>(55,868,734)</u>
540,645,333	485,484,256	430,448,373	376,677,475	447,140,726	418,096,266
1,464,620,756	1,470,834,296	1,461,910,139	1,408,606,084	1,389,895,624	1,402,508,676
<u>\$923,975,424</u>	<u>\$985,350,040</u>	<u>\$1,031,461,766</u>	<u>\$1,031,928,609</u>	<u>\$942,754,898</u>	<u>\$984,412,410</u>
63.09%	66.99%	70.56%	73.26%	67.83%	70.19%

Demographic and Economic Information Schedule 11  
 Jefferson County School District, No.R-1  
 Demographic and Economic Statistics  
 Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2004	531,424	21,594,414	40,635	38	85,478	4.4
2005	538,556	22,547,185	41,866	38	85,083	4.2
2006	536,748	23,445,309	43,680	39	84,790	4.2
2007	538,371	24,810,381	46,084	39	86,200	3.9
2008	543,278	25,471,483	46,885	40	84,796	4.7
2009	547,728	26,617,700	48,597	40	84,948	7.5
2010	534,543	27,695,071	51,811	40	84,618	8.6
2011	537,487	28,941,349	53,846	40	84,329	7.8
2012	546,653	25,459,586	46,496	41	85,542	7.0
2013	549,643	26,574,716	48,349	41	86,009	6.3

Sources: Jefferson County



Demographic and Economic Information Schedule 12  
 Jefferson County School District, No.R-1  
 Principal Employers  
 Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Denver Federal Center	6,200	1	2.86 %	6,000	1	2.85 %
Lockheed Martin Space Systems	4,700	2	2.16	5,500	2	2.61
MillerCoors Brewing Company	2,500	3	1.15	5,000	3	2.38
Exempla Lutheran Medical Center	2,050	4	0.94	2,500	5	1.19
Terumo BCT	1,990	5	0.92			
St. Anthony Hospital	1,600	6	0.74			
Ball Corporation	1,220	7	0.56	1,440	8	0.68
CoorsTek	1,100	8	0.51			
FirstBank Holding Co. of Colorado	1,100	9	0.51			
National Renewable Energy Laboratory	1,060	10	0.49	950	10	0.45
Rocky Flats/Kaiser Hill				2,890	4	1.37
King Soopers				1,600	6	0.76
Gambro Companies				1,550	7	0.74
Safeway Stores				1,150	9	0.55

Source: Jefferson Economic Council

Note: Numbers reflect employees in Jefferson County only. State/local government agencies not included.

Operating Information Schedule 13  
Jefferson County School District, No.R-1  
Full-time Equivalent District Employees by Category without Hourly FTE's  
Fiscal Years 2005 to 2009

Employee Category	As of June 30				
	2005	2006	2007	2008	2009
<b>Educational services</b>					
Chief academic officer	1	1	1	1	1
Community superintendents	7	6	4	4	4
Executive director	1	1	5	6	6
Principals	138	141	141	141	141
Assistant principals	118	123	128	136	140
Teachers/Resource Teachers	4,508	4,656	4,693	4,713	4,767
Counselors	129	130	128	134	132
Library media specialists	128	127	118	130	130
Social workers	57	62	66	63	63
Secretaries	375	375	378	380	380
Campus supervisors	46	59	65	65	66
Directors/assistant directors	37	51	49	48	18
Physical/occupational/speech therapists	148	159	163	163	163
Psychologists	82	79	76	80	71
Nurses	29	28	30	32	34
Technicians/specialists classified	55	46	81	45	40
Childcare specialists classified	166	261	182	203	183
Managers	6	0	0	1	1
Coordinators	4	8	15	17	21
Other	19	19	16	7	48
<b>Total educational services</b>	<b>6,054</b>	<b>6,332</b>	<b>6,338</b>	<b>6,369</b>	<b>6,406</b>
<b>Support services</b>					
Chief financial officer	1	1	1	1	1
Chief information officer	0	0	1	2	0
Executive director	4	11	11	9	10
Assistant superintendent	1	0	0	0	0
Directors/assistant directors	31	38	40	41	37
Supervisor	7	6	7	7	4
Manager	30	40	41	42	43
Technical specialist - administrative	63	60	65	65	64
Coordinator level/consultant	18	24	34	33	26
Technicians/specialists classified	156	186	159	150	153
Secretaries	32	26	19	19	19
Custodians	482	490	494	497	510
Trades technicians	214	204	209	213	209
Food service managers	132	130	128	122	120
Food service hourly worker	135	123	134	138	145
Security officer/alarm monitor	10	14	16	18	18
Bus drivers	235	212	220	227	221
Other	45	50	52	73	76
<b>Total support services and human resources</b>	<b>1,596</b>	<b>1,615</b>	<b>1,632</b>	<b>1,657</b>	<b>1,655</b>
<b>Districtwide leadership</b>					
Superintendent	1	1	1	1	1
Chief operating officer	1	1	1	1	1
Executive director	1	2	2	3	2
Administrative assistant to superintendent/BOE	1	0	3	5	4
Coordinator level/consultant	1	1	0	1	1
Manager	4	7	6	4	5
Secretaries	1	1	2	1	0
Technicians/specialists classified	1	3	1	0	0
Other	2	2	2	6	7
<b>Total districtwide</b>	<b>13</b>	<b>18</b>	<b>17</b>	<b>22</b>	<b>21</b>
<b>Grand total</b>	<b>7,663</b>	<b>7,965</b>	<b>7,987</b>	<b>8,048</b>	<b>8,083</b>

