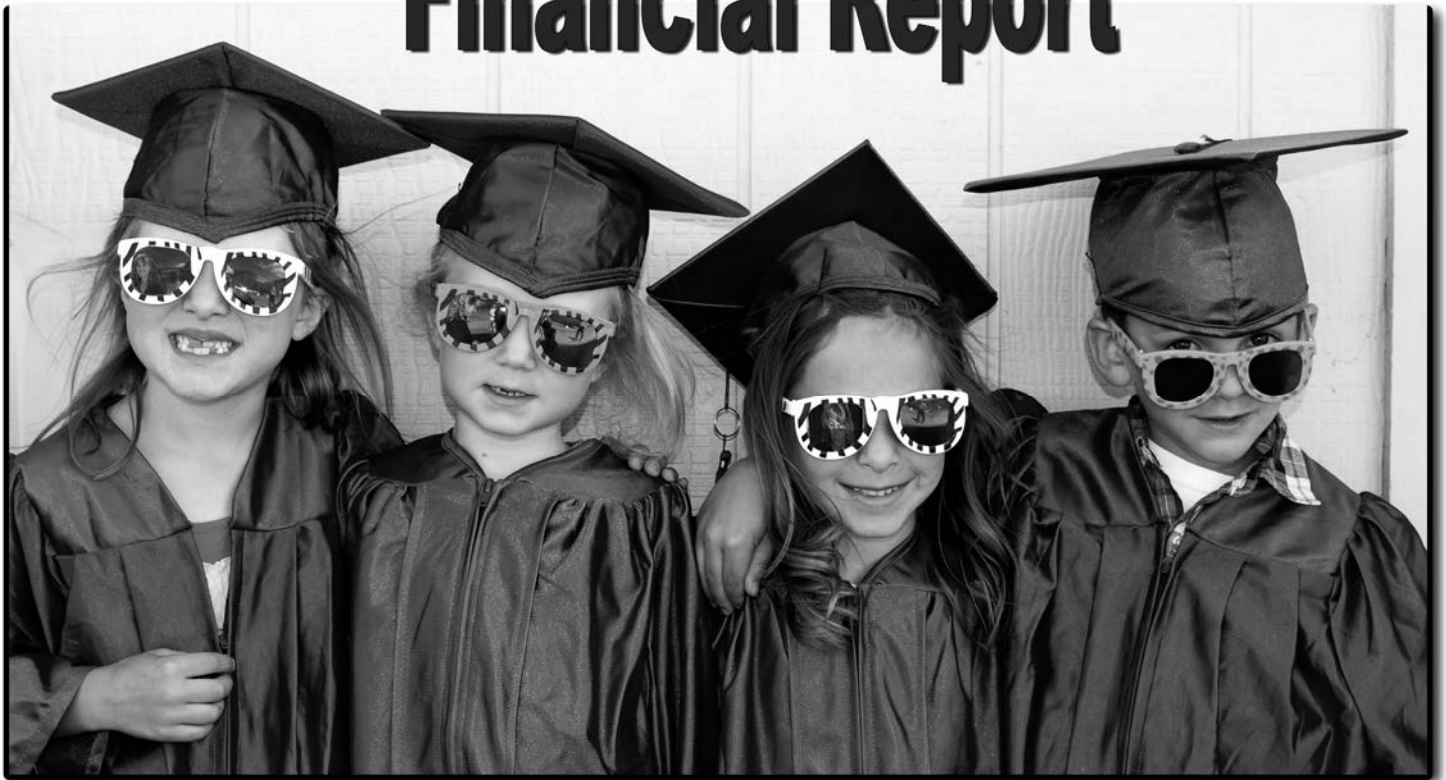


# Comprehensive Annual Financial Report



*For the fiscal year ended June 30, 2013  
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, 2013

Presented to the Board of Education

**Board Members**

Leslie Dahlkemper, President  
Paula Noonan, First Vice President  
Laura Boggs, Second Vice President  
Jill Fellman, Secretary  
Michelle Patterson, District 1

**Superintendent**

Cynthia Stevenson

Prepared by the Financial Services Division  
Lorie Gillis, Chief Financial Officer  
Kathleen Askelson, Executive Director, Finance



Jefferson County School District, No. R-1  
**Comprehensive Annual Financial Report**

**June 30, 2013**

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*Building Bright Futures*

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October 22, 2013

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, 2013, 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, 2013. 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, 2013, 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, 2013, have been included.

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

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The District was formed in 1950 when 39 independent Districts were consolidated into a countywide District encompassing the 774 square miles of Jefferson County and 5 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.

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

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, middle, high schools, option schools, special education, vocational education, preschool and numerous other programs. There are 14 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**

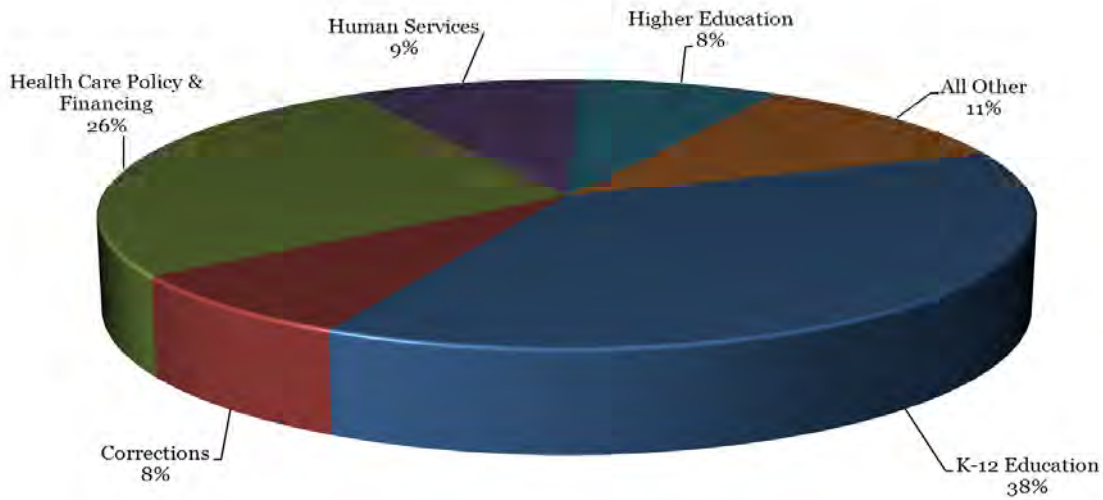
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The national economy continues to show positive growth at modest levels. As some established economies experience progress, the effects of struggling economies such as China and India are dampening the growth to the overall global economy. Specific areas of the economy are seeing better growth, housing and vehicle sales have shown strong growth in the first part of 2013. As noted in the September 2013 Governor's Office of State Planning and Budgeting (OSPB) Colorado Outlook report, new housing permits grew 33 percent in 2012; however, this is still below levels prior to the recession. Jobless claims continue to fall, but job force participation is still at a 40 year low. Overall, economic activity shows signs of expansion. The Institute for Supply Management (ISM) indices that can indicate economic trends showed stalling mid-year but has gained momentum. Growth is anticipated to be moderate through 2014. Job growth for the nation was at 1.6 percent in August, with decreasing federal jobs slowing this growth. The unemployment rate in August was 7.3 percent, down from 8.1 percent the prior year and forecasted to be 7.5 percent for the end of 2013 and 7 percent for 2014. Personal income for the nation again reflects this modest growth with 3.9 percent increase in 2013 and estimated to be a 4.8 percent increase for 2014. Consumer spending increased 4.8 percent in August with end of year estimates of 4 percent and 4.5 percent for 2014. The consumer price indices for the nation are expected to be 1.6 percent in 2013 and 2.1 percent for 2014. On October 1, 2013, the federal government shut down when spending plans were not passed for the new fiscal year. The impact on the national economy from the shutdown of the government is unknown at this time.

Colorado's economy continues to outpace the national economy. Several key industries in the state have accelerated this growth; professional and business services, energy development, finance, tourism, housing and construction are outpacing other industries. Colorado job growth in 2013 ranked fourth in the nation, according to the Colorado Outlook report. Construction employment increased 7.6 percent from December 2012 to July 2013. Unemployment rates in July 2013 were down to 7.1 percent from 8.1 percent the prior year and forecasted to end at 6.9 percent for 2013 and 6.5 percent for 2014. Personal income growth for Colorado is slightly higher than the national growth. Consumer spending increased 6.3 percent in May 2013. Colorado vehicle sales were up 60 percent from recession lows. The consumer price index was 2.8 percent higher in the first half of 2013, estimated to end at 2.6 percent for the year and remain stable at 2.4 percent for 2014. Colorado economic activity is expected to continue growing through 2014. At this point, it is too soon to know what impacts the recent catastrophic floods and the federal shutdown will have on the Colorado economy.

The State of Colorado has also been negatively affected by the Great Recession. The state has been forced to reduce funding to K-12 education since fiscal year 2009/2010, further pushing the state lower when compared to the national average. 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. 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.

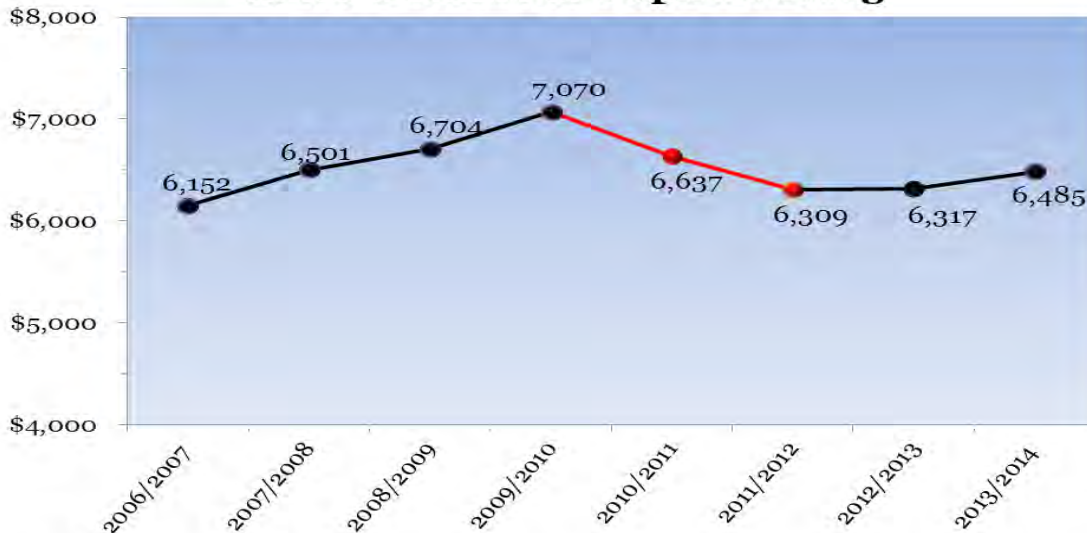
### State of Colorado 2013/2014 Major Department Share of General Fund



Source: Governor's 2013/2014 Budget Request

As presented, K-12 education is 38 percent of the state General Fund budget. Funding has decreased for the District since fiscal year 2010. Jeffco's fiscal year 2012/2013 per pupil funding amount of \$6,317 continues to be lower than pupil funding from fiscal year 2007/2008. This loss of funding has impacted every aspect of the District and resulted in downsizing staff, reducing the extent of services provided, forfeiting classroom instruction time via mandatory furlough days, and reducing compensation levels for every employee across the District. For fiscal year 2012/2013 in the Adopted Budget, the District implemented an additional \$15 million in reductions and a planned spend down of \$5 million in reserves. Beginning in fiscal year 2003/2004, the District strategically built reserves by not fully appropriating the 2004 mill levy override in the first year. For the fiscal years 2009 through 2012, the District purposefully used the additional reserves to offset reduced funding. The prior years of spending down reserves delayed the impact of reductions that would close programs, reduce additional staff and impact services to students. On 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 two furlough days in fiscal year 2012/2013, reinstate prior 3 percent in compensation reductions in 2013/2014, and offset the \$45 million in reductions planned for fiscal year 2013/2014 to ensure a structurally balanced budget. K-12 funding is projected to increase slightly in fiscal year 2013/2014 as the economy improves and the state realizes increases in revenue. This will reduce the negative factor for 16.1 percent of a reduction to 15.6, still well below a full funding level under the state School Finance Act.

### Jeffco's Total Per Pupil Funding



\*\*2013/2014 - CDE has based Total Program and Per Pupil funding numbers on estimated enrollment figures. Current district enrollment estimates for 13/14 are lower than the estimates currently being used by CDE.



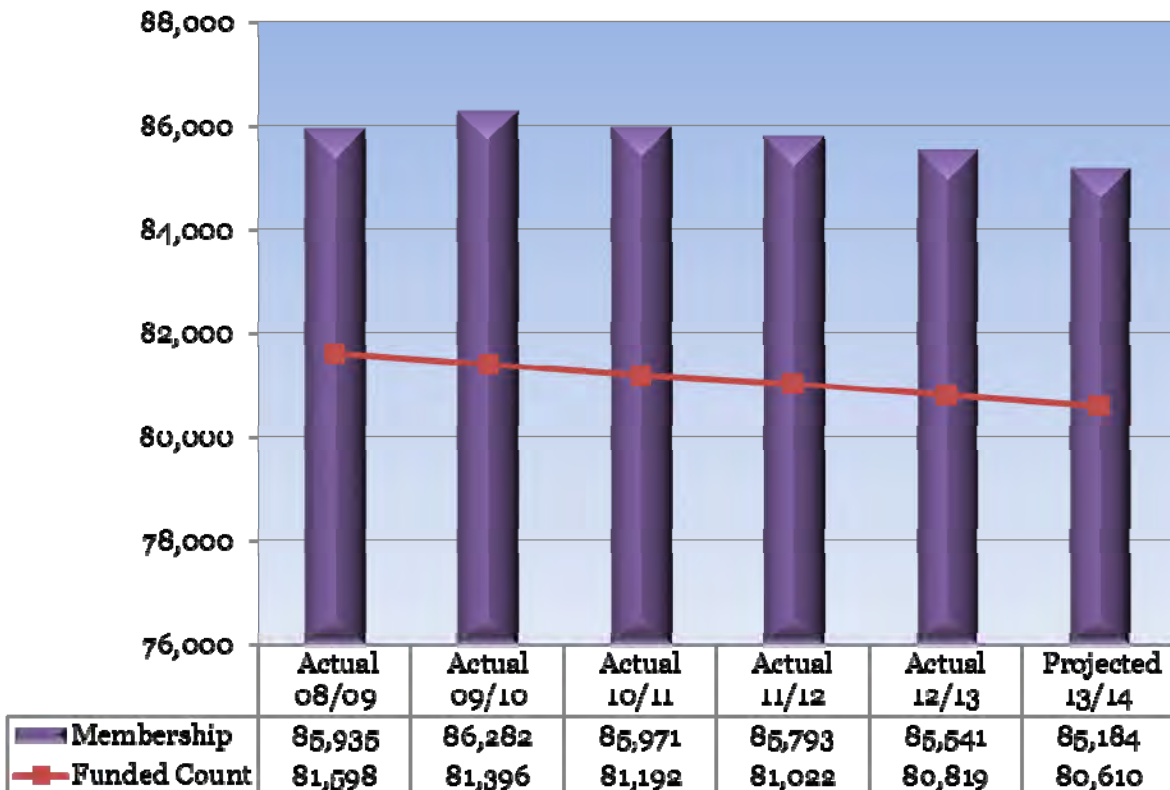
In March 2013, a new School Finance Act was introduced to the Colorado State Legislature, Senate Bill 213. This new proposal has significant changes from the current School Finance Act. The proposed bill is a more heavily weighted-student-funding model for low-income students and English Language Learners. The shift in funding could have both positive and negative impacts from district to district depending upon district demographics. The bill passed into law during the 2013 legislative session. The implementation of Senate Bill 213 is contingent upon the passage of a statewide ballot measure. On November 5, 2013, Amendment 66, a statewide ballot measure to increase state tax revenue by \$950 million dollars was defeated. The state will continue to fund K-12 education based on the existing School Finance Act.

The Office of the State Auditor prepares a report each year for school districts calculating key indicators from their respective financial reports. Since fiscal year 2009/2010, the District has been noted for having two negative indicators. These negative indicators are the 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 2012/2013 the District anticipates no negative indicators as the General Fund had a net increase in fund balance for the year.

Jefferson County continues to age in population with a corresponding decrease in the school aged population. As enrollment declines, some variable costs are avoided (approximately 40 percent). 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. Because declining enrollment is spread throughout areas of the District, there are certain geographic areas that are growing causing a need for increased building capacities.

The District has been experiencing declining enrollment since fiscal year 2000/2001. Funded pupil count is projected to decline by approximately 209 students in fiscal year 2013/2014 from the prior year. The decrease in enrollment will result in a decrease in funding of approximately \$1.4 million. Based on current demographics, there will likely be continued loss of enrollment for the next five years. The student count is conducted on October 1 of each year. Per state statute, the budget may be adjusted until October 15 of each year to take into account the October count.

### 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, support the Board of Education's ends policies, establish goals and objectives, and 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 help 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.
- An Audit Committee was established by the Board of Education in fiscal year 2012/2013. 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 workshop 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 better 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 2013/2014 Adopted Budget for details on the budgeting process.

### 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.

### **Strategic Compensation**

The District received a five-year federal Teacher Incentive Fund grant in fiscal 2010/2011 to pilot strategic compensation for licensed staff in high-needs schools. The grant of \$39 million involves 20 schools and allows the District to be at the forefront of developing new ways to compensate educators here and across the nation. Strategic compensation is a cultural shift in how educators are paid and how they navigate their career path. Instead of paying teachers solely based on years of experience and more education, they will be rewarded based on a system that integrates student achievement, professional development, collaboration, leadership, evaluation and compensation. The District's plan is based on three pillars of educational excellence—student learning, teacher learning and teacher leadership. Educators are rewarded for meeting individual, team and school student achievement goals as well as successful evaluations and taking on leadership roles. The strategic compensation work aligns with the state law that goes into effect in 2014, requiring teachers and principals to be evaluated more frequently and that at least half of their evaluations are based on how much students learn from year to year.

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

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 maintain existing infrastructure. The capital improvement program includes funding cycles, planning, design, construction and operation of assets. 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 serviceable life of at least 40 years.

The District's policy for capital improvement funding has been that all capital improvement projects with an estimated useful life in excess of 20 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 heating/ventilating, electrical and plumbing systems.

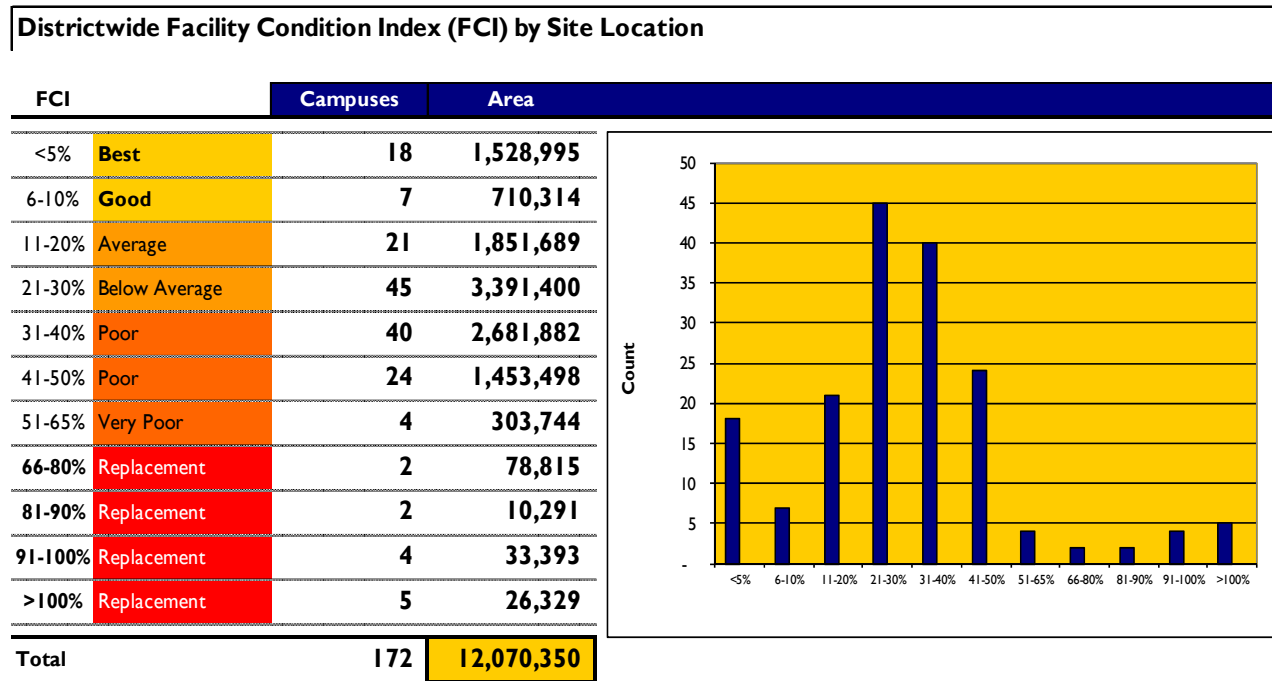
All capital improvements with an estimated useful life of less than 20 years are financed from the capital reserve fund. With the completion of the 2005/2010 bond program, the capital reserve fund will spend between \$14 million and \$17 million each year for capital improvements to schools. The amount, while seemingly large, becomes small when put in the perspective of supporting 89 elementary schools, 19 middle schools, 17 high schools, 15 option schools, 4 stadiums, and numerous other programs and support facilities. The District's facility master planning is critical in prioritizing the needs for schools. Projects in this category include improvement or replacement of roofs, window and door replacement, 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. The District owns and maintains over 12 million square feet of building area. 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 2012-2013 Summary of Findings.



### Renewed Instructional and Business Technology Systems

The District Technology Plan guides the District’s technology decisions, and because of the ever changing world of technology, the plan is updated every year. The plan objectives, expectations, indicators, targets and action plans 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 by implementing an electronic curriculum system aligned to Colorado standards that enables teachers to collaborate on lesson plans with their peers across the District. Technology staff also worked closely with their instructional partners 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 of Information Technology is leading efforts to implement a classroom dashboard that will provide near-real time data to enable teachers to inform and refine their instruction. Additionally, technology staff is working very closely with Jeffco instructional experts to plan the build-out of IT infrastructure that will eventually enable the use of thousands of mobile wireless devices in support of instruction. Finally, funding has been approved in fiscal year 2013/2014 to finish the process of implementing a unified communications infrastructure to replace antiquated telecom systems.

### Awards and Acknowledgements

The Government Finance Officers’ Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Jefferson County School District, No. R-1, for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the thirtieth 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 Cynthia Stevenson 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,



Lorie Gillis  
Chief Financial Officer



Kathleen Askelson  
Executive Director, Finance



Government Finance Officers Association

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

Presented to

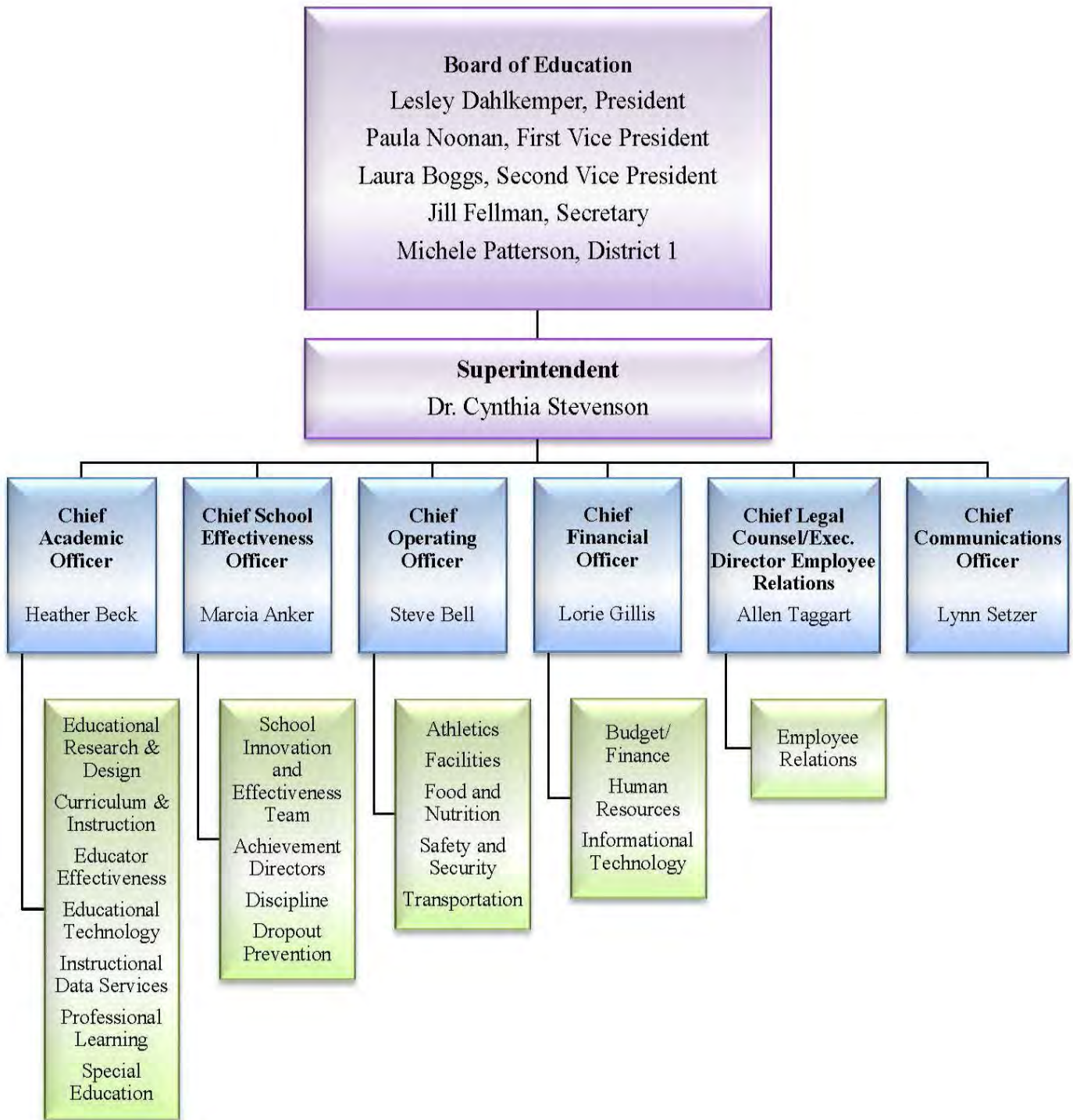
**Jefferson County  
School District No. R-1  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**



Executive Director/CEO



**Superintendent's Cabinet**

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Cynthia Stevenson .....Superintendent

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

Heather Beck..... Chief Academic Officer

Steven Bell.....Chief Operating Officer

Lorie Gillis.....Chief Financial Officer

Lynn Setzer ..... Chief Communications Officer

Marcia Anker .....Chief School Effectiveness Officer

Allen Taggart ..... Chief Legal Counsel/Executive Director Employee Relations







## 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, 2013, and the related notes to the financial statements, which collectively comprise the entity'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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2013, 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 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 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 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 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.

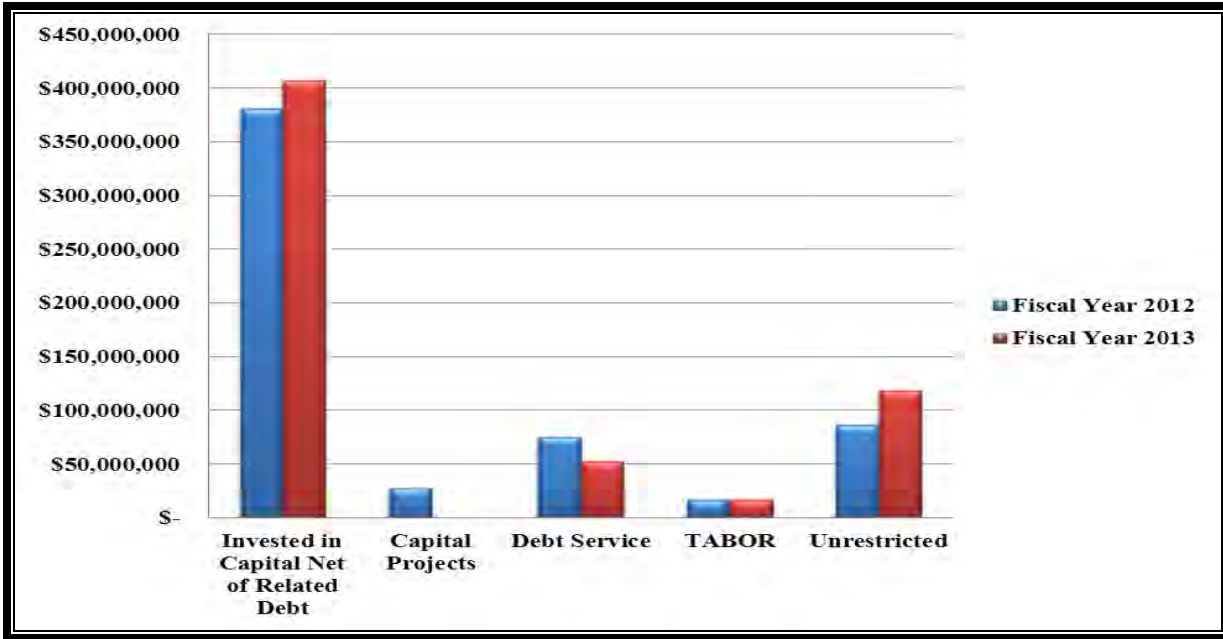
*Clifton Larson Allen LLP*

Greenwood Village, Colorado  
October 21, 2013

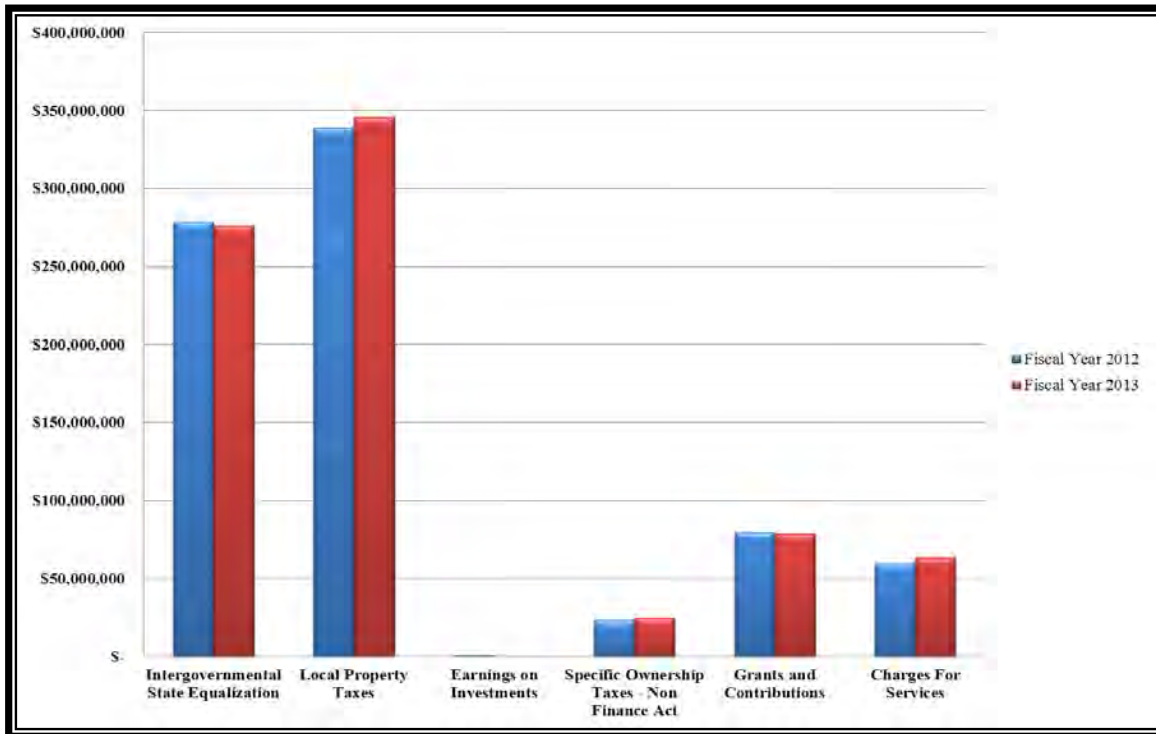


# **Management's Discussion and Analysis**

**Jefferson County School District, No. R-1  
 Management's Discussion and Analysis  
 As of and for the fiscal year ended June 30, 2013**



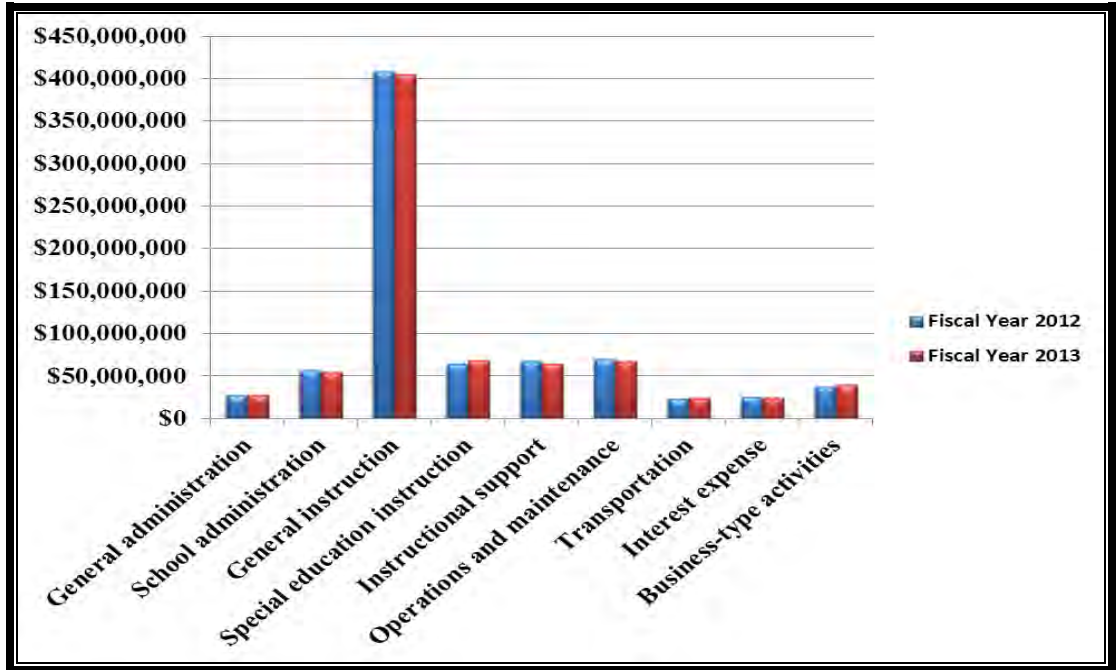
**Primary Government Government-wide Net Position:**  
 Increased \$10 million from prior year.



**Primary Government Government-wide Revenues:**  
 Increased \$7 million from the prior year

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
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**Primary Government  
Government-wide  
Expenses:**  
Decreased \$4 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, 2013. 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 \$10 million in fiscal year 2013. \$118 million (20 percent) of the total \$596 million in net position is unrestricted and available to meet ongoing obligations. The additional voter approved mill levy revenue received in fiscal 2013 contributed to the increased net position.
- Government-wide total assets increased \$80 million. In November 2012, Jefferson county voters authorized a \$39 million mill levy override and the issuance of \$99 million in general obligation bonds for the District. Equity in pooled cash and investments increased \$108 million from this additional funding. Capital assets, net of depreciation, decreased \$21 million from the prior year.
- Government-wide total liabilities increased \$96 million from the prior year. Accounts payables liabilities for construction in the capital reserve capital projects fund and building fund capital projects increased \$8 million from the prior year. The liability for general obligation and certificates of participation debt had a net increase of \$87 million from the additional bond issuance net of scheduled principal payments for existing debt.
- The combined governmental fund balance for fiscal year 2013 is \$251 million, an increase of \$97 million from the prior year. \$20 million of the general fund balance (3.5 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.

**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-



**Jefferson County School District, No. R-1**  
**Management's Discussion and Analysis**  
**As of and for the fiscal year ended June 30, 2013**

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, 2013, and therefore has no financial impact on the District. Financial information for the 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, 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.

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.

**Jefferson County School District, No. R-1**  
**Management's Discussion and Analysis**  
**As of and for the fiscal year ended June 30, 2013**

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 \$32 million from the prior year; \$21 million of this change is from reclassifying the capital reserve capital projects net position from restricted to unrestricted as there are no longer statutory requirements to restrict this balance. The remainder of the increase is predominantly from the new mill levy override revenue. Net investment in capital assets increased \$26 million primarily from paying off \$51 million in general obligation debt and capital asset depreciation exceeding additions by \$22 million for the year. The reserve for debt service also changed due to the payoff and issuance of debt. The legally required TABOR reserve is restricted. The beginning net position has been restated with the implementation of GASB statement 65 which required the write off of debt related issuance costs.

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 62 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 refundings. This amount was previously reported with the associated long term liability. With the implementation of GASB Statement 65, this amount has now been reclassified as a deferred outflow.

Total liabilities include 80 million of accrued salaries and benefits as of June 30, 2013. This amount includes earned but unpaid salaries associated with teacher contracts for the 2013 school year requiring resources from fiscal year 2013/2014 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 \$596 million with an unrestricted net position balance of \$118 million.

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2013**

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

	Fiscal Year 2012			Fiscal Year 2013		
	Governmental Activities	Business-type Activities	Government-Wide	Governmental Activities	Business-type Activities	Government-Wide
<b>Assets:</b>						
Current and other assets	\$ 347,406,323	\$ 15,362,262	\$ 362,768,585	\$ 447,433,352	\$ 16,366,753	\$ 463,800,105
Capital assets, net of depreciation	<u>849,858,256</u>	<u>3,434,251</u>	<u>853,292,507</u>	<u>828,263,052</u>	<u>3,555,684</u>	<u>831,818,736</u>
Total assets	<u>1,197,264,579</u>	<u>18,796,513</u>	<u>1,216,061,092</u>	<u>1,275,696,404</u>	<u>19,922,437</u>	<u>1,295,618,841</u>
Total deferred outflows of resources	-	-	-	<u>24,381,979</u>	-	<u>24,381,979</u>
<b>Liabilities:</b>						
Other liabilities	122,324,443	2,430,192	124,754,635	131,194,658	2,670,757	133,865,415
Long-term liabilities outstanding	<u>503,299,267</u>	<u>172,132</u>	<u>503,471,399</u>	<u>590,596,507</u>	-	<u>590,596,507</u>
Total liabilities	<u>625,623,710</u>	<u>2,602,324</u>	<u>628,226,034</u>	<u>721,791,165</u>	<u>2,670,757</u>	<u>724,461,922</u>
<b>Net position:</b>						
Net investment in capital assets	377,979,703	3,434,251	381,413,954	403,794,024	3,555,684	407,349,708
<b>Restricted for:</b>						
Capital projects	27,371,132	-	27,371,132	-	-	-
Debt service	75,040,442	-	75,040,442	52,607,880	-	52,607,880
TABOR	16,507,295	691,773	17,199,068	16,436,709	708,022	17,144,731
Unrestricted	<u>74,742,297</u>	<u>12,068,165</u>	<u>86,810,462</u>	<u>105,448,605</u>	<u>12,987,974</u>	<u>118,436,579</u>
Total net position	<u>\$ 571,640,869</u>	<u>\$ 16,194,189</u>	<u>\$ 587,835,058</u>	<u>\$ 578,287,218</u>	<u>\$ 17,251,680</u>	<u>\$ 595,538,898</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**

	Fiscal Year 2012		Fiscal Year 2013	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 849,858,256	\$ 3,434,251	\$ 828,263,052	\$ 3,555,684
Deferred outflows on refunding	-	-	24,381,979	-
Unspent proceeds from bond issuance	-	-	111,590,500	-
Less: General obligation bonds	<u>471,878,553</u>	-	<u>560,441,507</u>	-
Net investment in capital assets	<u>\$ 377,979,703</u>	<u>\$ 3,434,251</u>	<u>\$ 403,794,024</u>	<u>\$ 3,555,684</u>

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2013**

**Government-wide activities**

Government-wide activities increased the net position of the District by \$10 million during the year ended June 30, 2013. The following schedules, charts and analysis focus on this increase.

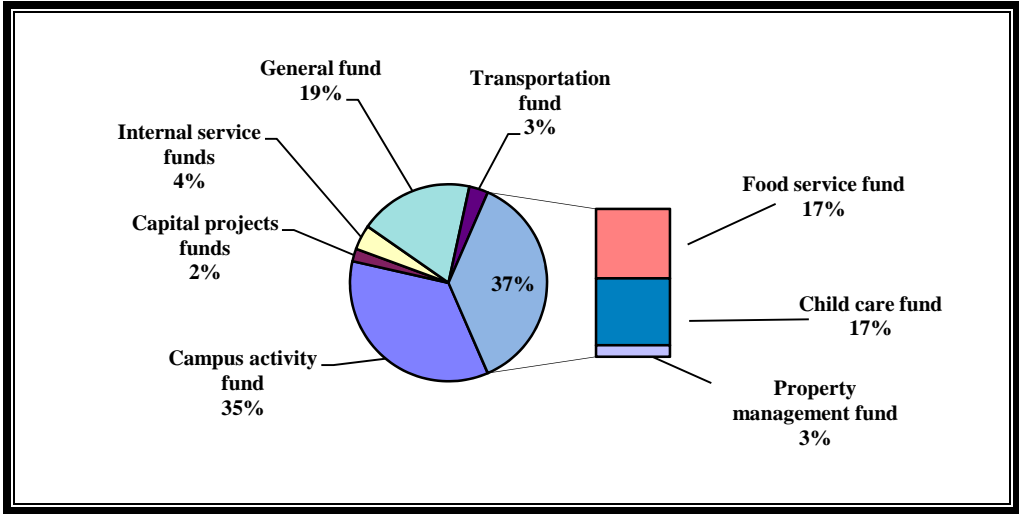
**Comparative Schedule of Changes in Net Position  
As of June 30**

	Fiscal Year 2012			Fiscal Year 2013		
	Governmental Activities	Business-type Activities	Government Wide	Governmental Activities	Business-type Activities	Government Wide
Revenues						
Program revenues:						
Charges for services	\$ 36,740,417	\$ 22,978,157	\$ 59,718,574	\$ 40,064,700	\$ 23,476,925	\$ 63,541,625
Operating grants and contributions	66,773,976	12,716,967	79,490,943	65,237,069	13,520,079	78,757,148
Capital grants and contributions	-	84,766	84,766	-	135,253	135,253
General revenues:						
Taxes:						
Local property taxes	339,051,527	-	339,051,527	345,921,281	-	345,921,281
Automotive ownership taxes	23,537,666	-	23,537,666	25,006,758	-	25,006,758
Intergovernmental state equalization	279,036,998	-	279,036,998	276,148,509	-	276,148,509
Earnings on investments	<u>1,159,227</u>	<u>-</u>	<u>1,159,227</u>	<u>37,569</u>	<u>-</u>	<u>37,569</u>
Total revenues	<u>746,299,811</u>	<u>35,779,890</u>	<u>782,079,701</u>	<u>752,415,886</u>	<u>37,132,257</u>	<u>789,548,143</u>
Expenses						
Governmental activities:						
General administration	27,898,413	-	27,898,413	27,617,388	-	27,617,388
School administration	57,409,152	-	57,409,152	54,996,871	-	54,996,871
General instruction	408,204,654	-	408,204,654	405,528,254	-	405,528,254
Special education instruction	65,020,783	-	65,020,783	69,392,712	-	69,392,712
Instructional support	67,648,351	-	67,648,351	64,686,916	-	64,686,916
Operations and maintenance	69,998,170	-	69,998,170	67,985,826	-	67,985,826
Transportation	23,703,443	-	23,703,443	24,115,123	-	24,115,123
Interest expense, unallocated	25,666,711	-	25,666,711	25,135,731	-	25,135,731
Food services	-	22,995,136	22,995,136	-	24,588,376	24,588,376
Child care	-	13,664,939	13,664,939	-	14,253,323	14,253,323
Property management	<u>-</u>	<u>1,276,209</u>	<u>1,276,209</u>	<u>-</u>	<u>1,298,134</u>	<u>1,298,134</u>
Total expenses	<u>745,549,677</u>	<u>37,936,284</u>	<u>783,485,961</u>	<u>739,458,821</u>	<u>40,139,833</u>	<u>779,598,654</u>
Increase (decrease) in net position before transfers	<u>750,134</u>	<u>(2,156,394)</u>	<u>(1,406,260)</u>	<u>12,957,065</u>	<u>(3,007,576)</u>	<u>9,949,489</u>
Transfers	<u>(4,040,569)</u>	<u>4,040,569</u>	<u>-</u>	<u>(4,065,067)</u>	<u>4,065,067</u>	<u>-</u>
Increase (decrease) in net position	<u>(3,290,435)</u>	<u>1,884,175</u>	<u>(1,406,260)</u>	<u>8,891,998</u>	<u>1,057,491</u>	<u>9,949,489</u>
Net position, July 1	<u>574,931,304</u>	<u>14,310,014</u>	<u>589,241,318</u>	<u>569,395,220*</u>	<u>16,194,189</u>	<u>585,589,409</u>
Net position, June 30	<u>\$ 571,640,869</u>	<u>\$ 16,194,189</u>	<u>\$ 587,835,058</u>	<u>\$ 578,287,218</u>	<u>\$ 17,251,680</u>	<u>\$ 595,538,898</u>

\*The prior year net position is restated by \$2,245,649 from the write off of issuance costs with the implementation of GASB 65.