Source: Jefferson County Schools employee management analysis.

Note: Staffing information for fiscal year 2010 and forward is provided on the next page due to a change in FTE reporting.

Operating Information Schedule 13  
Jefferson County School District, No.R-1  
Full-time Equivalent District Employees by Category with Hourly FTE's  
Last Five Fiscal Years

Employee Category	As of June 30				
	2010	2011	2012	2013	2014
<b>Administrative services</b>					
Superintendent	1	1	1	1	0
Chief Academic Officer	1	1	1	1	0
Chief Operating Officer	2	1	1	1	0
Chief Information Officer	1	1	1	1	0
Chief Technology Officer	0	1	1	1	1
Chief Financial Officer	1	1	1	1	0
Chief Officer	0	0	0	0	5
Executive Director	19	19	18	19	18
Principal	135	142	140	143	142
Director/Assistant Director	56	57	49	46	63
Assistant Principal	138	128	129	124	131
Community Superintendent	4	4	4	4	0
Manager/Supervisor	44	47	48	52	63
Technical Specialist	83	88	87	84	95
Resource Specialist	0	0	0	0	1
Coordinator - Administrative	11	11	14	12	10
Administrator	7	7	9	15	11
Food Service Coordinator	7	7	7	8	8
Administrative Assistant	10	10	9	9	9
Investigator	2	2	2	2	2
<b>Total administrative services</b>	<b>522</b>	<b>528</b>	<b>522</b>	<b>524</b>	<b>559</b>
<b>Licensed services</b>					
Teacher	4,439	4,442	4,360	4401	4372
Counselor	142	143	142	143	143
Teacher Librarian	129	135	119	118	116
Coordinator	27	27	23	22	17
Resource Teachers	92	113	87	70	72
Instructional Coach	141	140	129	130	129
Physical Therapists	14	12	11	12	12
Occupational Therapists	33	32	31	29	29
Nurse	35	40	40	41	48
Psychologist	69	70	70	67	60
Social Worker	60	57	59	64	70
Audiologist	4	4	4	5	5
Speech Therapist	116	117	118	120	117
Certificated - Hourly	26	15	18	17	19
<b>Total licensed services</b>	<b>5,327</b>	<b>5,347</b>	<b>5,211</b>	<b>5,239</b>	<b>5,209</b>
<b>Support services</b>					
Director/Assistant Director - Preschool	42	45	47	44	49
Supervisor	0	0	0	0	1
Technical Specialist/Coordinator Classified	5	7	7	9	8
Accountant	3	2	2	2	2
Specialist/Technicians - Classified	344	344	332	321	309
Buyer/Buyer Assistant	6	6	5	5	5
Transportation Trainer	5	5	5	5	5
Group Leader	17	16	15	18	14
School Secretary	348	336	329	328	331
Secretary Clerk	35	33	26	28	32
Paraprofessional/Para-Educator	1,106	1,053	1,087	1,125	1,098
Special Interpreter/Tutor	82	56	62	67	64
Clinic Aides	84	80	80	84	79
Trade Technician	184	174	167	166	163
Food Equipment Repair Assistant	2	2	2	2	2
Bus Driver	225	218	221	235	234
Printing Equipment Operator	3	2	2	2	2
Custodian	491	450	442	452	456
Campus Supervisor	67	63	64	66	66
Security Officer/Alarm Monitors	18	18	18	19	17
Food Service/Satellite Manager	126	121	118	117	123
Food Service Hourly Worker	185	160	165	167	157
Warehouse Worker	14	15	14	14	14
Classified Hourly	200	202	182	172	181
<b>Total Support Services</b>	<b>3,592</b>	<b>3,408</b>	<b>3,392</b>	<b>3,448</b>	<b>3,412</b>
<b>Grand total</b>	<b>9,441</b>	<b>9,284</b>	<b>9,125</b>	<b>9,211</b>	<b>9180</b>

Source: Jefferson County Schools employee management analysis.