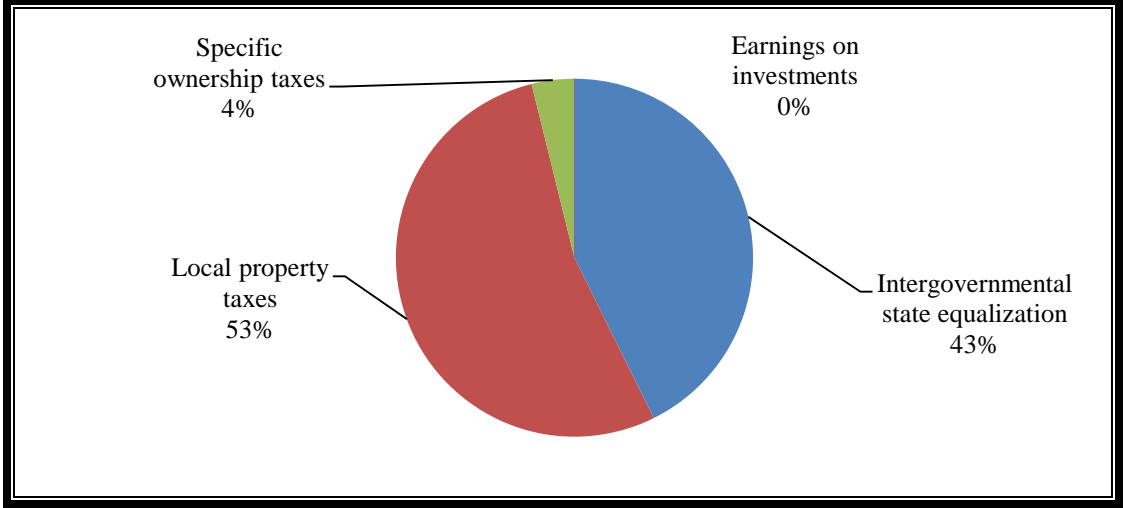
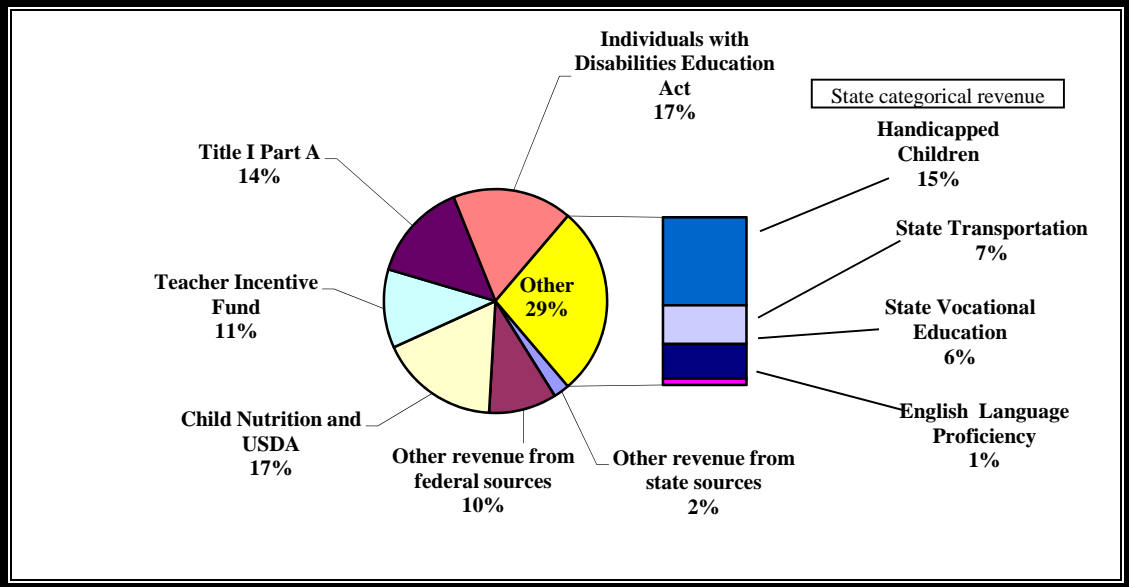
**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2013**

**Analysis of Revenues**



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

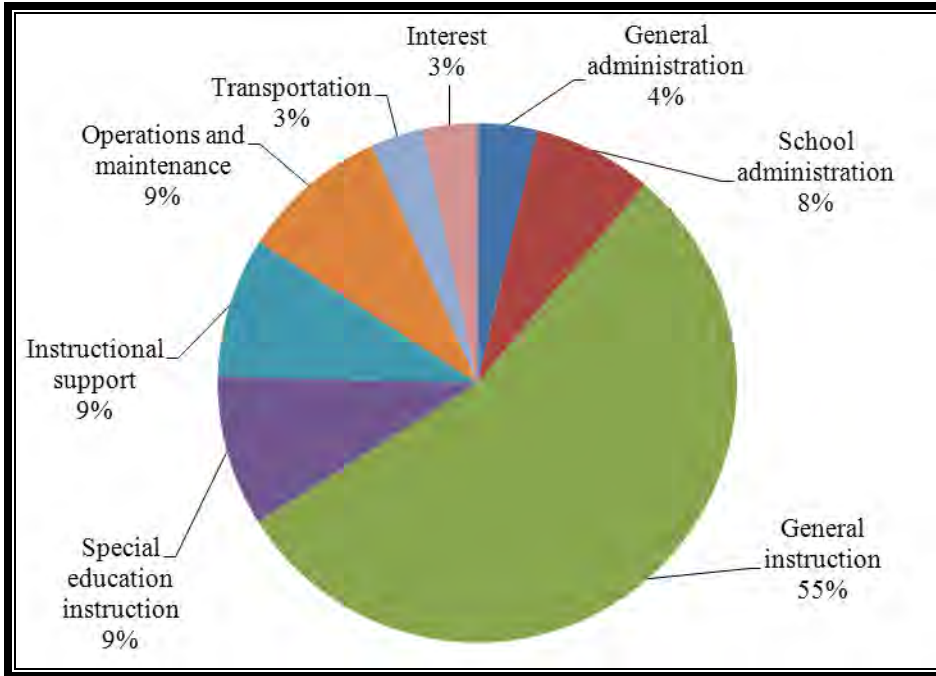
**Government-wide  
Operating Grants and  
Contributions** (includes  
Capital grants and  
contributions) totals \$79  
million



**Total general  
revenues of \$647  
million**

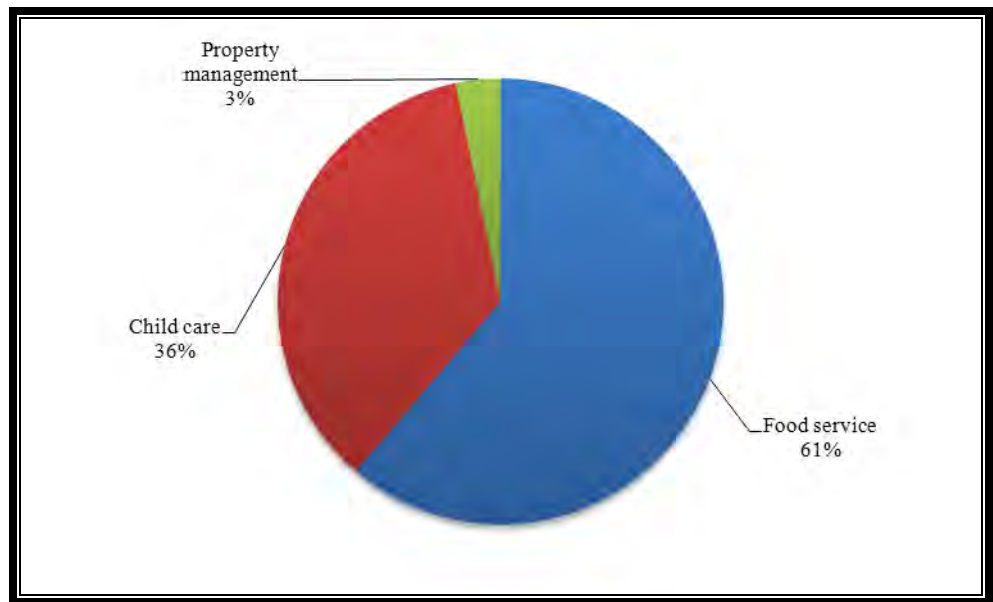
Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
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Analysis of Expenditures



**Governmental activities**  
Expenses total  
\$739 million

**Business-type activities**  
Expenses total  
\$40 million



**Jefferson County School District, No. R-1**  
**Management's Discussion and Analysis**  
**As of and for the fiscal year ended June 30, 2013**

**Government-wide revenues**

Total government-wide revenues increased \$7 million from the prior year. Local property taxes increased \$7 million from the prior year. In the fall of 2012, voters approved a mill levy override for operational funding. The bond mill levy was decreased due to payoffs of general obligation debt. The increase in government-wide property tax is the net effect of these changes. Charges for services increased \$4 million from increased fees to students. State equalization funding decreased \$3 million from declining enrollment. Interest earnings decreased \$1 million from the prior year due to a down turn in fair market values of investments in the spring of 2013.

**Government-wide expenses**

Government-wide expenses decreased \$4 million from the prior year. Total expenses in the general fund increased slightly from the prior year. \$15 million of reductions were implemented in fiscal year 2013. After the passage of the mill levy override in fall 2012, supplemental appropriations were approved by the Board of Education for one time expenditures and the reinstatement of two furlough days for employees that partially offset the reductions. Also approved by the voters in the fall was the bond issuance for \$99 million for construction projects. The new building projects fund had \$5 million in expenditures at year end. A large amount of governmental assets were fully depreciated in the prior year resulting in depreciation being \$9 million less in the current year.

**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 86-90 of this report. Following are highlights of activity in the District's internal service funds for fiscal year 2013.

- Central services provide copier and printing services for the school district. The fund had an increase in net position of \$218 thousand due to an increase in copier program services and less expense for copier supplies.
- The employee benefits fund accounts for the dental, vision and group life self insurance for the district. Claim expenses were lower than the prior year for these insurance programs. The fund increased in net position by \$107 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 worker's compensation claims. The incurred but not reported estimate for the insurance program increased \$600 thousand over the prior year. The fund had a slight decrease in net position for the year of \$69 thousand.
- The technology fund supports the Districts technology initiatives and systems. Additional transfers were made to the fund to cover the costs for the reinstatement of the furlough days, development of a classroom dashboard, and additional support for electronic curriculum. The funds net position decreased \$12 thousand.

The District's business-type activities increased net position by \$1 million. The basic proprietary fund financial statements are presented on pages 44-49. Key elements that highlight the activities in fiscal year 2013 are as follows:

- The food services fund experienced an increase in purchased food costs with new mandated requirements for serving fresh fruit and vegetables. The fund would have had a slight decrease in net position if not for the contributed capital for the year.
- The child care fund accounts for tuition-based all-day kindergarten, preschool and before and after care programs. Revenues and expenditures increased over the prior year with additional all-day kindergarten programs and a preschool tuition rate increase in 2013.
- The property management fund accounts for revenues and expenditures related to the public use of District property. The fund experienced higher revenues in fiscal 2013 from increased building use related to the November 2012 elections.

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2013**

**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 \$20 million, an increase of \$17 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. Student funded enrollment decreased by 203 students during the fiscal year. This reduction amounts to approximately \$1.3 million in decreases from the state's School Finance Act funding. The immediate effect of this decrease is softened by the four-year average calculation used by the Colorado Department of Education.

The District implemented \$15 million in reductions for fiscal year 2013. In addition to these reductions, fund balance was planned to be spent down an additional \$22 million. With the passage of the mill levy override in fall of 2012, the general fund property tax revenue was increased \$39 million for the year. The District appropriated approximately \$10 million in one-time expenditures and restoration of two student contact furlough days in the spring of 2013. Fund balance for the general fund increased \$14 million rather than decreasing \$22 million as originally planned without the mill levy.

The bond redemption debt service fund has fund balance of \$53 million. This fund accounts for the voter approved property taxes collected to repay general obligation debt. The mill levy for this fund was reduced in the spring with the payoffs of outstanding general obligation debt. The levy to accumulate resources for the June 2014 principal and interest payments will be certified in December 2013. 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 a new fund this year, 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 expenditures were lower than the prior year by \$3 million due to the end of stimulus grants and prior year spend down of carry forward balances of ongoing grants.

The campus activity fund for student activities and fundraising was relatively unchanged compared to the prior year.

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 almost \$2 million in fees to help offset the cost of transportation. The transfer from the general fund was \$13 million.

**General fund budgetary highlights**

The 2013 Adopted budget for the general fund included \$15 million in further reductions. In addition to reductions, \$22 million in reserves were originally planned to cover operational expenditures. Budgeted revenue was reduced in anticipation of further reductions in funding from the state and did not include an assumption for the mill levy override election. The largest expenditure reduction across the District was for two furlough days. With the passage of the mill levy, a supplemental budget appropriation was subsequently approved by the Board of Education for fiscal year 2013. The supplemental appropriation adjusted the budget as follows:

- \$39 million increase to property tax revenues for the mill levy override.
- \$9 million increase to state equalization funding, original budget estimates were conservative.
- \$15 million increase to general fund expenditures for two furlough day reinstatements, adjusting for school based staffing, spend down of school carry forward reserves and elections costs.
- \$4 million increase in transfers to adjust for Colorado Preschool funding to child care fund, reinstatement of two furlough days and safety projects for capital reserve.



**Jefferson County School District, No. R-1**  
**Management's Discussion and Analysis**  
**As of and for the fiscal year ended June 30, 2013**

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 \$20 million, an increase from the prior year of \$17 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 \$618 million. Unassigned fund balance represents 3 percent of expenditures while total fund balance represents 8 percent of expenditures. This is a 2 percent decrease 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, 2013 decreased to \$832 million (net of accumulated depreciation). The decrease is due to additions being less than annual depreciation. 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 \$30 million which include: District-wide warm, safe and dry projects including HVAC improvements, paving and multiple site roof replacements.
- Depreciation of \$59 million for governmental activities and \$410,000 for business-type activities.

	<u>Fiscal Year 2012</u>		<u>Fiscal Year 2013</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	-	\$ 57,321,864	-
Construction in progress	<u>7,304,371</u>	<u>-</u>	<u>21,620,080</u>	<u>-</u>
Total non-depreciable assets	64,626,235	-	78,941,944	-
Depreciable assets (net of accumulated depreciation):				
Buildings and site improvements	753,448,972	-	717,377,173	-
Equipment and vehicles	<u>31,783,049</u>	<u>\$ 3,434,251</u>	<u>31,943,935</u>	<u>\$ 3,555,684</u>
Total depreciable assets	<u>785,232,021</u>	<u>3,434,251</u>	<u>749,321,108</u>	<u>3,555,684</u>
Total capital assets:	<u>\$ 849,858,256</u>	<u>\$ 3,434,251</u>	<u>\$ 828,263,052</u>	<u>\$ 3,555,684</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, 2013, the District had total bonded debt outstanding of \$501 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 \$30 million for governmental activities still outstanding at the end of the current fiscal year.

**General Obligation Bonds and Certificates of Participation**

	<u>Fiscal Year 2012</u>			<u>Fiscal Year 2013</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	\$ 452,710,000	-	\$ 452,710,000	\$ 500,785,000	-	\$ 500,785,000
Certificates of participation	<u>31,645,000</u>	<u>-</u>	<u>31,645,000</u>	<u>30,155,000</u>	<u>-</u>	<u>30,155,000</u>
Total outstanding long-term debt	<u>\$ 484,355,000</u>	<u>-</u>	<u>\$ 484,355,000</u>	<u>\$ 530,940,000</u>	<u>-</u>	<u>\$ 530,940,000</u>

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 \$1,389,895,624 and the legal debt margin was \$942,754,898.

**Jefferson County School District, No. R-1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2013**

Additional information on the District's long-term obligations can be found in notes 10 and 11 on pages 64-67.

**General budgetary highlights and economic factors**

For the 2013/2014 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.
- Embrace new thinking and unique perspectives even when advocating for change.

Several factors impact the District's Adopted Budget and are considered when making budget assumptions; Colorado School Finance Act increases, declining student funded counts, property tax increases, 2 percent reinstatement of compensation, benefit cost increases, retirement savings, staffing reductions and reductions to the capital reserve transfer. For the 2013/2014 Adopted Budget, \$13 million net revenue increase is projected with \$10 million in net expenditure increases. The District plans to continue building reserves for one more year in fiscal 2014 to rebuild to an adequate balance. The budget includes a planned increase of reserves.

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 2013/2014 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, Executive Director, Finance  
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, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
<b>Assets</b>				
Cash	\$ 107,570	\$ 4,164	\$ 111,734	\$ 60,344
Restricted cash	37,020	-	37,020	9,028,115
Restricted cash TABOR	-	-	-	1,498,254
Cash held by county treasurer	3,128,468	-	3,128,468	-
Equity in pooled cash and investments	198,020,037	11,596,185	209,616,222	8,753,463
Investments	167,462,611	-	167,462,611	-
Property taxes receivable	14,072,902	-	14,072,902	-
Accounts receivable	3,016,244	233,430	3,249,674	144,455
Intergovernmental receivable	11,761,137	2,675,350	14,436,487	-
Due from component units	119,949	-	119,949	-
Inventories	2,107,416	1,801,165	3,908,581	-
Prepaid expenses	2,469,209	56,459	2,525,668	-
Net pension asset	45,130,789	-	45,130,789	-
Capital assets				
Land and construction in progress	78,941,944	-	78,941,944	10,778,056
Depreciable assets	1,547,096,507	9,002,686	1,556,099,193	56,975,966
Accumulated depreciation	(797,775,399)	(5,447,002)	(803,222,401)	(10,518,265)
Total capital assets	<u>828,263,052</u>	<u>3,555,684</u>	<u>831,818,736</u>	<u>57,235,757</u>
Total assets	<u>1,275,696,404</u>	<u>19,922,437</u>	<u>1,295,618,841</u>	<u>76,720,388</u>
<b>Deferred outflows of resources</b>				
Deferred outflows on refunding	24,381,979	-	24,381,979	2,863,569
<b>Liabilities</b>				
Accounts payable	\$ 17,079,758	\$ 157,225	\$ 17,236,983	\$ 789,335
Accrued salaries and benefits	78,245,599	1,262,061	79,507,660	1,750,788
Payroll withholding	22,308,589	-	22,308,589	-
Due to primary government	-	-	-	119,949
Unearned revenue	1,111,813	1,091,839	2,203,652	406,753
Liability claims/premiums	5,266,236	-	5,266,236	-
Interest payable	1,036,394	-	1,036,394	541,447
Early retirement	2,150,000	-	2,150,000	-
Compensated absences (long-term)	3,996,269	159,632	4,155,901	-
Long term liabilities				
Due within 1 year	28,395,000	-	28,395,000	1,419,302
Due in more than 1 year	562,201,507	-	562,201,507	71,380,302
Total liabilities	<u>721,791,165</u>	<u>2,670,757</u>	<u>724,461,922</u>	<u>76,407,876</u>
<b>Net position</b>				
Net investment in capital assets	403,794,024	3,555,684	407,349,708	(5,839,939)
Restricted for:				
Capital projects	-	-	-	268,922
Debt service	52,607,880	-	52,607,880	6,737,235
TABOR	16,436,709	708,022	17,144,731	1,498,254
Unrestricted	105,448,605	12,987,974	118,436,579	511,609
Total net position	<u>\$ 578,287,218</u>	<u>\$ 17,251,680</u>	<u>\$ 595,538,898</u>	<u>\$ 3,176,081</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Statement of Activities

Fiscal year ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Component Units Charter Schools
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		TOTAL	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
<b>Governmental activities:</b>								
General administration	\$ 27,617,388	\$ 1,323,748	\$ 3,889,298	-	\$ (22,404,342)	-	\$ (22,404,342)	-
School administration	54,996,871	-	-	-	(54,996,871)	-	(54,996,871)	-
General instruction	405,528,254	26,903,962	16,103,053	-	(362,521,239)	-	(362,521,239)	-
Special education instruction	69,392,712	4,932,848	24,338,028	-	(40,121,836)	-	(40,121,836)	-
Instructional support	64,686,916	-	15,731,027	-	(48,955,889)	-	(48,955,889)	-
Operations and maintenance	67,985,826	4,929,770	165,699	-	(62,890,357)	-	(62,890,357)	-
Transportation	24,115,123	1,974,372	5,009,964	-	(17,130,787)	-	(17,130,787)	-
Interest expense, unallocated	25,135,731	-	-	-	(25,135,731)	-	(25,135,731)	-
<b>Total governmental activities</b>	<b>739,458,821</b>	<b>40,064,700</b>	<b>65,237,069</b>	<b>-</b>	<b>(634,157,052)</b>	<b>-</b>	<b>(634,157,052)</b>	<b>-</b>
<b>Business-type Activities:</b>								
Food services	24,588,376	11,049,462	13,520,079	\$ 135,253	-	\$ 116,418	116,418	-
Child care	14,253,323	10,630,601	-	-	-	(3,622,722)	(3,622,722)	-
Property management	1,298,134	1,796,862	-	-	-	498,728	498,728	-
<b>Total business-type activities</b>	<b>40,139,833</b>	<b>23,476,925</b>	<b>13,520,079</b>	<b>135,253</b>	<b>-</b>	<b>(3,007,576)</b>	<b>(3,007,576)</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 779,598,654</b>	<b>\$ 63,541,625</b>	<b>\$ 78,757,148</b>	<b>\$ 135,253</b>	<b>\$ (634,157,052)</b>	<b>\$ (3,007,576)</b>	<b>\$ (637,164,628)</b>	<b>-</b>
<b>Component units-Charter schools</b>	<b>\$ 51,141,516</b>	<b>\$ 12,387,492</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ (38,754,024)</b>
<b>General revenues</b>								
<b>Taxes:</b>								
Local property taxes					345,921,281	-	345,921,281	-
Automotive ownership taxes					25,006,758	-	25,006,758	-
Unrestricted intergovernmental state equalization					276,148,509	-	276,148,509	40,071,425
Unrestricted investment income					37,569	-	37,569	-
<b>Transfers</b>					<b>(4,065,067)</b>	<b>4,065,067</b>	<b>-</b>	<b>-</b>
<b>Total general revenues and transfers</b>					<b>643,049,050</b>	<b>4,065,067</b>	<b>647,114,117</b>	<b>40,071,425</b>
<b>Change in net position</b>					<b>8,891,998</b>	<b>1,057,491</b>	<b>9,949,489</b>	<b>1,317,401</b>
<b>Net position July 1, 2012, as restated</b>					<b>569,395,220</b>	<b>16,194,189</b>	<b>585,589,409</b>	<b>1,858,680</b>
<b>Net position June 30, 2013</b>					<b>\$ 578,287,218</b>	<b>\$ 17,251,680</b>	<b>\$ 595,538,898</b>	<b>\$ 3,176,081</b>

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, 2013

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
<b>Assets</b>			
Cash	\$ 2,252	\$ -	\$ 300
Restricted Cash	-	-	20
Cash held by county treasurer	2,983,343	145,125	-
Equity in pooled cash and investments	103,725,040	-	29,332,163
Investments	-	52,559,842	-
Property taxes receivable, net of allowance for doubtful collections of \$7,035,096	11,946,852	2,126,050	-
Accounts, notes, contracts, and interest receivable	1,437,539	-	25,133
Intergovernmental receivables	-	-	-
Due from other funds	4,615,116	-	183,141
Due from component units	119,949	-	-
Inventories	925,105	-	-
Prepaid items	57,465	-	-
Total assets	<u>\$ 125,812,661</u>	<u>\$ 54,831,017</u>	<u>\$ 29,540,757</u>
<b>Liabilities</b>			
Accounts and retainages payable	\$ 2,695,182	\$ -	\$ 8,569,268
Accrued salaries, benefits, and compensated absences	65,994,939	-	98,490
Due to other funds	-	-	-
Other unearned revenues	619,829	-	-
Total liabilities	<u>69,309,950</u>	<u>-</u>	<u>8,667,758</u>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenues	<u>6,536,146</u>	<u>1,186,743</u>	<u>-</u>
<b>Fund balances:</b>			
<b>Nonspendable:</b>			
Inventory	925,105	-	-
Prepaid items	57,465	-	-
<b>Restricted for:</b>			
TABOR	15,756,129	-	39,677
Grants	-	-	-
Debt service	-	53,644,274	-
Construction	-	-	-
<b>Committed to:</b>			
Construction	-	-	20,833,322
Utility reserve	2,000,000	-	-
<b>Assigned to:</b>			
School carry forward	11,500,000	-	-
Special revenue funds	-	-	-
Unassigned	19,727,866	-	-
Total fund balances	<u>49,966,565</u>	<u>53,644,274</u>	<u>20,872,999</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 125,812,661</u>	<u>\$ 54,831,017</u>	<u>\$ 29,540,757</u>

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
\$ -	\$ -	\$ 104,718	\$ 107,270
-	-	-	20
-	-	-	3,128,468
-	-	12,450,151	145,507,354
114,902,769	-	-	167,462,611
-	-	-	14,072,902
52,717	63,510	1,111,852	2,690,751
-	11,761,137	-	11,761,137
-	-	-	4,798,257
-	-	-	119,949
-	-	1,051,862	1,976,967
-	-	6,889	64,354
<u>114,955,486</u>	<u>\$ 11,824,647</u>	<u>\$ 14,725,472</u>	<u>\$ 351,690,040</u>
\$ 3,181,845	\$ 356,283	\$ 1,790,921	\$ 16,593,499
-	6,630,616	1,861,006	74,585,051
183,141	1,142,714	-	1,325,855
-	-	107,380	727,209
<u>3,364,986</u>	<u>8,129,613</u>	<u>3,759,307</u>	<u>93,231,614</u>
-	-	-	7,722,889
-	-	1,051,862	1,976,967
-	-	6,889	64,354
-	-	563,172	16,358,978
-	3,695,034	-	3,695,034
-	-	-	53,644,274
111,590,500	-	-	111,590,500
-	-	-	20,833,322
-	-	-	2,000,000
-	-	-	11,500,000
-	-	9,344,242	9,344,242
-	-	-	19,727,866
<u>111,590,500</u>	<u>3,695,034</u>	<u>10,966,165</u>	<u>250,735,537</u>
<u>\$ 114,955,486</u>	<u>\$ 11,824,647</u>	<u>\$ 14,725,472</u>	<u>\$ 351,690,040</u>





JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
 Reconciliation of governmental funds balance sheet to statement of net position  
 June 30, 2013

Governmental funds total fund balances	\$	250,735,537
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.		7,722,889
Capital assets used in governmental funds are not considered current financial resources and therefore, not reported in the governmental funds.		1,594,048,093
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds.		24,381,979
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.		45,130,789
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.		33,093,030
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.		779,874,361
Long-term liabilities for general obligation debt, net of discounts and premiums (\$560,441,507), certificates of participation net of discounts and premiums (\$30,155,000), early retirement estimate (\$2,150,000), and compensated absences (\$3,167,837) are not due and payable in the current period and, therefore, not reported in the funds.		595,914,344
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.		1,036,394
Governmental activities net position	<u>\$</u>	<u>578,287,218</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 - Governmental Funds  
Fiscal Year Ended June 30, 2013

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
<b>Revenues:</b>			
Taxes	\$ 322,718,603	\$ 51,969,139	\$ -
Intergovernmental	293,126,837	-	-
Investment income	12	2,489	-
Other	16,022,254	-	1,322,568
Total revenues	<u>631,867,706</u>	<u>51,971,628</u>	<u>1,322,568</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General administration	24,609,709	-	-
School administration	46,137,612	-	-
General instruction	323,643,533	-	-
Special education instruction	56,030,356	-	-
Instructional support	48,697,568	-	-
Operations and maintenance	64,194,040	-	-
Transportation	-	-	-
Capital outlay	-	-	29,354,606
<b>Debt service:</b>			
Principal retirements	1,490,000	51,465,000	-
Interest and fiscal charges	1,704,834	22,451,708	-
Total expenditures	<u>566,507,652</u>	<u>73,916,708</u>	<u>29,354,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>65,360,054</u>	<u>(21,945,080)</u>	<u>(28,032,038)</u>
<b>Other Financing Sources (Uses):</b>			
General obligation bond issuance	-	69,540,000	-
Payment to refunded bond escrow agent	-	(83,415,163)	-
Premium from bond issuance	-	13,431,992	-
Transfers out	(51,448,042)	-	-
Transfers in	-	-	21,526,000
Total other financing sources (uses)	<u>(51,448,042)</u>	<u>(443,171)</u>	<u>21,526,000</u>
Net change in fund balances	13,912,012	(22,388,251)	(6,506,038)
Fund balances - July 1, 2012	36,054,553	76,032,525	27,379,037
Fund balances - June 30, 2013	<u>\$ 49,966,565</u>	<u>\$ 53,644,274</u>	<u>\$ 20,872,999</u>

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
\$ -	\$ -	\$ -	\$ 374,687,742
-	42,324,092	4,805,685	340,256,614
33,327	-	1,741	37,569
-	1,128,965	25,841,416	44,315,203
<u>33,327</u>	<u>43,453,057</u>	<u>30,648,842</u>	<u>759,297,128</u>
-	3,818,037	-	28,427,746
-	-	-	46,137,612
-	10,349,712	22,810,219	356,803,464
-	12,683,152	-	68,713,508
-	15,442,800	-	64,140,368
-	164,459	-	64,358,499
-	200,536	21,586,277	21,786,813
5,307,620	-	-	34,662,226
-	-	-	52,955,000
-	-	-	24,156,542
<u>5,307,620</u>	<u>42,658,696</u>	<u>44,396,496</u>	<u>762,141,778</u>
<u>(5,274,293)</u>	<u>794,361</u>	<u>(13,747,654)</u>	<u>(2,844,650)</u>
99,000,000	-	-	168,540,000
-	-	-	(83,415,163)
17,864,793	-	-	31,296,785
-	-	-	(51,448,042)
-	-	13,808,275	35,334,275
<u>116,864,793</u>	<u>-</u>	<u>13,808,275</u>	<u>100,307,855</u>
111,590,500	794,361	60,621	97,463,205
-	2,900,673	10,905,544	153,272,332
<u>\$ 111,590,500</u>	<u>\$ 3,695,034</u>	<u>\$ 10,966,165</u>	<u>\$ 250,735,537</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, 2013

Governmental funds changes in fund balances	\$	97,463,205
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.		7,722,889
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.		133,680,561
Reverse the prior year interest payable accrued to offset current year expenditures.		992,083
Additional deferred outflows on current year refunding		8,312,964
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.		244,687
Less:		
Loss on disposals: The net effect of transactions involving these capital assets to reduce net position.		181,554
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.		11,482,592
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.		1,036,394
Amortization of deferred outflows on refunding.		3,642,901
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 depreciation (governmental additions \$54,935,562) exceeded capital outlay (\$33,844,950) in the current period.		21,090,612
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.		2,217,570
Amount of long term compensated absences accrued for the current year.		35,983
New issues for debt and related discounts and premiums are recognized in the fund statement but restated as liabilities and offsets for the government-wide.		199,836,785
Governmental activities change in net position	\$	8,891,998

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 261,651,300	\$ 298,900,000	\$ 297,711,845	\$ (1,188,155)
Automotive ownership taxes	23,200,700	24,600,000	25,006,758	406,758
State of Colorado	282,924,700	292,420,000	293,126,837	706,837
Investment earnings	200,000	150,000	12	(149,988)
Other	14,717,000	15,390,000	16,022,254	632,254
<b>Total revenues</b>	<b>582,693,700</b>	<b>631,460,000</b>	<b>631,867,706</b>	<b>407,706</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General administration	25,699,300	29,521,114	27,804,543	1,716,571
School administration	45,708,100	46,494,957	46,137,612	357,345
General instruction	318,737,200	323,544,131	323,643,533	(99,402)
Special education instruction	49,385,200	57,413,779	56,030,356	1,383,423
Instructional support	53,868,400	50,267,548	48,697,568	1,569,980
Operations and maintenance	63,843,300	64,964,171	64,194,040	770,131
<b>Total expenditures</b>	<b>557,241,500</b>	<b>572,205,700</b>	<b>566,507,652</b>	<b>5,698,048</b>
Excess of revenues over expenditures	25,452,200	59,254,300	65,360,054	6,105,754
<b>Other financing sources (uses) -</b>				
Transfers out	(47,939,400)	(52,239,300)	(51,448,042)	791,258
<b>Total other financing uses</b>	<b>(47,939,400)</b>	<b>(52,239,300)</b>	<b>(51,448,042)</b>	<b>791,258</b>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (22,487,200)</u>	<u>\$ 7,015,000</u>	<u>13,912,012</u>	<u>\$ 6,897,012</u>
Fund balance - July 1, 2012			<u>36,054,553</u>	
Fund balance - June 30, 2013			<u>\$ 49,966,565</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, 2013

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Intergovernmental:				
Federal government	\$ 43,752,300	\$ 44,062,200	\$ 40,897,207	\$ (3,164,993)
State of Colorado	2,659,600	1,302,600	1,426,885	124,285
Other:				
Gifts and grants	942,100	620,600	1,128,965	508,365
Total revenues	<u>47,354,000</u>	<u>45,985,400</u>	<u>43,453,057</u>	<u>(2,532,343)</u>
<b>Expenditures:</b>				
Current:				
General administration	3,840,300	3,831,800	3,818,037	13,763
School administration	1,017,500	-	-	-
General instruction	8,529,000	10,016,800	10,349,712	(332,912)
Special education instruction	14,845,600	12,829,100	12,683,152	145,948
Instructional support	17,698,300	19,002,500	15,442,800	3,559,700
Operations and maintenance	1,172,200	90,000	164,459	(74,459)
Transportation	281,200	215,200	200,536	14,664
Total expenditures	<u>47,384,100</u>	<u>45,985,400</u>	<u>42,658,696</u>	<u>3,326,704</u>
Excess of revenues over (under) expenditures	<u>\$ (30,100)</u>	<u>\$ -</u>	794,361	<u>\$ 794,361</u>
Fund balance - July 1, 2012			<u>2,900,673</u>	
Fund balance - June 30, 2013			<u>\$ 3,695,034</u>	

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, 2013

Assets	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Current assets:		
Cash	\$ 1,340	\$ 2,824
Restricted cash	-	-
Equity in pooled cash and investments	1,995,027	5,514,149
Accounts and other receivable	31,546	15,309
Intergovernmental receivables	2,675,350	-
Inventories	1,801,165	-
Prepaid items	56,459	-
Total current assets	6,560,887	5,532,282
Noncurrent assets:		
Capital assets:		
Vehicles and equipment	6,975,238	626,635
Less accumulated depreciation	(4,491,489)	(299,179)
Total capital assets, net of accumulated depreciation	2,483,749	327,456
Total assets	\$ 9,044,636	\$ 5,859,738
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 102,499	\$ 50,119
Accrued salaries, benefits, and compensated absences	759,782	495,051
Payroll withholding	-	-
Due to other funds	-	-
Other unearned revenues	608,063	481,832
Estimated liability for premiums and claims	-	-
Total current liabilities	1,470,344	1,027,002
Non-current liabilities:		
Compensated absences	121,627	32,233
Total noncurrent liabilities	121,627	32,233
Total liabilities	1,591,971	1,059,235
Net position:		
Net invested in capital assets	2,483,749	327,456
Restricted for:		
TABOR	335,408	318,918
Unrestricted	4,633,508	4,154,129
Total net position	7,452,665	4,800,503
Total liabilities and net position	\$ 9,044,636	\$ 5,859,738

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
\$ -	\$ 4,164	\$ 300
-	-	37,000
4,087,009	11,596,185	52,512,683
186,575	233,430	325,493
-	2,675,350	-
-	1,801,165	130,449
-	56,459	2,404,855
<u>4,273,584</u>	<u>16,366,753</u>	<u>55,410,780</u>
1,400,813	9,002,686	31,990,358
(656,334)	(5,447,002)	(17,901,038)
<u>744,479</u>	<u>3,555,684</u>	<u>14,089,320</u>
<u>\$ 5,018,063</u>	<u>\$ 19,922,437</u>	<u>\$ 69,500,100</u>
\$ 4,607	\$ 157,225	\$ 486,259
7,228	1,262,061	3,660,548
-	-	22,308,589
-	-	3,472,402
1,944	1,091,839	384,604
-	-	5,266,236
<u>13,779</u>	<u>2,511,125</u>	<u>35,578,638</u>
<u>5,772</u>	<u>159,632</u>	<u>828,432</u>
<u>5,772</u>	<u>159,632</u>	<u>828,432</u>
<u>19,551</u>	<u>2,670,757</u>	<u>36,407,070</u>
744,479	3,555,684	14,089,320
53,696	708,022	77,731
4,200,337	12,987,974	18,925,979
4,998,512	17,251,680	33,093,030
<u>\$ 5,018,063</u>	<u>\$ 19,922,437</u>	<u>\$ 69,500,100</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, 2013

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Operating Revenues:		
Food sales	\$ 10,668,730	\$ -
Insurance premiums	-	-
Service contracts	380,732	1,066,397
Tuition	-	9,564,204
Total operating revenues	11,049,462	10,630,601
Operating Expenses:		
Purchased food	10,013,422	-
USDA commodities	1,272,599	-
Salaries and employee benefits	10,651,675	11,522,873
Administration services	632,356	1,332,556
Utilities	341,803	15,381
Supplies	1,312,566	701,736
Repairs and maintenance	35,365	18,537
Rent	-	639,011
Depreciation	321,206	20,991
Other	2,951	2,238
Claim losses	-	-
Premiums paid	-	-
Total operating expenses	24,583,943	14,253,323
Income (loss) from operations	(13,534,481)	(3,622,722)
Non-operating revenues (expenses):		
USDA commodities	1,264,281	-
Reimbursement from government sponsored programs	12,255,798	-
Interest expense	-	-
Loss on sale of capital assets	(4,433)	-
Total non-operating revenues (expenses)	13,515,646	-
Income (loss) before transfers and capital contributions	(18,835)	(3,622,722)
Capital contributions	135,253	-
Transfers in from other funds	-	4,065,067
Change in net position	116,418	442,345
Total net position - July 1, 2012	7,336,247	4,358,158
Total net position - June 30, 2013	\$ 7,452,665	\$ 4,800,503

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
\$ -	\$ 10,668,730	\$ -
-	-	7,672,164
1,796,862	3,243,991	18,505,445
-	9,564,204	-
<u>1,796,862</u>	<u>23,476,925</u>	<u>26,177,609</u>
-	10,013,422	-
-	1,272,599	-
824,702	22,999,250	13,114,506
123,105	2,088,017	3,764,109
183,866	541,050	422,875
75,775	2,090,077	1,999,760
2,770	56,672	3,553,738
-	639,011	-
68,082	410,279	4,236,592
12,855	18,044	13,685
-	-	8,795,637
-	-	2,025,379
<u>1,291,155</u>	<u>40,128,421</u>	<u>37,926,281</u>
<u>505,707</u>	<u>(16,651,496)</u>	<u>(11,748,672)</u>
-	1,264,281	-
-	12,255,798	-
-	-	(33,378)
<u>(6,979)</u>	<u>(11,412)</u>	<u>(21,963)</u>
<u>(6,979)</u>	<u>13,508,667</u>	<u>(55,341)</u>
498,728	(3,142,829)	(11,804,013)
-	135,253	-
-	4,065,067	12,048,700
<u>498,728</u>	<u>1,057,491</u>	<u>244,687</u>
4,499,784	16,194,189	32,848,343
<u>\$ 4,998,512</u>	<u>\$ 17,251,680</u>	<u>\$ 33,093,030</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Statement of Cash Flows  
Proprietary Funds  
Fiscal Year Ended June 30, 2013

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Cash flows from operating activities:		
Receipts from customers	\$ 11,158,292	\$ 10,655,830
Payments to employees	(10,650,365)	(11,525,515)
Payments to vendors	(13,627,261)	(2,736,870)
Net cash provided by (used for) operating activities	(13,119,334)	(3,606,555)
Cash flows from noncapital financing activities:		
Transfers received	-	4,065,067
Federal reimbursements	12,163,934	-
Net cash provided (used for) by noncapital financing activities	12,163,934	4,065,067
Cash flows from capital and related financing activities:		
Purchase of capital assets	(34,002)	(58,400)
Interest payments	-	-
Net cash provided by (used for) capital and related financing activities	(34,002)	(58,400)
Net increase (decrease) in cash and cash equivalents	(989,402)	400,112
Cash and cash equivalents - July 1, 2012	2,985,769	5,116,861
Cash and cash equivalents - June 30, 2013	\$ 1,996,367	\$ 5,516,973
Reconciliation of cash flows from operating activities:		
Operating Income (Loss)	\$ (13,534,481)	\$ (3,622,722)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	321,206	20,991
(Increase) decrease intergovernmental and other receivables	27,582	2,298
(Increase) decrease in prepaid items	(20)	-
Decrease in inventories	-	-
(Increase) in purchased food and supplies inventories	(18,849)	-
Increase (decrease) in accounts payable	2,668	(27,410)
Increase (decrease) in accrued salaries, benefits, and compensated absences	1,310	(2,642)
Increase in payroll withholding	-	-
Increase in due to other funds	-	-
Increase (decrease) in unearned revenues	81,250	22,930
(Decrease) in estimated liability for premiums and claims	-	-
Net cash provided by (used for) operating activities	\$ (13,119,334)	\$ (3,606,555)
Noncash investing, capital, and financing activities:		
Donated commodities acquired and used from USDA	\$ 1,272,599	\$ -
Disposal and write off of capital assets	4,433	-
Capital contributions	135,253	-

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
\$ 1,777,430	\$ 23,591,552	\$ 26,051,007
(835,846)	(23,011,726)	(13,000,083)
(398,843)	(16,762,974)	(19,874,119)
<u>542,741</u>	<u>(16,183,148)</u>	<u>(6,823,195)</u>
-	4,065,067	12,048,700
-	12,163,934	-
-	<u>16,229,001</u>	<u>12,048,700</u>
(315,470)	(407,872)	(3,935,523)
-	-	(33,378)
<u>(315,470)</u>	<u>(407,872)</u>	<u>(3,968,901)</u>
227,271	(362,019)	1,256,604
3,859,738	11,962,368	51,293,379
<u>\$ 4,087,009</u>	<u>\$ 11,600,349</u>	<u>\$ 52,549,983</u>
\$ 505,707	\$ (16,651,496)	\$ (11,748,672)
68,082	410,279	4,236,592
(21,375)	8,505	(79,842)
-	(20)	1,079,448
-	-	9,481
-	(18,849)	-
(473)	(25,215)	(780,955)
(11,144)	(12,476)	144,266
-	-	464,625
-	-	(977,458)
1,944	106,124	(46,770)
-	-	876,090
<u>\$ 542,741</u>	<u>\$ (16,183,148)</u>	<u>\$ (6,823,195)</u>
\$ -	\$ 1,272,599	\$ -
6,979	11,412	21,963
-	135,253	-



## **Notes to Basic Financial Statements**



# JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

## Notes to Basic Financial Statements

June 30, 2013

### 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 85,000 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 for fiscal year 2013.