Note: Staffing information prior to 2010 is not available at this level of detail.

Operating Information Schedule 14  
Jefferson County School District, No.R-1  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Expenditures (1)	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff (3)	Pupil Teacher Ratio	Graduation Rate (2)	Percent of Free and Reduced Students in the Lunch Program
2005	539,480,892	81,344	6,632	0.10%	4,374	18.60	75.0	31.04
2006	571,792,503	80,852	7,072	6.63%	4,524	17.87	75.3	33.35
2007	582,524,925	80,279	7,256	2.60%	4,510	17.80	76.1	35.54
2008	625,381,812	79,931	7,824	7.82%	4,528	17.65	77.1	36.02
2009	654,203,800	79,691	8,209	4.92%	4,564	17.46	81.3	39.85
2010	670,045,146	79,750	8,402	2.35%	4,439	17.97	78.1	42.95
2011	639,282,379	79,067	8,085	-3.77%	4,442	17.80	79.1	45.99
2012	612,608,734	78,210	7,833	-3.12%	4,360	17.94	81.4	50.68
2013	617,955,694	78,534	7,869	0.46%	4,401	17.84	81.5	55.85
2014	633,048,988	78,417	8,073	2.60%	4,372	17.94	*	52.00

(1) Expenses and transfers from Statement of Revenues, Expenditures and Changes in Fund Balance for General Fund.

(2) Enrollment data report

(3) From the Jefferson County Schools employee management analysis 4th quarter report. Full time equivalent teaching staff only.

\*Not available

Operating Information Schedule 15  
 Jefferson County School District, No.R-1  
 School Building Information  
 Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elementary/Pre-K campuses	103	103	104	104	103	103	101	101	99	99
Total square feet	4,160,960	4,298,372	4,366,672	4,406,573	4,430,062	4,682,782	4,616,761	4,592,792	4,582,688	4,583,299
Total program capacity	41,880	41,880	42,052	43,475	44,330	51,047	50,711	48,670	43,088	43,408
Enrollment	39,123	38,806	39,023	40,532	40,053	40,947	40,874	40,274	40,774	40,670
Middle school campuses	19	19	20	20	19	19	19	19	19	19
Total square feet	1,924,789	2,001,718	2,125,023	2,150,314	2,176,013	2,037,237	2,037,237	2,037,237	2,037,237	2,037,237
Total program capacity	13,759	14,502	15,062	15,626	15,812	16,410	16,410	15,943	15,786	15,786
Enrollment	12,592	12,182	11,811	11,537	11,209	10,770	10,755	10,686	10,720	10,757
High school campuses	17	17	17	17	17	17	17	17	17	17
Total square feet	3,207,614	3,334,138	3,334,138	3,523,481	3,595,258	3,692,357	3,692,357	3,692,357	3,692,597	3,692,597
Total program capacity	24,959	25,455	26,759	27,796	28,680	30,063	30,063	30,019	29,764	29,764
Enrollment	25,282	25,293	25,042	24,623	24,108	23,939	23,384	23,219	22,958	22,959
Option schools/Districtwide	10	11	11	11	13	15	15	15	15	15
Total square feet	703,629	894,106	894,106	894,106	894,106	900,062	900,062	923,062	928,709	930,932
Total program capacity							5,711	5,817	5,868	5,868
Enrollment	4,347	4,571	4,403	3,239	4,321	4,094	4,054	4,031	3,801	4,031
Charter schools	11	11	12	13	13	13	14	14	15	16
Enrollment	4,134	4,231	4,511	4,865	4,952	5,198	5,551	6,119	7,008	7,592
Support facilities										
Total square feet	419,518	419,518	419,518	419,518	419,518	468,413	534,434	491,806	485,210	493,488

Sources: Jefferson County Schools Enrollment Data  
 Jefferson County Schools Facilities Conditions Assessment Report

Operating Information Schedule 16

Jefferson County School District, No.R-1

Certificated staff Data - Number of certificated staff by salary level with average salaries  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Non-Degree Vocational</u>	<u>Bachelor's Degree</u>	<u>Bachelor's Degree Plus 20 semester hours (undergraduate or graduate)</u>	<u>Bachelor's Degree Plus 40 semester hours (undergraduate or graduate)</u>
2005	15	708	574	1,373
2006	17	786	566	1,566
2007	17	737	552	1,637
2008	17	755	518	1,612
2009	17	582	475	1,517
2010	18	522	440	1,484
2011	17	485	379	1,399
2012	17	415	341	1,274
2013	16	454	315	1,217
2014	17	573	337	1,199

Source: Jefferson County Schools human resources and budget departments.