#### 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 2012 but not yet collected in 2013 are identified as property taxes receivable and unearned revenues at June 30, 2013, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$14,436,487 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, 2013, the District had \$14,329,526 and \$106,961 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 - \$925,105 and Other Governmental funds - \$1,051,862.

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: General fund - \$57,465 and Other Governmental funds - \$6,889.

**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 \$24,381,979 and \$2,863,569 for component units.

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**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 13) 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, 2013, for budgetary purposes the District restricted \$15,756,129 in the General fund, \$39,677 in the Capital Reserve Capital Projects fund, \$563,172 in Other Governmental funds, \$335,408 in the Food Service fund, \$318,918 in the Child Care fund, \$53,696 in the Property Management fund, \$77,731 in Internal Service funds and \$1,498,254 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 21
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, 2013, a summary of changes in accumulated vacation is as follows:

Fund	Accumulated Vacation			Balance June 30, 2013	Due within one year
	Balance July 1, 2012	Additions	Deletions		
General	\$ 4,178,887	\$ 749,733	\$ (745,370)	\$ 4,183,250	\$ 1,394,277
Grants fund	85,729	50,409	(19,322)	116,816	38,935
Special Revenue	304,907	60,755	(46,577)	319,085	106,351
Capital projects	128,023	37,144	(32,800)	132,367	44,118
Enterprise	258,193	56,921	(75,670)	239,444	79,812
Internal service	<u>1,169,719</u>	<u>200,700</u>	<u>(127,833)</u>	<u>1,242,586</u>	<u>414,154</u>
	<u>\$ 6,125,458</u>	<u>\$ 1,155,662</u>	<u>\$ (1,047,572)</u>	<u>\$ 6,233,548</u>	<u>\$ 2,077,647</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.

**P) New and Future Accounting Pronouncements**

Effective July 1, 2012, the District early implemented the provisions of GASB No. 65, "Items Previously Reported as Assets and Liabilities" (GASB No. 65). The objective of GASB No. 65 is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. As noted in J) above, the District does have a deferred outflow of resources from refundings of debt. Issuance costs are no longer reported as an asset as part of the reclassification. The write off of the issuance costs is reflected as a prior period adjustment for the implementation year.

**Notes to Basic Financial Statements**

The GASB issued Statement No. 68 *Accounting and Financial Reporting for Pensions* (Statement No. 68), which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA). Statement No. 68 requires cost-sharing employers participating in the PERA program, such as the District, to record their proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA 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	\$ 4,735,065
Elimination of governmental and internal service interfund activity	<u>(4,615,116)</u>
Due to the primary government – governmental activities	<u>\$ 119,949</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.

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, 2013 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Food services fund	\$ 25,572,400	\$24,583,943	\$988,457
Child care fund	14,743,200	14,253,323	498,877
Property management fund	1,905,200	1,291,155	614,045
Central services fund	3,850,000	3,480,107	369,893
Employee benefits fund	7,197,200	6,383,140	814,060
Insurance reserve fund	8,979,200	7,885,817	1,093,383
Technology fund	20,902,000	20,177,217	724,783
Component Units	75,000,000	69,970,103	5,029,897

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

As of June 30, 2013, one Component Unit Charter School, New America, had an accumulated deficit of \$32,192. 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	\$ 111,734	\$ 60,344	\$ 172,078
Restricted cash and cash held by third parties	3,165,488	10,526,369	13,691,857
Equity in pooled cash and investments	209,616,222	8,753,463	218,369,685
Investments	<u>167,462,611</u>	<u>-</u>	<u>167,462,611</u>
Total cash and investments	<u>\$ 380,356,055</u>	<u>\$ 19,340,176</u>	<u>\$ 399,696,231</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$83,831,297.

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, 2013, \$75,289,763 of the District and the discretely presented component unit's bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$74,950,953 are collateralized with securities held by the pledging financial institution through PDPA. Deposits of \$338,810 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, 2013 the District had \$3,128,468 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, 2013, the District (including the primary government and component units) had the following investments:

<u>Investment Type</u>	<u>Fair Market Value</u>	<u>Weighted Average</u>	<u>Ratings</u>	
		<u>Maturities (yrs)</u>	<u>S&amp;P</u>	<u>Moody's</u>
Money Market Mutual Funds	\$ 153,074	Overnight	AAA	Aaa
Csafe	161,523,735	Under 60 days	AAAm	N/A
FFCB	17,319,909	2.75	AA+	Aaa
FNMA	19,898,930	2.43	AA+	Aaa
FHLMC	22,986,590	1.90	AA+	Aaa
FHLB	5,340,419	3.13	AA+	Aaa
US Treasury T-Note	5,088,945	2.26	AA+	Aaa
Commercial Paper	19,618,960	.38	A-1	P-1
Corporate Bonds	11,374,530	Average 1.16 years	41% AA+ 16% A+ 9% AAA 27% AA- 7% AA	32% Aaa 60% Aa3 8% Aa2
Forward delivery agreement (U.S. Instrumentality)	<u>52,559,842</u> <u>\$ 315,864,934</u>	Less than 1 year	N/A	N/A

**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 FFCB that are greater than 5.4 percent, in FNMA that are greater than 6.3 percent and FHLMC that are greater than 7.2 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 individual issuer will be

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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 <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Non-depreciable assets:					
Land	\$ 57,321,864	\$ -	\$ -	\$ -	\$ 57,321,864
Construction in progress	<u>7,304,371</u>	<u>30,233,381</u>	<u>(81,070)</u>	<u>(15,836,602)</u>	<u>21,620,080</u>
Total non-depreciable assets	<u>\$ 64,626,235</u>	<u>\$ 30,233,381</u>	<u>\$ (81,070)</u>	<u>\$ (15,836,602)</u>	<u>\$ 78,941,944</u>
Depreciable assets:					
Buildings and site improvements	\$1,438,317,262	\$ 473,789	\$ (866,784)	\$ 15,762,304	\$1,453,686,571
Equipment and vehicles – <b>Internal service funds</b>	31,851,204	3,935,523	(3,796,369)	-	31,990,358
Equipment and vehicles	<u>60,358,581</u>	<u>3,137,780</u>	<u>(2,151,081)</u>	<u>74,298</u>	<u>61,419,578</u>
Total depreciable assets	<u>\$1,530,527,047</u>	<u>\$ 7,547,092</u>	<u>\$ (6,814,234)</u>	<u>\$ 15,836,602</u>	<u>\$1,547,096,507</u>
Less accumulated depreciation for:					
	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Building and site improvements	\$ (684,868,290)	\$ (52,280,859)	\$ 839,751	\$ -	\$ (736,309,398)
Equipment and vehicles – <b>Internal service funds</b>	(17,438,846)	(4,236,592)	3,774,400	-	(17,901,038)
Equipment and vehicles	<u>(42,987,890)</u>	<u>(2,654,703)</u>	<u>2,077,630</u>	<u>-</u>	<u>(43,564,963)</u>
Total accumulated depreciation	<u>\$ (745,295,026)</u>	<u>\$ (59,172,154)</u>	<u>\$ 6,691,781</u>	<u>\$ -</u>	<u>\$ (797,775,399)</u>
Total capital assets, net	<u>\$ 849,858,256</u>	<u>\$(21,391,681)</u>	<u>\$ (203,523)</u>	<u>\$ -</u>	<u>\$ 828,263,052</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 <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Equipment	\$ 6,817,836	\$ 169,255	\$ (11,853)	\$ -	\$ 6,975,238
Accumulated depreciation	<u>(4,177,702)</u>	<u>(321,206)</u>	<u>7,419</u>	<u>-</u>	<u>(4,491,489)</u>
Total	<u>\$ 2,640,134</u>	<u>\$ (151,951)</u>	<u>\$ (4,434)</u>	<u>\$ -</u>	<u>\$ 2,483,749</u>

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

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Equipment	\$ 574,143	\$ 58,400	\$ (5,908)	\$ -	\$ 626,635
Accumulated depreciation	<u>(284,096)</u>	<u>(20,991)</u>	<u>5,908</u>	<u>-</u>	<u>(299,179)</u>
Total	<u>\$ 290,047</u>	<u>\$ 37,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,456</u>

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

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Equipment	\$ 1,094,718	\$ 315,470	\$ (9,375)	\$ -	\$ 1,400,813
Accumulated depreciation	<u>(590,648)</u>	<u>(68,082)</u>	<u>2,396</u>	<u>-</u>	<u>(656,334)</u>
Total	<u>\$ 504,070</u>	<u>\$ 247,388</u>	<u>\$ (6,979)</u>	<u>\$ -</u>	<u>\$ 744,479</u>

Total capital assets being depreciated, business-type activities	\$ 9,002,686
Accumulated depreciation	<u>(5,447,002)</u>
Business-type activities capital assets, net	<u>\$ 3,555,684</u>

**Discretely presented component units**

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

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Non-depreciable assets:					
Land	\$ 5,378,861	\$ 4,433,393	\$ (394,000)	\$ -	\$ 9,418,254
Construction in progress	<u>3,441,128</u>	<u>1,361,099</u>	<u>(64,323)</u>	<u>(3,378,102)</u>	<u>1,359,802</u>
Total Non-depreciable assets:	<u>\$ 8,819,989</u>	<u>\$ 5,794,492</u>	<u>\$ (458,323)</u>	<u>\$ (3,378,102)</u>	<u>\$ 10,778,056</u>
Depreciable assets:					
Buildings and equipment	\$ 40,731,216	\$ 15,457,258	\$ (2,590,610)	\$ 3,378,102	\$ 56,975,966
Accumulated depreciation	<u>(9,979,124)</u>	<u>(1,549,731)</u>	<u>1,010,590</u>	<u>-</u>	<u>(10,518,265)</u>
Total	<u>\$ 39,572,081</u>	<u>\$ 13,907,527</u>	<u>\$ (5,416,445)</u>	<u>\$ 3,378,102</u>	<u>\$ 57,235,757</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:

<u>Governmental activities:</u>	
General Administration	\$ 629,113
School Administration	7,563,267
General Instruction	42,858,514
Special Ed Instruction	19,364
Instructional Support	11,694
Operations & Maintenance	1,741,518
Transportation	2,112,092
Capital assets held by the District's internal service funds	<u>4,236,592</u>
Total depreciation expense – governmental activities	<u>\$ 59,172,154</u>
<u>Business-type activities:</u>	
Food services	\$ 321,206
Child care	20,991
Property management	<u>68,082</u>
Total depreciation expense – business-type activities	<u>\$ 410,279</u>

**Construction commitments**

The District has active construction projects as of June 30, 2013. 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, 2013, are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
District Wide HVAC Upgrades	\$7,002,401	\$3,357,603
District Wide Paving and Concrete	1,463,071	2,012,158
JHS Roof and HVAC Replacement	583,217	1,361,489
District Wide Roof Replacement	1,345,386	1,294,476
Standley Lake HS ADA Site Access	527,790	857,251
Jefferson HS General Upgrades	696,020	796,658
District Wide Structural Settling	598,374	693,221

**7. Interfund receivables and payables**

The following identifies amounts due to and from individual funds at June 30, 2013:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General fund	\$ 4,615,116	\$ -
Governmental fund:		
Capital Reserve Capital Projects	183,141	-
Building Fund Capital Projects	-	183,141
Grants fund	-	1,142,714
Internal service – Technology fund	<u>-</u>	<u>3,472,402</u>
	<u>\$4,798,257</u>	<u>\$4,798,257</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

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, 2013, the detail for these transfers is as follows:

Campus activity fund	\$ 596,665
Transportation fund	13,211,610
Capital reserve capital projects fund	<u>21,526,000</u>
Net transfers within the governmental funds	<u>35,334,275</u>
Child care fund	4,065,067
Internal service funds	<u>12,048,700</u>
Net transfers into the proprietary funds	<u>16,113,767</u>
Total transfers out from the General fund	<u>\$ 51,448,042</u>

**9. Short-term debt**

The District issued tax anticipation notes on November 15, 2012 in advance of property tax collections. These notes are necessary because the majority of the District's property tax revenues are received in the spring or fourth quarter of the year, creating a cash shortfall in the third quarter. The interest rate for the tax anticipation notes was 1.50 percent. Short-term debt activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	-	\$62,635,000	\$62,635,000	-

**10. 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, 2013, are comprised of the following:

	Balance July 1, 2012	Additions	Retirements	Outstanding June 30, 2013	Current Portion
<b><u>Governmental activities</u></b>					
Supplemental Retirement 2006A COP's	20,835,000	-	(980,000)	19,855,000	1,030,000
Supplemental Retirement 2006B COP's	<u>10,810,000</u>	<u>-</u>	<u>(510,000)</u>	<u>10,300,000</u>	<u>545,000</u>
Governmental activity long-term liabilities	<u>\$ 31,645,000</u>	<u>\$ -</u>	<u>\$ (1,490,000)</u>	<u>\$ 30,155,000</u>	<u>\$ 1,575,000</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, 2013 was \$14,017,473.

	Balance July 1, 2012	Additions	Retirements	Outstanding June 30, 2013	Current Portion
<b><u>Component unit activities:</u></b>					
Component units – Buildings/Capital leases	\$ 61,295,000	\$ 14,025,000	\$ (2,955,000)	\$ 72,365,000	\$ 1,380,000
Less deferred amounts:					
For discounts and premiums	<u>526,863</u>	<u>(263,445)</u>	<u>(21,928)</u>	<u>241,490</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 61,821,863</u>	<u>\$ 13,761,555</u>	<u>\$ (2,976,928)</u>	<u>\$ 72,606,490</u>	<u>\$ 1,380,000</u>
Component Units - Promissory notes	<u>\$ 102,262</u>	<u>\$ 136,000</u>	<u>\$ (45,148)</u>	<u>\$ 193,114</u>	<u>\$ 39,302</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 June 30	Governmental Activities		Component Units	
	COP's		Charter Schools	
	Principal	Interest	Principal	Interest
2014	\$ 1,575,000	\$ 1,628,233	\$ 1,380,000	\$ 3,941,887
2015	1,655,000	1,546,531	1,535,000	3,927,598
2016	1,740,000	1,459,802	1,610,000	3,852,656
2017	1,830,000	1,367,989	16,505,000	3,771,025
2018	1,935,000	1,268,703	1,500,000	2,844,546
2019-2023	11,390,000	4,616,188	8,645,000	12,921,147
2024-2028	10,030,000	1,153,704	11,120,000	10,316,822
2029-2033	-	-	13,415,000	6,953,606
2034-2038	-	-	10,105,000	3,386,325
2039-2043	-	-	6,550,000	933,411
Total	<u>\$30,155,000</u>	<u>\$13,041,149</u>	<u>\$72,365,000</u>	<u>\$52,849,023</u>

**Promissory note**

Fiscal Year Ending June 30	Component Units	
	Charter Schools	
	Principal	Interest
2014	\$ 39,302	\$ 4,742
2015	59,884	4,160
2016	41,492	3,551
2017	11,158	2,885
2018	11,856	2,187
2019-2020	<u>29,422</u>	<u>2,138</u>
Total	<u>\$ 193,114</u>	<u>\$ 19,663</u>

The District has appropriated amounts from 2014 revenues in the General Fund to meet the lease payments for the COP principal and interest which is due in 2014.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

**11. 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, 2013 are comprised of the following:

\$48,315,000 2003 Series Refunding Bonds due in semi-annual installments with annual payments of \$430,000 to \$18,130,000 through December 15, 2014. Interest rate: 3.00% to 5.00%.	\$	34,560,000
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\$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.		10,665,000
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\$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
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\$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
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\$66,800,000 2006 Series Bonds were refunded on September 12, 2012 with the 2012 Refunding Bonds.		-
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\$35,890,000 2007 Series Refunding bonds were paid off on December 15, 2012. Interest rate: 4.00% to 5.00%.		-
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\$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
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\$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
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\$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>99,000,000</u>
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Total		<u>\$ 500,785,000</u>
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JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

	Balance July 1, <u>2012</u>	New and Refunding <u>Issues</u>	Payments & Amortization <u>of Discount</u>	Balance June 30, <u>2013</u>	Current <u>Portion</u>
<b>General obligation bonds:</b>					
Refunding – 2003	\$ 34,600,000	\$ -	\$ (40,000)	\$ 34,560,000	\$ 16,860,000
Construction – 2004	12,865,000	-	(2,200,000)	10,665,000	5,240,000
Refunding – 2004	33,790,000	-	(15,535,000)	18,255,000	-
Refunding – 2005	39,020,000	-	-	39,020,000	-
Construction – 2006	66,800,000	-	(66,800,000)	-	-
Refunding – 2007	35,890,000	-	(35,890,000)	-	-
Refunding – 2010	229,745,000	-	-	229,745,000	-
Refunding – 2012	-	69,540,000	-	69,540,000	-
Construction – 2012	-	99,000,000	-	99,000,000	4,720,000
Less deferred amounts:					
Discounts and premiums	<u>40,085,283</u>	<u>31,296,785</u>	<u>(11,725,561)</u>	<u>59,656,507</u>	<u>-</u>
	<u>\$ 492,795,283</u>	<u>\$ 199,836,785</u>	<u>\$ (132,190,561)</u>	<u>\$ 560,441,507</u>	<u>\$ 26,820,000</u>

Future year's general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 26,820,000	\$ 23,073,525
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
2019-2023	151,560,000	68,620,538
2024-2028	158,860,000	27,887,975
2029-2033	<u>49,720,000</u>	<u>6,178,250</u>
Total	<u>\$ 500,785,000</u>	<u>\$ 205,399,688</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, 2013, are \$1,389,895,624 and \$942,754,898, respectively. Management of the District believes it is in compliance with the legal debt limit.

On September 12, 2012, \$69,540,000 in general obligation bonds with a true interest cost of 2.82 percent were issued to advance refund the 2006 Series bonds of \$66,800,000, with a true interest cost of 5.25 percent and \$2,200,000 of the 2004 Series bonds with a true interest cost of 4.5 percent. The amount to refund the bonds of \$83,415,163 included \$871,450 from District reserves and \$82,543,713 of net proceeds (after payment of \$428,279 in underwriting fees and other issuance costs). This was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. This refunding decreases total debt service payments over the next fourteen years by \$6,105,940 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5,152,779.



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

**12. 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, 2012 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	\$254,109,039	\$244,135,000
2012	\$ 69,000,000	December, 2016	\$ 79,928,148	\$ 69,000,000

**13. 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 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 \$4,467,380 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2013. 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, 2013 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, 2012	\$ 3,832,003
Increase (Decrease) in estimated claims:	
Estimated property claims	14,779
Automobile claims	463,120
General liability claims	156,967
Workers' compensation claims	<u>511</u>
Balance June 30, 2013	<u>\$ 4,467,380</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>2012</u>	<u>2013</u>
Amount of claims liabilities at July 1	\$ 3,267,247	\$ 3,832,003
Incurred claims and change in reserve	2,710,483	3,408,086
Payments on claims	<u>(2,145,727)</u>	<u>(2,772,709)</u>
Amount of claims liabilities at June 30	<u>\$ 3,832,003</u>	<u>\$ 4,467,380</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 \$217,694 and \$44,307 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2013, related to the District's self-insured dental and vision plans respectively and \$536,855 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>2012</u>	<u>2013</u>
Amount of claims liabilities at July 1	\$ 320,226	\$ 293,751
Incurred claims and change in reserve	5,646,411	5,387,551
Payments on claims	<u>(5,672,886)</u>	<u>(5,419,301)</u>
Amount of claims liabilities at June 30	<u>\$ 293,751</u>	<u>\$ 262,001</u>

**14. 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.

**15. 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 2013 rate changed from 15.65 percent to 16.55 percent on January 1, 2013. 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, 2011, 2012 and 2013 were \$71,514,626 and \$72,179,102, and \$76,232,148 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, 2011, 2012 and 2013 were \$5,041,258, \$4,790,989, and \$4,779,500 respectively, equal to their required contributions for each year.

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

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**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 2013. 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 2012/2013, 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)	\$ 378,141
Actual annual contribution for fiscal year 2011	<u>(5,000)</u>
Increase in net pension obligation (Asset)	373,141
Interest on net pension obligation	(2,840,902)
Adjustment on annual required contribution	4,685,330
Net pension asset, beginning of year	<u>(47,348,358)</u>
Net pension asset, end of year	<u>\$ (45,130,789)</u>

The annual required contribution for the current year was determined as part of the September 1, 2012 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, 2011	\$2,133,576	\$500,000	23.4%	\$ (48,659,370)
June 30, 2012	1,811,012	500,000	27.6	(47,348,358)
June 30, 2013	2,222,570	5,000	0.2	(45,130,789)

**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, 2010	\$ 9,050,419	\$17,877,458	\$8,827,039	50.6%	\$89,702,941	9.8%
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

Payment of unused sick and personal leave in the amount of \$1,162,403 was paid to terminating employees with 20 or more years of service in fiscal year 2013. The Board had appropriated \$2,900,000 for its early retirement programs to be paid in Fiscal year 2013. Budgeted expenditures for unused sick and personal leave for Fiscal year 2014 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.

**17. Restatement of net position**

For the year ended June 30, 2013, the District adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement requires that debt issuance costs be expensed in the current period rather than capitalized and amortized over the life of the related debt issue. Under the provisions of this statement, unamortized debt issuance costs do not meet the definition of a deferred outflow of resources since they are not applicable to a future period and as such, are considered an outflow of resources. As a result, the District adjusted the July 1, 2012 beginning net position in the amount of \$2,245,649 for the primary government and \$1,689,381 for the charter school component units.

	Primary Government Governmental Activities	Component Unit Charter Schools
Net Position – Beginning	\$571,640,869	\$3,548,061
Unamortized debt issuance costs	<u>(2,245,649)</u>	<u>(1,689,381)</u>
Net Position – Beginning, restated	<u>\$569,395,220</u>	<u>\$1,858,680</u>



## **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, 2013

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	
<b>Assets</b>			
Cash	\$ 104,218	\$ 500	\$ 104,718
Equity in pooled cash and investments	10,800,418	1,649,733	12,450,151
Accounts and interest receivable	1,056,833	55,019	1,111,852
Inventories	464,097	587,765	1,051,862
Prepaid items	6,889	-	6,889
<b>Total assets</b>	<b>\$ 12,432,455</b>	<b>\$ 2,293,017</b>	<b>\$ 14,725,472</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,265,209	\$ 525,712	\$ 1,790,921
Accrued salaries and benefits	93,701	1,767,305	1,861,006
Unearned revenues	107,380	-	107,380
<b>Total liabilities</b>	<b>1,466,290</b>	<b>2,293,017</b>	<b>3,759,307</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventory	464,097	587,765	1,051,862
Prepaid items	6,889	-	6,889
<b>Restricted for:</b>			
TABOR	563,172	-	563,172
<b>Assigned to:</b>			
Special revenue funds	9,932,007	(587,765)	9,344,242
<b>Total fund balance</b>	<b>10,966,165</b>	<b>-</b>	<b>10,966,165</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,432,455</b>	<b>\$ 2,293,017</b>	<b>\$ 14,725,472</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, 2013

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	
<b>Revenues:</b>			
<b>Intergovernmental:</b>			
State of Colorado	\$ -	\$ 4,805,685	\$ 4,805,685
<b>Other:</b>			
Interest	1,741	-	1,741
Student activities	6,670,205	-	6,670,205
Fundraising	4,123,792	-	4,123,792
Fees and dues	5,718,334	-	5,718,334
Donations	3,501,787	-	3,501,787
Miscellaneous	2,258,316	-	2,258,316
Service contracts	-	3,568,982	3,568,982
Total revenues	<u>22,274,175</u>	<u>8,374,667</u>	<u>30,648,842</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General instruction	22,810,219	-	22,810,219
Transportation	-	21,586,277	21,586,277
Total expenditures	<u>22,810,219</u>	<u>21,586,277</u>	<u>44,396,496</u>
Excess of revenues over (under) expenditures	(536,044)	(13,211,610)	(13,747,654)
<b>Other financing sources (uses):</b>			
Transfers in	596,665	13,211,610	13,808,275
Total other financing sources (uses)	596,665	13,211,610	13,808,275
Excess of revenues and other financing sources over (under) expenditures	60,621	-	60,621
Fund balances - July 1, 2012	10,905,544	-	10,905,544
Fund balances - June 30, 2013	<u>\$ 10,966,165</u>	<u>\$ -</u>	<u>\$ 10,966,165</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, 2013

Bond Redemption Debt Service Fund				
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 81,410,100	\$ 52,039,700	\$ 51,969,139	\$ (70,561)
Interest	5,000	5,000	2,489	(2,511)
Total taxes	81,415,100	52,044,700	51,971,628	(73,072)
<b>Expenditures:</b>				
Debt Service				
Principal retirement	51,465,000	51,465,000	51,465,000	-
Interest and fiscal charges	21,237,400	22,466,800	22,451,708	15,092
Total expenditures	72,702,400	73,931,800	73,916,708	15,092
Excess of revenues over expenditures	8,712,700	(21,887,100)	(21,945,080)	(57,980)
<b>Other financing sources (uses):</b>				
General obligation bond proceeds	-	69,540,000	69,540,000	-
Payment to refunded bond escrow agent	-	(83,415,200)	(83,415,163)	37
Premium from refunding bonds	-	13,432,000	13,431,992	8
Total other financing sources (uses)	-	(443,200)	(443,171)	45
Excess of revenues over expenditures	\$ 8,712,700	\$ (22,330,300)	(22,388,251)	\$ (57,935)
Fund balances - July 1, 2012			76,032,525	
Fund balances - June 30, 2013			\$ 53,644,274	

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, 2013

Capital Reserve Capital Projects Fund				
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest	\$ 125,000	\$ 125,000	\$ -	\$ (125,000)
Other	2,850,000	2,850,000	1,322,568	(1,527,432)
Total revenues	2,975,000	2,975,000	1,322,568	(1,652,432)
<b>Expenditures:</b>				
<b>Capital outlay:</b>				
Facility improvements	25,658,700	25,658,700	25,335,189	323,511
District utilization	1,750,000	1,750,000	1,509,770	240,230
New construction	599,000	599,000	-	599,000
Vehicles	2,943,800	2,943,800	2,509,647	434,153
Total expenditures	30,951,500	30,951,500	29,354,606	1,596,894
Excess of revenues over (under) expenditures	(27,976,500)	(27,976,500)	(28,032,038)	(55,538)
<b>Other financing sources:</b>				
Transfers in	20,556,000	21,526,000	21,526,000	-
Total other financing sources	20,556,000	21,526,000	21,526,000	-
Excess of revenues and other financing sources over expenditures	\$ (7,420,500)	\$ (6,450,500)	(6,506,038)	\$ (55,538)
Fund balance - July 1, 2012			27,379,037	
Fund balance - June 30, 2013			\$ 20,872,999	

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, 2013

Building Fund - Capital Projects			
	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Interest	\$ 100,000	\$ 33,327	\$ (66,673)
Total revenues	100,000	33,327	(66,673)
<b>Expenditures:</b>			
<b>Capital outlay:</b>			
Facility improvements	8,100,000	5,307,620	2,792,380
Total expenditures	8,100,000	5,307,620	2,792,380
Excess of revenues over (under) expenditures	(8,000,000)	(5,274,293)	2,725,707
<b>Other financing sources:</b>			
General obligation bond issuance	99,000,000	99,000,000	-
Premium on bond issuance	17,864,800	17,864,793	(7)
Total other financing sources	116,864,800	116,864,793	(7)
Excess of revenues and other financing sources over expenditures	\$ 108,864,800	111,590,500	\$ 2,725,693
Fund balance - July 1, 2012		-	
Fund balance - June 30, 2013		\$ 111,590,500	

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, 2013

	Campus Activity Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Interest	\$ 3,400	\$ 3,400	\$ 1,741	\$ (1,659)
Student activities	6,369,100	6,369,100	6,670,205	301,105
Fundraising	4,588,900	4,588,900	4,123,792	(465,108)
Fees and dues	7,164,100	7,164,100	5,718,334	(1,445,766)
Donations	2,797,800	2,797,800	3,501,787	703,987
Miscellaneous	2,360,700	2,360,700	2,258,316	(102,384)
Total revenues	23,284,000	23,284,000	22,274,175	(1,009,825)
Expenditures:				
Current:				
Athletics and activities	23,802,600	24,102,600	22,810,219	1,292,381
Total expenditures	23,802,600	24,102,600	22,810,219	1,292,381
Excess of revenues over (under) expenditures	(518,600)	(818,600)	(536,044)	282,556
Other financing sources:				
Transfers in	500,000	600,000	596,665	(3,335)
Total other financing sources (uses)	500,000	600,000	596,665	(3,335)
Excess of revenues and other financing sources over (under) expenditures	\$ (18,600)	\$ (218,600)	60,621	\$ 279,221
Fund balance - July 1, 2012			10,905,544	
Fund balance - June 30, 2013			\$ 10,966,165	



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, 2013

	Transportation Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Service contracts	\$ 3,050,000	\$ 3,500,000	\$ 3,568,982	\$ 68,982
State of Colorado	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,805,685</u>	<u>305,685</u>
Total revenues	<u>7,550,000</u>	<u>8,000,000</u>	<u>8,374,667</u>	<u>374,667</u>
Expenditures:				
Current:				
Transportation	<u>21,405,500</u>	<u>22,500,000</u>	<u>21,586,277</u>	<u>913,723</u>
Total expenditures	<u>21,405,500</u>	<u>22,500,000</u>	<u>21,586,277</u>	<u>913,723</u>
Excess of revenues over (under) expenditures	(13,855,500)	(14,500,000)	(13,211,610)	1,288,390
Other financing sources:				
Transfers in	<u>13,855,500</u>	<u>13,998,600</u>	<u>13,211,610</u>	<u>(786,990)</u>
Total other financing sources (uses)	<u>13,855,500</u>	<u>13,998,600</u>	<u>13,211,610</u>	<u>(786,990)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (501,400)</u>	-	<u>\$ 501,400</u>
Fund balance - July 1, 2012			-	
Fund balance - June 30, 2013			<u>\$ -</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, 2013

<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	1,170,894	40,048,298	11,293,491
Accounts and other receivable	25,188	5,235	144,367
Inventories	115,256	-	-
Prepaid items	1,099	-	1,760,534
Total current assets	1,312,737	40,090,533	13,198,392
Capital assets:			
Vehicles and equipment	2,259,416	-	268,194
Less accumulated depreciation	(1,197,587)	-	(146,237)
Total capital assets net of accumulated depreciation	1,061,829	-	121,957
Total assets	\$ 2,374,566	\$ 40,090,533	\$ 13,320,349
<u>Liabilities and Net Position</u>			
Current liabilities:			
Accounts payable	\$ 119,838	\$ -	\$ 75,931
Accrued salaries, benefits, and compensated absences	80,847	2,648,067	148,535
Payroll withholding	-	22,308,589	-
Due to other funds	-	-	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	798,856	4,467,380
Total current liabilities	200,685	25,755,512	4,691,846
Non-current liabilities:			
Compensated absences	79,930	2,554	143,211
Total non-current liabilities	79,930	2,554	143,211
Total liabilities	280,615	25,758,066	4,835,057
<u>Net Position</u>			
Net investment in capital assets	1,061,829	-	121,957
Restricted for:			
TABOR	1,900	9,632	29,108
Unrestricted	1,030,222	14,322,835	8,334,227
Total net position	2,093,951	14,332,467	8,485,292
Total liabilities and net position	\$ 2,374,566	\$ 40,090,533	\$ 13,320,349

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	37,000
-	52,512,683
150,703	325,493
15,193	130,449
643,222	2,404,855
<u>809,118</u>	<u>55,410,780</u>
29,462,748	31,990,358
(16,557,214)	(17,901,038)
<u>12,905,534</u>	<u>14,089,320</u>
<u>\$ 13,714,652</u>	<u>\$ 69,500,100</u>

\$ 290,490	\$ 486,259
783,099	3,660,548
-	22,308,589
3,472,402	3,472,402
384,604	384,604
-	5,266,236
<u>4,930,595</u>	<u>35,578,638</u>

<u>602,737</u>	<u>828,432</u>
<u>602,737</u>	<u>828,432</u>
<u>5,533,332</u>	<u>36,407,070</u>

12,905,534	14,089,320
37,091	77,731
(4,761,305)	18,925,979
<u>8,181,320</u>	<u>33,093,030</u>
<u>\$ 13,714,652</u>	<u>\$ 69,500,100</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, 2013

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
<b>Revenues:</b>			
Insurance premiums	\$ -	\$ 6,490,388	\$ 1,181,776
Service contracts	3,698,218	-	36,750
<b>Total revenues</b>	<u>3,698,218</u>	<u>6,490,388</u>	<u>1,218,526</u>
<b>Expenses:</b>			
Salaries and employee benefits	1,062,297	68,578	2,049,867
Administration services	252,412	686,904	603,504
Utilities	5,125	-	-
Supplies	1,243,467	-	-
Repairs and maintenance	663,920	-	-
Depreciation	251,531	-	39,088
Other	1,355	-	-
Claim losses	-	5,387,551	3,408,086
Premiums paid	-	240,107	1,785,272
<b>Total expenses</b>	<u>3,480,107</u>	<u>6,383,140</u>	<u>7,885,817</u>
<b>Income (loss) from operations</b>	<u>218,111</u>	<u>107,248</u>	<u>(6,667,291)</u>
<b>Non-operating revenues (expenses):</b>			
Interest expense	-	-	-
Gain (loss) on sale of capital assets	(280)	-	-
<b>Total non-operating revenues (expenses)</b>	<u>(280)</u>	<u>-</u>	<u>-</u>
<b>Income (loss) before transfers</b>	217,831	107,248	(6,667,291)
Transfers from the general fund	-	-	6,598,700
<b>Change in net position</b>	<u>217,831</u>	<u>107,248</u>	<u>(68,591)</u>
Net position - July 1, 2012	1,876,120	14,225,219	8,553,883
<b>Net position - June 30, 2013</b>	<u>\$ 2,093,951</u>	<u>\$ 14,332,467</u>	<u>\$ 8,485,292</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 7,672,164
14,770,477	18,505,445
<u>14,770,477</u>	<u>26,177,609</u>
9,933,764	13,114,506
2,221,289	3,764,109
417,750	422,875
756,293	1,999,760
2,889,818	3,553,738
3,945,973	4,236,592
12,330	13,685
-	8,795,637
-	2,025,379
<u>20,177,217</u>	<u>37,926,281</u>
<u>(5,406,740)</u>	<u>(11,748,672)</u>
(33,378)	(33,378)
<u>(21,683)</u>	<u>(21,963)</u>
<u>(55,061)</u>	<u>(55,341)</u>
(5,461,801)	(11,804,013)
<u>5,450,000</u>	<u>12,048,700</u>
(11,801)	244,687
8,193,121	32,848,343
<u>\$ 8,181,320</u>	<u>\$ 33,093,030</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Combining Statement of Cash Flows  
Internal Service Funds  
Fiscal Year Ended June 30, 2013

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 3,698,211	\$ 6,491,910	\$ 1,121,125
Cash paid to employees	(1,018,734)	(68,010)	(2,029,175)
Cash paid to vendors	(2,153,911)	(5,579,378)	(5,284,377)
Net cash provided by (used for) in operating activities	<u>525,566</u>	<u>844,522</u>	<u>(6,192,427)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers in and (out)	-	-	6,598,700
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>6,598,700</u>
<b>Cash flows from capital and related financing activities:</b>			
Purchase of capital assets	(442,869)	-	(76,888)
Interest payments	-	-	-
Net cash (used for) capital and related financing activities	<u>(442,869)</u>	<u>-</u>	<u>(76,888)</u>
Net increase (decrease) in cash and cash equivalents	82,697	844,522	329,385
Cash and cash equivalents - July 1, 2012	1,088,497	39,240,776	10,964,106
Cash and cash equivalents - June 30, 2013	<u>\$ 1,171,194</u>	<u>\$ 40,085,298</u>	<u>\$ 11,293,491</u>
<b>Reconciliation of cash flows from operating activities:</b>			
Income (Loss) from operations	\$ 218,111	\$ 107,248	\$ (6,667,291)
<b>Cash flows from operating activities:</b>			
Depreciation	251,531	-	39,088
Decrease intergovernmental and other receivables	(12)	1,522	(97,402)
(Increase) decrease in prepaid items	-	-	(157,126)
(Increase) decrease in other inventories	8,310	-	-
Increase (decrease) in accounts payable	4,066	-	34,235
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	43,560	30,414	20,692
Increase in payroll withholding	-	464,625	-
Increase in due to other funds	-	-	-
(Decrease) in deferred revenues	-	-	-
(Decrease) in estimated liability for premiums and claims	-	240,713	635,377
Net cash provided by (used for) in operating activities	<u>\$ 525,566</u>	<u>\$ 844,522</u>	<u>\$ (6,192,427)</u>
<b>Noncash investing, capital, and financing activities:</b>			
Disposal and write off of capital assets	\$ 280	\$ -	\$ -

Technology Fund	Governmental Activities - Internal Service Funds
\$ 14,739,761	\$ 26,051,007
(9,884,164)	(13,000,083)
(6,856,453)	(19,874,119)
<u>(2,000,856)</u>	<u>(6,823,195)</u>
5,450,000	12,048,700
<u>5,450,000</u>	<u>12,048,700</u>
(3,415,766)	(3,935,523)
<u>(33,378)</u>	<u>(33,378)</u>
(3,449,144)	(3,968,901)
-	1,256,604
-	51,293,379
<u>\$ -</u>	<u>\$ 52,549,983</u>
\$ (5,406,740)	\$ (11,748,672)
3,945,973	4,236,592
16,050	(79,842)
1,236,574	1,079,448
1,171	9,481
(819,256)	(780,955)
49,600	144,266
-	464,625
(977,458)	(977,458)
(46,770)	(46,770)
-	876,090
<u>\$ (2,000,856)</u>	<u>\$ (6,823,195)</u>
\$ 21,683	\$ 21,963





## **Component Units**

The component units consist of fourteen charter school administrative units: 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, 2013

	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
<b>Assets</b>						
Cash	\$ 1,000	\$ 200	\$ 54,524	\$ 500	\$ -	\$ 1,300
Restricted cash	757,551	-	771,307	801,370	582,533	680,619
Restricted cash for TABOR	99,243	65,644	88,300	116,915	84,532	257,791
Equity in pooled cash and investments	31,630	296,551	278,700	1,093,128	612,335	1,170,351
Accounts receivable	-	-	2,889	90	-	-
<b>Capital assets</b>						
Land and construction in progress	650,000	-	1,016,509	235,981	820,874	1,118,630
Depreciable assets	5,139,175	104,873	4,464,441	5,033,429	5,045,356	14,158,725
Accumulated depreciation	(1,867,276)	(17,915)	(1,340,886)	(1,359,608)	(430,213)	(1,255,312)
Total capital assets	3,921,899	86,958	4,140,064	3,909,802	5,436,017	14,022,043
Total assets	\$ 4,811,323	\$ 449,353	\$ 5,335,784	\$ 5,921,805	\$ 6,715,417	\$ 16,132,104
<b>Deferred outflows of resources</b>						
Deferred outflows on refunding	-	-	435,013	1,089,050	-	300,961
<b>Liabilities</b>						
Accounts payable	\$ 9,603	\$ 6,973	\$ 6,016	\$ 69,921	\$ 9,412	\$ 31,868
Accrued salaries and benefits	119,002	133,439	177,353	147,646	100,878	332,872
Due to the general fund	-	-	-	-	-	-
Unearned revenues	500	97,773	28,659	14,260	85,344	14,300
Accrued interest	13,772	-	119,760	28,968	14,604	37,184
<b>Long term liabilities</b>						
Due within 1 year	230,000	-	139,302	180,000	110,000	225,000
Due in more than 1 year	6,260,321	-	5,662,812	6,776,927	6,292,501	15,570,000
Total liabilities	6,633,198	238,185	6,133,902	7,217,722	6,612,739	16,211,224
<b>Net Position</b>						
Net investment in capital assets	(1,992,785)	86,958	(764,440)	(1,427,519)	(498,697)	(884,495)
<b>Restricted for:</b>						
Capital projects	-	-	-	-	-	-
Debt service	743,779	-	651,547	772,402	567,929	615,807
TABOR	99,243	65,644	88,300	116,915	84,532	257,791
Unrestricted	(672,112)	58,566	(338,512)	331,335	(51,086)	232,738
Total net position	(1,821,875)	211,168	(363,105)	(206,867)	102,678	221,841

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	\$ 300	\$ -	\$ 520	\$ 500	\$ 60,344
1,456,655	863,729	1,839,035	-	511,890	-	47,780	715,646	9,028,115
152,805	109,542	87,391	64,244	95,428	58,977	95,425	122,017	1,498,254
816,128	670,713	-	-	641,648	557,394	50,606	2,534,279	8,753,463
-	-	-	124,122	-	17,354	-	-	144,455
2,847,547	1,099,229	1,816,714	-	79,926	210,992	-	881,654	10,778,056
5,577,743	4,645,388	2,559,664	250,703	4,838,244	-	-	5,158,225	56,975,966
(22,216)	(1,343,494)	(2,643)	(70,731)	(1,239,211)	-	-	(1,568,760)	(10,518,265)
8,403,074	4,401,123	4,373,735	179,972	3,678,959	210,992	-	4,471,119	57,235,757
\$ 10,829,362	\$ 6,045,607	\$ 6,300,161	\$ 368,638	\$ 4,928,225	\$ 844,717	\$ 194,331	\$ 7,843,561	\$ 76,720,388
158,414	774,125	-	-	106,006	-	-	-	2,863,569
\$ 202,975	\$ 715	\$ 258,016	\$ 59,003	\$ 1,790	\$ 110,728	\$ 14,702	\$ 7,613	\$ 789,335
155,280	167,987	-	48,388	150,435	90,560	63,623	63,325	1,750,788
-	-	6,482	113,467	-	-	-	-	119,949
39,075	7,200	52,065	-	42,430	-	4,635	20,512	406,753
73,498	61,591	111,475	-	57,619	-	-	22,976	541,447
140,000	155,000	-	-	95,000	-	-	145,000	1,419,302
7,556,520	6,615,000	6,179,266	-	4,939,445	-	-	5,527,510	71,380,302
8,167,348	7,007,493	6,607,304	220,858	5,286,719	201,288	82,960	5,786,936	76,407,876
2,140,139	(1,068,568)	(164,563)	179,972	(878,542)	210,992	-	(778,391)	(5,839,939)
-	-	-	-	-	268,922	-	-	268,922
584,204	802,138	852,487	-	454,271	-	-	692,671	6,737,235
152,805	109,542	87,391	64,244	95,428	58,977	95,425	122,017	1,498,254
(56,720)	(30,873)	(1,082,458)	(96,436)	76,355	104,538	15,946	2,020,328	511,609
2,820,428	(187,761)	(307,143)	147,780	(252,488)	643,429	111,371	2,056,625	3,176,081



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
Combining Statement of Activities  
Component Units  
Fiscal year ended June 30, 2013

	Expenses	Charges For Services	Governmental Activities	General Revenues	Change in net position	Net position beginning, as restated	Net position ending
Schools							
Collegiate Academy of Colorado	\$ 3,304,601	\$ 191,469	\$ (3,113,132)	\$ 3,157,392	\$ 44,260	\$ (1,866,135)	\$ (1,821,875)
Compass Montessori - Wheat Ridge	2,118,677	846,516	(1,272,161)	1,421,430	149,269	61,899	211,168
Compass Montessori - Golden	2,935,091	786,723	(2,148,368)	2,258,308	109,940	(473,045)	(363,105)
Excel Charter School	4,015,970	594,638	(3,421,332)	3,334,626	(86,706)	(120,161)	(206,867)
Free Horizon	2,889,917	881,260	(2,008,657)	2,035,953	27,296	75,382	102,678
Jefferson Academy	8,623,928	627,700	(7,996,228)	7,969,807	(26,421)	248,262	221,841
Lincoln Academy Charter School	5,856,616	3,648,314	(2,208,302)	3,364,216	1,155,914	1,664,514	2,820,428
Montessori Peaks	3,769,840	958,931	(2,810,909)	2,761,150	(49,759)	(138,002)	(187,761)
Mountain Phoenix	3,321,957	596,177	(2,725,780)	2,338,536	(387,244)	80,101	(307,143)
New America	2,078,721	194,376	(1,884,345)	1,947,087	62,742	85,038	147,780
Rocky Mountain Academy Evergreen	3,314,063	697,135	(2,616,928)	2,545,326	(71,602)	(180,886)	(252,488)
Rocky Mountain Deaf School	1,987,134	1,467,296	(519,838)	526,722	6,884	636,545	643,429
Two Roads High School	3,114,175	499,734	(2,614,441)	2,735,330	120,889	(9,518)	111,371
Woodrow Wilson Academy	3,810,826	397,223	(3,413,603)	3,675,542	261,939	1,794,686	2,056,625
Total	<u>\$ 51,141,516</u>	<u>\$ 12,387,492</u>	<u>\$ (38,754,024)</u>	<u>\$ 40,071,425</u>	<u>\$ 1,317,401</u>	<u>\$ 1,858,680</u>	<u>\$ 3,176,081</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1  
All Component Units  
Combining Balance Sheet  
June 30, 2013