Note: Licensed staff includes teachers, library media specialists, counselors, psychologists, nurses, occupational therapists, physical therapists and other specialists. The data shown is by head count of employees within each level.

Bachelor's Degree Plus 60 semester hours (30 credits must be graduate level) Must include masters degree	Bachelor's Degree Plus 75 semester hours (37.5 credits must be graduate level) Must include masters degree	Salary Ranges	Average Salary
449	2,250	27,707 to 82,617	50,800
524	2,199	28,542 to 85,106	51,500
566	2,372	31,162 to 87,659	53,100
567	2,358	32,408 to 91,165	55,400
535	2,499	33,283 to 93,626	57,200
512	2,698	33,616 to 94,562	59,000
488	2,801	33,616 to 94,562	60,100
408	2,861	32,608 to 91,725	58,500
381	2,937	32,934 to 92,642	58,100
382	2,791	33,616 to 94,562	57,900





## Single Audit

The Single Audit Act Amendments of 1996 mandate independent financial and compliance audits of federal award programs. In addition to the required independent auditor's reports, the schedule of expenditures of federal awards and summary of findings and questioned costs are provided to support the requirements for compliance with OMB Circular A-133.



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Single Audit

Fiscal Year Ended June 30, 2014

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**Schedule of Expenditures  
of Federal Awards**

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
 Schedule of Expenditures of Federal Awards  
 Expenditures July 1, 2013 through June 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>U.S Department of Agriculture</u>			
Passed through Colorado Department of Human Services:			
Donated commodities: June 30, 2014	10.555		1,469,677
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2014	10.553		2,174,299
National school lunch program June 30, 2014	10.555		9,255,899
Summer food service program for children June 30, 2014	10.559		153,274
Child nutrition cluster subtotal			11,583,473
Agency subtotal			13,053,149
<u>U.S. Department of Transportation</u>			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205	7205	59,420
<u>U. S. Department of Education</u>			
Direct:			
Title VII - Indian education-formula grants to LEA and tribal schools	84.060a	4060	109,249
Title V Part D Teacher Incentive Fund	84.374	4374/5374	8,124,301
Total direct			8,233,550
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B/Increasing Achievement	84.027	4027/5027	14,909,148
Individuals with disabilities education act-preschool services	84.173	4173	382,461
Special education cluster subtotal			15,291,609
Adult education-state administered basic grant program	84.002	5002/6002	158,126
Title I grants to local education agencies	84.010	4010/5010	8,983,343
Twenty-First century community learning	84.287	5287/6287	689,535
Title I-C Migrant Education - direct to Jeffco Schools	84.011	4011	(91)
McKinney Homeless - education for children and youth	84.196	5196	44,842
Public charter schools start-up	84.282	5282	209,994
ARRA - Data Sharing Pilot	84.384	7384	20,450
Title I-G - Advanced Placement for Disadvantaged Students	84.330	5330	10,810
Colorado Graduation Pathways	84.360	5360	195,384
Title III - English language learners	84.365	4365	362,655
Title II - A - Teacher Quality	84.367	4367	2,507,338
ARRA - Race to the Top	84.413	4413	143,380
Passed through Colorado Community College and Occupational: Educational			
Vocational and applied technology education-basic state grants	84.048a	4048	399,881
Passed through Colorado Department of Human Services:			
Rehabilitation services – vocational rehabilitation grants to states (SWAP)	84.126	6126	815,945
Agency subtotal			38,066,751
<u>Corporation for National and Community Service</u>			
Passed through Colorado Department of Local Affairs:			
AmeriCorp	94.006	7006	88,317
<u>US Department of Health and Human Services</u>			
Passed through Jefferson County Human Services			
Temporary Assistance for Needy Families (TANF)	93.558	8558	63,664
Total expenditures of federal awards			\$ 51,331,301

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2014

(1) General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of the Jefferson County School District, No. R-1, Colorado (the District). The District's reporting entity is defined in note (1) to the District's basic financial statements.

(2) Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds, which is described in note (1)(D) to the District's basic financial statements. The Federal financial reports that are submitted to the grantors are prepared on the cash basis and may not agree to this schedule.

(3) Noncash Programs

Commodities donated to the District by the U. S. Department of Agriculture (USDA) of \$1,469,677 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch program (10.555).