	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
<b>Assets:</b>						
Cash	\$ 1,000	\$ 200	\$ 54,524	\$ 500	\$ -	\$ 1,300
Restricted Cash	856,794	65,644	859,607	918,285	667,065	938,410
Equity in pooled cash and investments	31,630	296,551	278,700	1,093,128	612,335	1,170,351
Accounts, notes, contracts, and interest receivable	-	-	2,889	90	-	-
<b>Total Assets</b>	<b>\$ 889,424</b>	<b>\$ 362,395</b>	<b>\$ 1,195,720</b>	<b>\$ 2,012,003</b>	<b>\$ 1,279,400</b>	<b>\$ 2,110,061</b>
<b>Liabilities and fund balances (deficit)</b>						
<b>Liabilities:</b>						
Accounts and retainages payable	\$ 9,603	\$ 6,973	\$ 6,016	\$ 69,921	\$ 9,412	\$ 31,868
Accrued salaries, benefits, and compensated absences	119,002	133,439	177,353	147,646	100,878	332,872
Due to primary government	-	-	-	-	-	-
Unearned revenues	500	97,773	28,659	14,260	85,344	14,300
<b>Total Liabilities</b>	<b>129,105</b>	<b>238,185</b>	<b>212,028</b>	<b>231,827</b>	<b>195,634</b>	<b>379,040</b>
<b>Fund balances:</b>						
<b>Restricted for:</b>						
TABOR	99,243	65,644	88,300	116,915	84,532	257,791
Debt service	757,551	-	771,307	801,370	582,533	652,991
Construction	-	-	-	-	-	27,629
Unassigned	(96,475)	58,566	124,085	861,891	416,701	792,610
<b>Total fund balances (deficit)</b>	<b>760,319</b>	<b>124,210</b>	<b>983,692</b>	<b>1,780,176</b>	<b>1,083,766</b>	<b>1,731,021</b>
<b>Total liabilities and fund balances</b>	<b>\$ 889,424</b>	<b>\$ 362,395</b>	<b>\$ 1,195,720</b>	<b>\$ 2,012,003</b>	<b>\$ 1,279,400</b>	<b>\$ 2,110,061</b>
<b>Amounts reported for component unit activities in the statement of net position are different because:</b>						
Component units total fund balance	\$ 760,319	\$ 124,210	\$ 983,692	\$ 1,780,176	\$ 1,083,766	\$ 1,731,021
Add: Capital assets	5,789,175	104,873	5,480,950	5,269,410	5,866,230	15,277,355
Deferred outflow on refunding	-	-	435,013	1,089,050	-	300,961
Less: Accumulated depreciation	(1,867,276)	(17,915)	(1,340,886)	(1,359,608)	(430,213)	(1,255,312)
Long-term liabilities	(6,490,321)	-	(5,802,114)	(6,956,927)	(6,402,501)	(15,795,000)
Accrued interest	(13,772)	-	(119,760)	(28,968)	(14,604)	(37,184)
<b>Net position of component unit activities</b>	<b>\$(1,821,875)</b>	<b>\$ 211,168</b>	<b>\$( 363,105)</b>	<b>\$ (206,867)</b>	<b>\$ 102,678</b>	<b>\$ 221,841</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	\$ 300	\$ -	\$ 520	\$ 500	\$ 60,344
1,609,460	973,271	1,926,426	64,244	607,318	58,977	143,205	837,663	10,526,369
816,128	670,713	-	-	641,648	557,394	50,606	2,534,279	8,753,463
-	-	-	124,122	-	17,354	-	-	144,455
<u>\$2,426,288</u>	<u>\$ 1,644,484</u>	<u>\$ 1,926,426</u>	<u>\$ 188,666</u>	<u>\$ 1,249,266</u>	<u>\$ 633,725</u>	<u>\$ 194,331</u>	<u>\$ 3,372,442</u>	<u>\$ 19,484,631</u>
\$ 202,975	\$ 715	\$ 258,016	\$ 59,003	\$ 1,790	\$ 110,728	\$ 14,702	\$ 7,613	\$ 789,335
155,280	167,987	-	48,388	150,435	90,560	63,623	63,325	1,750,788
-	-	6,482	113,467	-	-	-	-	119,949
39,075	7,200	52,065	-	42,430	-	4,635	20,512	406,753
<u>397,330</u>	<u>175,902</u>	<u>316,563</u>	<u>220,858</u>	<u>194,655</u>	<u>201,288</u>	<u>82,960</u>	<u>91,450</u>	<u>3,066,825</u>
152,805	109,542	87,391	64,244	95,428	58,977	95,425	122,017	1,498,254
657,702	863,729	963,962	-	511,890	-	-	715,646	7,278,681
643,435	-	630,259	-	-	268,922	-	-	1,570,245
575,016	495,311	(71,749)	(96,436)	447,293	104,538	15,946	2,443,329	6,070,626
<u>2,028,958</u>	<u>1,468,582</u>	<u>1,609,863</u>	<u>(32,192)</u>	<u>1,054,611</u>	<u>432,437</u>	<u>111,371</u>	<u>3,280,992</u>	<u>16,417,806</u>
<u>\$2,426,288</u>	<u>\$ 1,644,484</u>	<u>\$ 1,926,426</u>	<u>\$ 188,666</u>	<u>\$ 1,249,266</u>	<u>\$ 633,725</u>	<u>\$ 194,331</u>	<u>\$ 3,372,442</u>	<u>\$ 19,484,631</u>
\$2,028,958	\$ 1,468,582	\$ 1,609,863	\$ (32,192)	\$ 1,054,611	\$ 432,437	\$ 111,371	\$ 3,280,992	\$ 16,417,806
8,425,290	5,744,617	4,376,378	250,703	4,918,170	210,992	-	6,039,879	67,754,022
158,414	774,125	-	-	106,006	-	-	-	2,863,569
(22,216)	(1,343,494)	(2,643)	(70,731)	(1,239,211)	-	-	(1,568,760)	(10,518,265)
(7,696,520)	(6,770,000)	(6,179,266)	-	(5,034,445)	-	-	(5,672,510)	(72,799,604)
(73,498)	(61,591)	(111,475)	-	(57,619)	-	-	(22,976)	(541,447)
<u>\$2,820,428</u>	<u>\$ (187,761)</u>	<u>\$ (307,143)</u>	<u>\$ 147,780</u>	<u>\$ (252,488)</u>	<u>\$ 643,429</u>	<u>\$ 111,371</u>	<u>\$ 2,056,625</u>	<u>\$ 3,176,081</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, 2013

	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
<b>Revenues:</b>						
Intergovernmental	\$ 3,157,392	\$ 1,421,430	\$ 2,258,308	\$ 3,334,626	\$ 2,035,953	\$ 7,969,807
Other revenue	191,469	819,341	786,723	594,638	881,260	627,700
Total revenues	<u>3,348,861</u>	<u>2,240,771</u>	<u>3,045,031</u>	<u>3,929,264</u>	<u>2,917,213</u>	<u>8,597,507</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Salaries and benefits	1,945,850	1,548,205	1,720,341	2,310,553	1,763,779	5,078,898
Purchased services	694,865	463,502	598,933	992,930	498,772	1,745,562
Materials and supplies	145,467	101,040	119,975	165,194	76,613	687,225
Capital outlay	-	-	-	22,246	-	8,551,996
Debt service	556,288	11,745	459,456	525,768	459,706	1,003,350
Total other instructional programs	<u>3,342,470</u>	<u>2,124,492</u>	<u>2,898,705</u>	<u>4,016,691</u>	<u>2,798,870</u>	<u>17,067,031</u>
Excess of revenues over (under) expenditures	6,391	116,279	146,326	(87,427)	118,343	(8,469,524)
<b>Other Financing Sources (uses):</b>						
Other financing sources - capital leases	-	-	-	-	-	-
Other financing uses - refunding capital leases	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and other Financing Sources Over (Under) Expenditures	6,391	116,279	146,326	(87,427)	118,343	(8,469,524)
Fund balance (deficit) - July 1, 2012	753,928	7,931	837,366	1,867,603	965,423	10,200,545
Fund balance (deficit) - June 30, 2013	<u>\$ 760,319</u>	<u>\$ 124,210</u>	<u>\$ 983,692</u>	<u>\$ 1,780,176</u>	<u>\$ 1,083,766</u>	<u>\$ 1,731,021</u>
<b>Amounts reported for component unit activities in the statement of activities are different because:</b>						
Excess of Revenues and other Financing Sources Over (Under) Expenditures	\$ 6,391	\$ 116,279	\$ 146,326	\$ (87,427)	\$ 118,343	\$ (8,469,524)
Less: Depreciation expense	(175,652)	(3,643)	(148,744)	(166,948)	(199,833)	(110,463)
Loss on disposal of assets	-	(1,994)	-	-	-	(28,437)
Other sources - debt and amortization of premiums and discounts	(1,927)	-	0	21,758	3,611	-
Deferred outflow on refunding	-	-	(18,914)	(51,860)	-	(75,240)
Change in accrued interest	448	63	2,512	525	175	247
Add: Net capital outlay asset additions	-	27,175	-	22,246	-	8,551,996
Principal payment on long-term liabilities	215,000	11,389	128,760	175,000	105,000	105,000
Change in net position of component unit activities	<u>\$ 44,260</u>	<u>\$ 149,269</u>	<u>\$ 109,940</u>	<u>\$ (86,706)</u>	<u>\$ 27,296</u>	<u>\$ (26,421)</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
\$ 3,364,216	\$ 2,761,150	\$ 2,338,536	\$ 1,947,087	\$ 2,545,326	\$ 526,722	\$ 2,735,330	\$ 3,675,542	\$ 40,071,425
3,648,314	958,931	596,177	194,376	697,135	1,467,296	499,734	397,223	12,360,317
<u>7,012,530</u>	<u>3,720,081</u>	<u>2,934,713</u>	<u>2,141,463</u>	<u>3,242,461</u>	<u>1,994,018</u>	<u>3,235,064</u>	<u>4,072,765</u>	<u>52,431,742</u>
2,470,244	2,424,028	1,828,632	962,148	1,958,621	1,397,802	1,652,296	2,285,584	29,346,981
1,049,625	637,159	1,187,103	1,021,569	768,902	523,017	1,356,276	816,849	12,355,064
163,512	140,970	177,229	59,639	46,018	66,315	105,603	175,829	2,230,629
7,965,344	-	4,351,233	-	-	210,992	-	121,464	21,223,275
212,940	522,375	205,609	-	438,848	-	-	418,069	4,814,154
<u>11,861,665</u>	<u>3,724,532</u>	<u>7,749,806</u>	<u>2,043,356</u>	<u>3,212,389</u>	<u>2,198,126</u>	<u>3,114,175</u>	<u>3,817,795</u>	<u>69,970,103</u>
(4,849,135)	(4,451)	(4,815,093)	98,107	30,072	(204,108)	120,889	254,970	(17,538,361)
7,791,000	-	6,370,000	-	-	-	-	-	14,161,000
(1,918,414)	-	-	-	-	-	-	-	(1,918,414)
<u>5,872,586</u>	<u>-</u>	<u>6,370,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,242,586</u>
1,023,451	(4,451)	1,554,907	98,107	30,072	(204,108)	120,889	254,970	(5,295,775)
1,005,507	1,473,033	54,956	(130,299)	1,024,539	636,545	(9,518)	3,026,022	21,713,581
<u>\$ 2,028,958</u>	<u>\$ 1,468,582</u>	<u>\$ 1,609,863</u>	<u>\$ (32,192)</u>	<u>\$ 1,054,611</u>	<u>\$ 432,437</u>	<u>\$ 111,371</u>	<u>\$ 3,280,992</u>	<u>\$ 16,417,806</u>
\$ 1,023,451	\$ (4,451)	\$ 1,554,907	\$ 98,107	\$ 30,072	\$ (204,108)	\$ 120,889	\$ 254,970	\$ (5,295,775)
(103,978)	(157,955)	(2,643)	(35,365)	(178,595)	-	-	(265,911)	(1,549,730)
(2,006,612)	-	-	-	-	-	-	-	(2,037,043)
(7,721,520)	-	(6,179,266)	-	(9,306)	-	-	11,023	(13,875,627)
158,414	(33,658)	-	-	(4,818)	-	-	-	(26,076)
(44,185)	1,305	(111,475)	-	1,045	-	-	393	(148,947)
7,965,344	-	4,351,233	-	-	210,992	-	121,464	21,250,450
1,885,000	145,000	-	-	90,000	-	-	140,000	3,000,149
<u>\$ 1,155,914</u>	<u>\$ (49,759)</u>	<u>\$ (387,244)</u>	<u>\$ 62,742</u>	<u>\$ (71,602)</u>	<u>\$ 6,884</u>	<u>\$ 120,889</u>	<u>\$ 261,939</u>	<u>\$ 1,317,401</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.	120-125
<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.	126-127
<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.	128-133

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 253,475,823	\$ 270,489,848	\$ 272,131,267	\$ 279,690,380
Restricted	103,913,984	111,961,310	119,886,342	137,222,692
Unrestricted	<u>(11,550,151)</u>	<u>44,946,760</u>	<u>82,472,483</u>	<u>84,308,430</u>
Total governmental activities net assets/net position	<u>\$ 345,839,656</u>	<u>\$ 427,397,918</u>	<u>\$ 474,490,092</u>	<u>\$ 501,221,502</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 3,399,394	\$ 2,887,640	\$ 2,610,619	\$ 2,524,688
Restricted	695,777	688,076	709,513	758,429
Unrestricted	<u>3,175,818</u>	<u>5,240,516</u>	<u>8,077,616</u>	<u>10,085,377</u>
Total business-type activities net assets/net position	<u>\$ 7,270,989</u>	<u>\$ 8,816,232</u>	<u>\$ 11,397,748</u>	<u>\$ 13,368,494</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 256,875,217	\$ 273,377,488	\$ 274,741,886	\$ 282,215,068
Restricted	104,609,761	112,649,386	120,595,855	137,981,121
Unrestricted	<u>(8,374,333)</u>	<u>50,187,276</u>	<u>90,550,099</u>	<u>94,393,807</u>
Total primary government net assets/net position	<u>\$ 353,110,645</u>	<u>\$ 436,214,150</u>	<u>\$ 485,887,840</u>	<u>\$ 514,589,996</u>

Fiscal Year

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 282,779,947	\$ 300,549,882	\$ 344,003,602	\$ 360,914,728	\$ 376,550,610	\$ 403,794,024
157,681,790	149,063,262	122,592,857	122,902,877	118,918,869	69,044,589
130,950,972	128,442,632	117,372,458	91,113,699	73,925,741	105,448,605
<u>\$ 571,412,709</u>	<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>
\$ 2,399,710	\$ 2,702,062	\$ 3,642,539	\$ 3,706,030	\$ 3,434,251	\$ 3,555,684
799,858	781,383	747,019	720,617	691,773	708,022
12,430,067	12,771,303	10,045,737	9,883,367	12,068,165	12,987,974
<u>\$ 15,629,635</u>	<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>
\$ 285,179,657	\$ 303,251,944	\$ 347,646,141	\$ 364,620,758	\$ 379,984,861	\$ 407,349,708
158,481,648	149,844,645	123,339,876	123,623,494	119,610,642	69,752,611
143,381,039	141,213,935	127,418,195	100,997,066	85,993,906	118,436,579
<u>\$ 587,042,344</u>	<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>

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)

	2004	2005	2006	2007	2008
<b>Expenses *</b>					
<b>Governmental activities:</b>					
School administration	\$ -	\$ -	\$ -	\$ -	\$ -
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	393,967,062	389,330,732	420,089,848	436,859,865	441,488,697
Indirect instruction	119,072,440	120,382,252	126,074,406	124,087,808	125,534,158
Transportation	16,503,065	17,269,372	18,779,643	19,993,110	20,201,331
Custodial services	22,871,857	23,354,067	24,209,356	25,002,154	26,277,156
Field services	19,278,349	18,665,080	21,508,695	20,441,219	21,725,526
Telecommunications, networking and utilities	15,351,982	16,500,402	19,653,828	17,523,410	18,945,386
Support services	17,279,408	18,753,372	18,789,170	18,212,328	21,950,387
General administration	2,146,565	2,859,645	2,894,361	3,127,500	2,575,859
District-wide	3,659,049	2,374,468	1,548,547	1,624,570	2,296,287
Interest expense, unallocated	28,086,956	31,651,073	36,819,243	37,525,398	36,810,282
<b>Total governmental activities expenses</b>	<b>638,216,733</b>	<b>641,140,463</b>	<b>690,367,097</b>	<b>704,397,362</b>	<b>717,805,069</b>
<b>Business-type activities</b>					
Food services	19,804,428	19,130,176	19,750,220	21,215,750	22,169,060
Child care	9,691,422	9,899,843	11,039,953	12,138,653	13,611,593
Property management	1,307,756	1,466,991	1,125,385	1,319,568	1,356,529
Other enterprise	-	-	-	-	-
<b>Total business-type activities expenses</b>	<b>30,803,606</b>	<b>30,497,010</b>	<b>31,915,558</b>	<b>34,673,971</b>	<b>37,137,182</b>
<b>Total primary government expenses</b>	<b>\$ 669,020,339</b>	<b>\$ 671,637,473</b>	<b>\$ 722,282,655</b>	<b>\$ 739,071,333</b>	<b>\$ 754,942,251</b>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
<b>Charges for services:</b>					
General administration	\$ -	\$ -	\$ -	\$ -	\$ -
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	3,525,071	4,366,210	4,329,271	4,847,435	4,149,185
Indirect instruction	37,296,822	32,540,920	29,837,974	30,532,826	31,273,508
Transportation	1,633,996	229,677	502,601	435,245	446,566
Field services	3,685,314	3,258,778	2,292,589	3,255,854	11,994,896
District-wide	3,883,322	2,744,283	3,537,713	1,993,172	1,969,309
<b>Operating grants and contributions:</b>					
General administration	-	-	-	-	-
School administration	-	-	-	-	-
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	39,949,569	37,005,381	41,131,579	45,512,301	43,214,748
Indirect instruction	5,453,930	6,038,113	7,020,660	7,729,655	7,350,301
Transportation	4,240,861	4,393,792	4,234,626	4,081,376	4,302,427
<b>Total governmental activities program revenues</b>	<b>99,668,885</b>	<b>90,577,154</b>	<b>92,887,013</b>	<b>98,387,864</b>	<b>104,700,940</b>
<b>Business-type activities</b>					
<b>Charges for services:</b>					
Food services	13,063,321	12,705,589	12,906,439	13,222,800	13,233,844
Child care	8,195,872	8,383,059	8,669,515	9,747,943	11,285,473
Property management	1,836,380	1,802,491	1,906,311	1,937,185	1,921,999
Other enterprise	-	-	-	-	-
<b>Operating grants and contributions:</b>					
Food services	5,809,925	6,360,540	7,092,392	7,414,794	7,758,304
<b>Capital grants and contributions:</b>					
Food services	1,257,672	1,011,907	1,405,393	1,281,906	1,981,771
Property management	-	-	-	-	-
Other enterprise	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>30,163,170</b>	<b>30,263,586</b>	<b>31,980,050</b>	<b>33,604,628</b>	<b>36,181,391</b>
<b>Total primary government program revenues</b>	<b>\$ 129,832,055</b>	<b>\$ 120,840,740</b>	<b>\$ 124,867,063</b>	<b>\$ 131,992,492</b>	<b>\$ 140,882,331</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (538,547,848)	\$ (550,563,309)	\$ (597,480,084)	\$ (606,009,498)	\$ (613,104,129)
Business-type activities	(640,436)	(233,424)	64,492	(1,069,343)	(955,791)
<b>Total primary government net expense</b>	<b>\$ (539,188,284)</b>	<b>\$ (550,796,733)</b>	<b>\$ (597,415,592)</b>	<b>\$ (607,078,841)</b>	<b>\$ (614,059,920)</b>

\*Recategorized expense types starting in fiscal year 2012.