(4) Reconciliation to basic financial statements

Federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included on the Schedule.

The following analysis reconciles amounts in the accompanying Statement to the District's basic financial statements of the governmental funds for the year ended June 30, 2014.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 51,331,301
Less: USDA *	<u>(13,053,149)</u>
	<u>\$ 38,278,152</u>

Grants Fund

Total expenditures from basic financial statements	\$ 50,951,555
Less: Nonfederal grants expenditures	<u>(12,673,403)</u>
	<u>\$ 38,278,152</u>

\* The activities relating to USDA are included in the Food Services Enterprise Fund.







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

Board of Education  
Jefferson County School District, No. R-1  
Jefferson County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County School District, No. R-1 (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 23, 2014.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,



Board of Education  
Jefferson County School District, No. R-1

providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
October 23, 2014





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

Board of Education  
Jefferson County School District, No. R-1  
Jefferson County, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Jefferson County School District, No. R-1's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.



### **Report on Internal Control Over Compliance**

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

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

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

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

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
October 23, 2014





**JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1**  
**Schedule of Findings and Questioned Costs**  
**Fiscal year ended June 30, 2014**

**SECTION I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: UNMODIFIED

Internal control over financial reporting:

- Material weakness(es) identified: NO
- Significant deficiency(ies) identified that are not considered to be material weakness: NONE REPORTED

Noncompliance material to financial statements noted: NO

**Federal Awards**

Internal Control over major programs:

- Material weakness(es) identified: NO
- Significant deficiency(ies) identified that are not considered to be material weakness(es): NONE REPORTED

Type of auditor’s report issued on compliance for major program: UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133: NO

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
IDEA Cluster:	
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants
84.010	Title I Grants to Local Education Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$1,539,939

Auditee qualified as a low-risk auditee? YES

**PART II – Findings Related to Financial Statements**

There were no findings required to be reported under generally accepted government auditing standards.

**PART III – Federal Award Findings and Questioned Costs**

There were no findings required to be reported under OMB Circular A-133.

**JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1**  
**Schedule of Prior Year Findings and Questioned Costs**  
**Fiscal year ended June 30, 2014**

**PART II – Findings Related to Financial Statements**

There were no prior year findings required to be reported under generally accepted government auditing standards.

**PART III – Federal Award Findings and Questioned Costs**

There were no prior year findings required to be reported under OMB Circular A-133.

**Colorado Department of Education**  
**Auditor's Electronic Financial Data**  
**Integrity Check Figures**

The Auditor's Electronic Financial Data Integrity Check Figures is a fiscal year report of each fund according to the provisions of section 22-44-204(3), Colorado Revised Statutes (C.R.S.), concerning the use of the Financial Policies and Procedures Handbook adopted by the State Board of Education. C.R.S. 29-1-603



**Colorado Department of Education**

**Auditors Integrity Report**

District: 1420 - JEFFERSON COUNTY R-1

Fiscal Year 2013-14

Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	-0001-0999 Total Expenditures & Other Uses	= 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	49,966,565	588,556,869	577,225,552	61,297,883
18 Risk Mgmt Sub-Fund of General Fund	0	6,717,600	6,717,600	0
19 Colorado Preschool Program Fund	0	5,399,639	5,399,639	0
<b>Sub- Total</b>	<b>49,966,565</b>	<b>600,674,108</b>	<b>589,342,791</b>	<b>61,297,883</b>
11 Charter School Fund	16,417,805	53,368,850	53,817,663	15,968,992
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	3,695,034	53,243,192	50,951,554	5,986,671
23 Pupil Activity Special Revenue Fund	10,966,166	24,643,701	25,055,137	10,554,730
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	22,690,121	22,102,305	587,817
31 Bond Redemption Fund	53,644,275	52,121,133	49,896,674	55,868,734
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	111,590,500	383,063	27,071,461	84,902,102
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	20,872,998	23,857,977	27,930,643	16,800,332
<b>Totals</b>	<b>267,153,344</b>	<b>830,982,146</b>	<b>846,168,229</b>	<b>251,967,261</b>
<b>Proprietary</b>				
51 Food Service Fund	7,452,665	23,418,483	24,150,575	6,720,573
50 Other Enterprise Funds	9,799,013	13,070,913	11,923,454	10,946,472
64 (63) Risk-Related Activity Fund	8,485,293	1,257,377	2,360,069	7,382,601
60,65-69 Other Internal Service Funds	24,607,799	9,247,847	6,249,384	27,606,202
<b>Totals</b>	<b>50,344,710</b>	<b>46,994,620</b>	<b>44,683,482</b>	<b>52,655,848</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34: Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL

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