Fiscal Year

	2009	2010	2011	2012*	2013
\$	-	\$ -	\$ -	\$ 57,409,152	\$ 54,996,871
	-	-	-	408,204,654	405,528,254
	-	-	-	65,020,783	69,392,712
	-	-	-	67,648,351	64,686,916
	-	-	-	69,998,170	67,985,826
	475,473,399	488,851,713	488,170,063	-	-
	139,506,864	146,058,971	148,378,364	-	-
	21,744,799	21,105,227	20,850,913	23,703,443	24,115,123
	27,158,925	27,460,710	26,864,799	-	-
	24,507,637	23,020,164	21,763,434	-	-
	19,361,791	21,021,606	21,974,077	-	-
	23,191,961	25,970,162	25,168,348	-	-
	3,328,842	4,122,191	3,909,716	27,898,413	27,617,388
	1,123,258	1,383,435	596,970	-	-
	34,967,047	32,332,211	28,681,991	25,666,711	25,135,731
	<u>770,364,523</u>	<u>791,326,390</u>	<u>786,358,675</u>	<u>745,549,677</u>	<u>739,458,821</u>
	23,425,181	25,200,972	24,402,366	22,995,136	24,588,376
	14,547,344	14,728,222	14,277,646	13,664,939	14,253,323
	1,225,624	2,051,238	1,288,442	1,276,209	1,298,134
	-	-	-	-	-
	<u>39,198,149</u>	<u>41,980,432</u>	<u>39,968,454</u>	<u>37,936,284</u>	<u>40,139,833</u>
\$	<u>809,562,672</u>	<u>\$ 833,306,822</u>	<u>\$ 826,327,129</u>	<u>\$ 783,485,961</u>	<u>\$ 779,598,654</u>
\$	-	\$ -	\$ -	\$ 1,152,290	\$ 1,323,748
	-	-	-	25,645,123	26,903,962
	-	-	-	4,713,718	4,932,848
	-	-	-	3,842,879	4,929,770
	4,323,891	5,053,827	5,148,800	-	-
	30,296,343	27,065,122	28,066,756	-	-
	384,133	400,388	354,195	1,386,407	1,974,372
	3,169,242	3,998,449	3,747,188	-	-
	569,173	474,589	1,358,775	-	-
	-	-	-	3,652,537	3,889,298
	-	-	-	861,829	-
	-	-	-	14,548,969	16,103,053
	-	-	-	25,408,016	24,338,028
	-	-	-	16,402,238	15,731,027
	-	-	-	797,353	165,699
	41,273,450	49,402,008	69,228,523	-	-
	7,225,032	9,914,138	13,358,689	-	-
	4,463,314	4,785,359	4,866,106	5,103,034	5,009,964
	<u>91,704,578</u>	<u>101,093,880</u>	<u>126,129,032</u>	<u>103,514,393</u>	<u>105,301,769</u>
	12,732,788	11,736,773	11,634,444	11,514,984	11,049,462
	11,019,746	10,295,931	10,281,161	9,867,724	10,630,601
	1,728,955	1,674,886	1,763,175	1,595,449	1,796,862
	-	-	-	-	-
	8,735,385	10,964,421	11,709,247	12,716,967	13,520,079
	1,682,642	1,172,164	352,528	84,766	135,253
	32,738	-	-	-	-
	-	-	-	-	-
	<u>35,932,254</u>	<u>35,844,175</u>	<u>35,740,555</u>	<u>35,779,890</u>	<u>37,132,257</u>
\$	<u>127,636,832</u>	<u>\$ 136,938,055</u>	<u>\$ 161,869,587</u>	<u>\$ 139,294,283</u>	<u>\$ 142,434,026</u>
\$	(678,659,945)	\$ (690,232,510)	\$ (660,229,643)	\$ (642,035,284)	\$ (634,157,052)
	(3,265,895)	(6,136,257)	(4,227,899)	(2,156,394)	(3,007,576)
\$	<u>(681,925,840)</u>	<u>\$ (696,368,767)</u>	<u>\$ (664,457,542)</u>	<u>\$ (644,191,678)</u>	<u>\$ (637,164,628)</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General revenues and other changes in net assets/net position					
Taxes					
Local property taxes	\$ 274,625,109	\$ 319,150,542	\$ 321,679,910	\$ 323,604,561	\$ 351,299,729
Automotive ownership taxes	30,794,472	30,817,445	30,814,386	29,414,761	28,858,670
School finance act	268,567,509	273,963,074	281,173,393	289,340,251	293,763,172
Earnings on investments	2,023,751	9,924,454	13,237,589	16,617,507	14,824,519
Special Item	-	-	-	(36,049,258)	(2,620,742)
Transfers (a)	(891,052)	(1,733,944)	(2,333,020)	(2,717,145)	(2,830,012)
Total governmental activities	<u>575,119,789</u>	<u>632,121,571</u>	<u>644,572,258</u>	<u>620,210,677</u>	<u>683,295,336</u>
Business-type activities:					
Earnings on investments	2,016	44,723	184,004	322,944	386,920
Transfers	891,052	1,733,944	2,333,020	2,717,145	2,830,012
Total business-type activities	<u>893,068</u>	<u>1,778,667</u>	<u>2,517,024</u>	<u>3,040,089</u>	<u>3,216,932</u>
Total primary government	<u>\$ 576,012,857</u>	<u>\$ 633,900,238</u>	<u>\$ 647,089,282</u>	<u>\$ 623,250,766</u>	<u>\$ 686,512,268</u>
Change in net assets/net position					
Governmental activities	\$ 36,571,941	\$ 81,558,262	\$ 47,092,174	\$ 14,201,179	\$ 70,191,207
Business-type activities	252,632	1,545,243	2,581,516	1,970,746	2,261,141
Total primary government	<u>\$ 36,824,573</u>	<u>\$ 83,103,505</u>	<u>\$ 49,673,690</u>	<u>\$ 16,171,925</u>	<u>\$ 72,452,348</u>

Fiscal Year

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	349,209,271	\$ 351,591,719	\$ 350,455,667	\$ 339,051,527	\$ 345,921,281
	26,428,023	24,730,646	23,665,288	23,537,666	25,006,758
	307,102,545	321,046,426	278,313,571	279,036,998	276,148,509
	6,230,214	3,045,378	841,952	1,159,227	37,569
	-	-	2,000,000	-	-
	<u>(3,667,041)</u>	<u>(4,268,518)</u>	<u>(4,084,448)</u>	<u>(4,040,569)</u>	<u>(4,065,067)</u>
	<u>685,303,012</u>	<u>696,145,651</u>	<u>651,192,030</u>	<u>638,744,849</u>	<u>643,049,050</u>
	223,967	48,286	18,170	-	-
	<u>3,667,041</u>	<u>4,268,518</u>	<u>4,084,448</u>	<u>4,040,569</u>	<u>4,065,067</u>
	<u>3,891,008</u>	<u>4,316,804</u>	<u>4,102,618</u>	<u>4,040,569</u>	<u>4,065,067</u>
\$	<u>689,194,020</u>	<u>\$ 700,462,455</u>	<u>\$ 655,294,648</u>	<u>\$ 642,785,418</u>	<u>\$ 647,114,117</u>
\$	6,643,067	\$ 5,913,141	\$ (9,037,613)	\$ (3,290,435)	\$ 8,891,998
	625,113	(1,819,453)	(125,281)	1,884,175	1,057,491
\$	<u>7,268,180</u>	<u>\$ 4,093,688</u>	<u>\$ (9,162,894)</u>	<u>\$ (1,406,260)</u>	<u>\$ 9,949,489</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General fund</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	17,845,224	20,017,939	21,464,542	22,281,498
Unreserved	<u>(32,447,844)</u>	<u>22,912,895</u>	<u>50,631,896</u>	<u>83,291,265</u>
<b>Total general fund</b>	<u>\$ (14,602,620)</u>	<u>\$ 42,930,834</u>	<u>\$ 72,096,438</u>	<u>\$ 105,572,763</u>
<b>All other governmental funds</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Reserved	92,998,438	359,255,671	297,538,614	270,407,102
Unreserved, reported in:				
Special revenue funds	<u>6,005,720</u>	<u>6,625,601</u>	<u>6,730,727</u>	<u>6,881,402</u>
<b>Total all other governmental funds</b>	<u>\$ 99,004,158</u>	<u>\$ 365,881,272</u>	<u>\$ 304,269,341</u>	<u>\$ 277,288,504</u>

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

Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	-	\$ 1,859,185	\$ 1,533,697	\$ 1,533,815	\$ 1,159,891	\$ 982,570
	-	16,943,784	17,249,094	15,932,358	15,839,341	15,756,129
	-	15,700,000	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
	-	56,787,350	45,977,675	21,994,915	3,195,321	19,727,866
	24,531,395	-	-	-	-	-
	85,945,926	-	-	-	-	-
	<u>\$ 110,477,321</u>	<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>
\$	-	\$ 374,986	\$ 377,613	\$ 410,265	\$ 895,860	\$ 1,058,751
	-	133,186,115	107,254,805	108,862,085	106,895,470	169,532,657
	-	-	-	-	-	20,833,322
	-	8,128,793	9,024,564	9,760,257	9,426,449	9,344,242
	194,021,205	-	-	-	-	-
	6,574,094	-	-	-	-	-
	<u>\$ 200,595,299</u>	<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>

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			
	2004	2005	2006	2007
<b>Revenues</b>				
Taxes	\$ 304,409,919	\$ 351,941,711	\$ 352,032,843	\$ 356,019,175
Intergovernmental	318,211,869	321,400,360	333,560,257	346,663,583
Interest	2,023,751	9,924,454	13,237,590	16,617,508
Other	46,339,211	47,875,643	46,436,068	41,217,685
<b>Total revenues</b>	<u>670,984,750</u>	<u>731,142,168</u>	<u>745,266,758</u>	<u>760,517,951</u>
<b>Expenditures</b>				
School administration	-	-	-	-
General instruction	-	-	-	-
Special education instruction	-	-	-	-
Instructional support	-	-	-	-
Operation and maintenance	-	-	-	-
Direct instruction	363,285,730	358,618,075	377,762,106	392,101,766
Indirect instruction	112,680,365	115,402,442	120,459,541	119,231,799
Transportation	16,513,997	17,027,582	18,502,815	18,898,149
Custodial services	22,739,292	23,053,952	23,956,510	24,942,750
Field services	16,809,203	16,600,149	17,608,414	18,584,068
Telecommunications, networking and utilities	15,940,510	16,424,892	19,606,348	17,218,062
Support services	17,036,206	16,297,504	17,482,207	17,755,527
General administration	2,016,778	2,721,353	2,716,752	3,135,039
Districtwide	828,320	678,239	662,017	735,878
Capital outlay	37,025,914	42,507,356	91,940,532	129,343,041
Debt service				
Principal	38,625,000	36,215,000	37,935,000	39,885,000
Interest	28,106,178	39,781,092	36,890,523	37,562,972
<b>Total expenditures</b>	<u>671,607,493</u>	<u>685,327,636</u>	<u>765,522,765</u>	<u>819,394,051</u>
Excess of revenues over (under) expenditures	(622,743)	45,814,532	(20,256,007)	(58,876,100)
<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
Payment to refunded escrow agent	-	(104,775,000)	-	-
Premium from bonds	-	30,240,565	-	7,030,291
Transfers out	(32,587,152)	(27,642,544)	(30,898,320)	(30,287,445)
Transfers in	21,484,419	20,738,015	18,708,000	19,208,000
<b>Total other financing sources (uses)</b>	<u>(11,102,733)</u>	<u>278,596,036</u>	<u>(12,190,320)</u>	<u>101,420,846</u>
Special Item: Supplemental Retirement Contribution	-	-	-	(36,049,258)
<b>Net change in fund balances</b>	<u>\$ (11,725,476)</u>	<u>\$ 324,410,568</u>	<u>\$ (32,446,327)</u>	<u>\$ 6,495,488</u>
Debt service as a percentage of noncapital expenditures	10.5%	11.8%	11.1%	11.1%

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 376,039,826	\$ 375,892,943	\$ 374,594,521	\$ 375,134,147	\$ 360,296,394	\$ 374,687,742
348,630,647	360,064,341	385,147,930	365,766,889	345,156,765	340,256,614
14,824,519	6,230,214	3,045,377	841,952	1,156,276	37,569
<u>43,162,248</u>	<u>41,339,653</u>	<u>39,671,470</u>	<u>41,292,003</u>	<u>42,070,227</u>	<u>44,315,203</u>
<u>782,657,240</u>	<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>
-	-	-	-	47,311,834	46,137,612
-	-	-	-	354,467,295	356,803,464
-	-	-	-	65,517,724	68,713,508
-	-	-	-	68,187,899	64,140,368
-	-	-	-	66,662,982	64,358,499
410,321,635	421,454,600	435,488,836	431,750,029	-	-
128,922,159	136,721,737	139,563,450	142,607,586	-	-
21,046,842	21,630,426	20,801,433	20,483,317	20,812,436	21,786,813
27,375,447	26,858,804	27,170,968	26,426,741	-	-
19,260,767	21,002,692	19,400,040	16,980,978	-	-
19,441,113	19,036,775	20,786,072	21,461,102	-	-
19,506,311	22,895,006	22,814,261	19,468,562	-	-
2,666,852	3,348,044	4,119,005	3,828,233	28,525,989	28,427,746
1,380,883	980,999	827,863	785,525	-	-
109,400,964	87,808,282	50,355,185	29,121,654	27,359,625	34,662,226
42,600,000	44,810,000	51,600,000	52,285,000	51,505,000	52,955,000
<u>38,479,744</u>	<u>35,439,587</u>	<u>30,498,774</u>	<u>28,832,069</u>	<u>25,778,672</u>	<u>24,156,542</u>
<u>840,402,717</u>	<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>
(57,745,477)	(58,459,801)	(20,966,589)	(10,995,805)	(7,449,794)	(2,844,650)
-	-	-	-	-	-
-	-	-	-	-	-
35,890,000	-	233,400,000	-	-	168,540,000
(37,762,766)	-	(278,158,016)	-	-	(83,415,163)
2,139,650	-	35,855,493	-	-	31,296,785
(33,097,312)	(35,484,341)	(43,179,718)	(37,165,333)	(46,468,984)	(51,448,042)
<u>21,408,000</u>	<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>(11,422,428)</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>
(2,620,742)	-	-	2,000,000	-	-
<u>\$ (71,788,647)</u>	<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>
11.1%	10.6%	10.6%	10.6%	10.6%	10.6%

**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)
2004	3,784,449	1,744,314	506,747	23,037	7,371
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

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>
246,370	6,312,288	43.85	54,763,946	11.53
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



**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
2004	33.70	10.15	43.85	23.87	27.23
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

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	2012			2003		
	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	\$ 162,363,799	1	2.3 %	\$ 104,650,800	1	1.7 %
MillerCoors LLC/Coors Brewing Company	120,435,185	2	1.7	80,629,530	2	1.3
Qwest Corp	58,973,900	3	0.8	72,986,600	4	1.2
Martin Marietta Corporation	32,635,150	4	0.5			
Colorado Mills Mall Limited Partnership	31,320,000	5	0.5	40,310,000	5	0.7
SP4 Westmoor LP	25,483,750	6	0.4			
Lockheed Martin Corporation	20,415,680	7	0.4	74,125,240	3	1.2
Ball Metal Beverage Container Corp	28,373,798	8	0.3			
Southwest Denver Land LLC	18,738,640	9	0.3			
Belmar Mainstreet Holdings 1 LLC	17,382,484	10	0.3			
Denver West Office				28,509,460	6	0.5
Southwest Plaza Mall				20,555,840	7	0.3
Plains End LLC				17,659,900	8	0.3
KN Interstate Gas Transmission CO				12,606,600	9	0.2
Westminster Mall				11,820,690	10	0.2
Total	<u>\$ 516,122,386</u>		<u>7.4 %</u>	<u>\$ 463,854,660</u>		<u>7.4 %</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
2004	276,374,730	260,315,593	94.2	13,212,875	273,528,468	99.0
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

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

Fiscal Year	Governmental Activities			Business-Type Activities
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases
2004	478,352,086	10,679,250	1,422,926	180,045
2005	717,762,295	9,603,750	763,744	-
2006	680,551,786	8,508,250	362,374	-
2007	715,084,297	44,854,500	156,530	-
2008	672,901,212	42,582,500	-	-
2009	630,515,736	40,639,310	-	-
2010	576,827,793	34,174,778	-	-
2011	523,928,367	32,830,246	-	-
2012	471,878,553	31,420,714	-	-
2013	560,441,507	30,155,000	-	-

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.

\*Not available

<u>Total Primary Government</u>	<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>
490,634,307	7.77%	916	535,657	2.3
728,129,789	11.51%	1,359	535,657	3.2
689,422,410	10.34%	1,280	538,556	2.9
760,095,327	11.33%	1,416	536,748	3.0
715,483,712	9.81%	1,329	538,371	2.7
671,155,046	9.12%	1,235	543,278	2.4
611,002,571	8.25%	1,116	547,728	2.1
556,758,613	7.57%	1,042	534,543	1.9
503,299,267	7.11%	936	537,487	2.2
590,596,507	8.45%	1,088	542,958	*



Debt Capacity Schedule 10  
Jefferson County School District, No.R-1  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2013

	<u>Debt Outstanding</u>	<u>Percentage Applicable to Jefferson County School District</u>	<u>Estimated Amount Applicable to Jefferson County School District</u>
<u>Direct Debt</u>			
Jefferson County School District, No. R-1	\$ 530,940,000	100%	\$ 530,940,000
<u>Overlapping Debt</u>			
Plaza Metropolitan District No. 1	85,580,000	100%	85,580,000
Denver West Metropolitan District	57,610,000	100%	57,610,000
Arista Metropolitan District	57,175,000	100%	57,175,000
Jefferson Center Metropolitan District	37,600,000	100%	37,600,000
West Metro Fire Protection District	36,960,000	96.29%	35,588,784
Countrydale Metropolitan District	26,490,000	100%	26,490,000
Cimarron Metropolitan District	23,000,000	100%	23,000,000
Foothills Park and Recreation District	14,735,000	100%	14,735,000
Mount Carbon Metropolitan District	16,000,000	100%	16,000,000
Confier Metropolitan District	14,524,598	100%	14,524,598
Kipling Ridge Metropolitan District	12,360,000	100.00%	12,360,000
Evergreen Park and Recreation District	12,120,000	100%	12,120,000
Mountain Shadows Metropolitan District	11,400,000	100%	11,400,000
Bowles Metropolitan District	22,700,000	49.03%	11,129,810
APEX Park and Recreation District	10,360,000	100%	10,360,000
Tablerock Metropolitan District	9,255,000	100%	9,255,000
Other	129,721,171	100%	129,721,171
Total Overlapping Debt	<u>577,590,769</u>		<u>564,649,363</u>
Total Direct and Overlapping Debt	<u>\$ 1,108,530,769</u>		<u>\$ 1,095,589,363</u>

Note: Although the District has attempted to obtain accurate information as to the outstanding debt of such governmental entities, it does not represent its completeness or accuracy as there is no central reporting entity which has this information available and the statistics are based on information supplied by others. This table, however, should provide a reasonable representation of the overlapping debt which affects the District. This information was taken from the Series 2012 General Obligation Refunding Statement.



Debt Capacity Schedule 11  
 Jefferson County School District, No.R-1  
 Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin  
 Last Ten Fiscal Periods

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General bonded debt outstanding				
General obligation debt	\$480,392,738	\$700,940,289	\$664,553,474	\$693,618,979
Percentage of estimated property value (a)	0.88%	1.26%	1.15%	1.19%
Per capita (b)	897	1,309	1,234	1,292
Less: Amounts set aside to repay general debt	<u>(52,208,259)</u>	<u>(57,407,112)</u>	<u>(57,623,732)</u>	<u>(58,083,150)</u>
Total net debt applicable to debt limit	428,184,479	643,533,177	606,929,742	635,535,829
Legal debt limit (c)	1,260,603,585	1,263,992,262	1,324,813,065	1,340,113,353
Legal debt margin (d)	<u>\$832,419,106</u>	<u>\$620,459,085</u>	<u>\$717,883,323</u>	<u>\$704,577,524</u>
Legal debt margin as a percentage of the debt limit	66.03%	49.09%	54.19%	52.58%

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$651,955,000	\$609,570,000	\$553,715,000	\$502,790,000	\$452,710,000	\$500,785,000
1.04%	0.96%	0.88%	0.80%	0.74%	0.82%
1,211	1,122	1,011	941	842	922
<u>(63,022,587)</u>	<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>
588,932,413	540,645,333	485,484,256	430,448,373	376,677,475	447,140,726
1,453,903,886	1,464,620,756	1,470,834,296	1,461,910,139	1,408,606,084	1,389,895,624
<u>\$864,971,473</u>	<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>
59.49%	63.09%	66.99%	70.56%	73.26%	67.83%

Demographic and Economic Information Schedule 12  
 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>
2003	535,658	21,105,997	39,402	42	85,700	5.6
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	542,958	25,245,125	46,496	41	85,542	7.0

Sources: Jefferson County

Demographic and Economic Information Schedule 13  
 Jefferson County School District, No.R-1  
 Principal Employers  
 Current Year and Nine Years Ago

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Denver Federal Center	6,200	1	2.98 %	5,000	3	2.38 %
Lockheed Martin Astronautics of Denver	4,970	2	2.39	5,500	2	2.62
Exempla Healthcare/Lutheran Medical Center	2,310	3	1.11	2,600	4	1.24
MillerCoors Brewing Company	2,230	4	1.07	5,500	1	2.62
Terumo BCT	1,940	5	0.93	1,300	6	0.62
National Renewable Energy Laboratory	1,630	6	0.78	960	8	0.46
St. Anthony Hospital	1,540	7	0.74			
Ball Corporation	1,160	8	0.56			
CoorsTek, Inc.	1,100	9	0.53	1,000	7	0.48
FirstBank Holding Co. of Colorado	950	10	0.46			
Rocky Flats				2,500	5	1.19
AON Innovative Solutions, Inc.				950	9	0.45
COBE Cardiovascular				750	10	0.36

Source: Jefferson Economic Council

Note: Numbers reflect employees in Jefferson County only. State/local government agencies not included.  
 This statement was implemented in 2004 with GASB Statement 44.

Operating Information Schedule 14  
 Jefferson County School District, No.R-1  
 Full-time Equivalent District Employees by Category without Hourly FTE's  
 Fiscal Years 2004 to 2009

Employee Category	As of June 30					
	2004	2005	2006	2007	2008	2009
<b>Educational services</b>						
Chief academic officer	1	1	1	1	1	1
Community superintendents	7	7	6	4	4	4
Executive director	2	1	1	5	6	6
Principals	138	138	141	141	141	141
Assistant principals	120	118	123	128	136	140
Teachers/Resource Teachers	4,600	4,508	4,656	4,693	4,713	4,767
Counselors	127	129	130	128	134	132
Library media specialists	139	128	127	118	130	130
Social workers	60	57	62	66	63	63
Secretaries	393	375	375	378	380	380
Campus supervisors	48	46	59	65	65	66
Directors/assistant directors	43	37	51	49	48	18
Physical/occupational/speech therapists	144	148	159	163	163	163
Psychologists	79	82	79	76	80	71
Nurses	28	29	28	30	32	34
Technicians/specialists classified	66	55	46	81	45	40
Childcare specialists classified	165	166	261	182	203	183
Managers	7	6	0	0	1	1
Coordinators	17	4	8	15	17	21
Other	39	19	19	16	7	48
<b>Total educational services</b>	<b>6,223</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	0	1	1	1	1	1
Chief information officer	0	0	0	1	2	0
Executive director	7	4	11	11	9	10
Assistant superintendent	1	1	0	0	0	0
Directors/assistant directors	11	31	38	40	41	37
Supervisor	8	7	6	7	7	4
Manager	33	30	40	41	42	43
Technical specialist - administrative	58	63	60	65	65	64
Coordinator level/consultant	0	18	24	34	33	26
Technicians/specialists classified	122	156	186	159	150	153
Secretaries	25	32	26	19	19	19
Custodians	496	482	490	494	497	510
Trades technicians	216	214	204	209	213	209
Food service managers	134	132	130	128	122	120
Food service hourly worker	145	135	123	134	138	145
Security officer/alarm monitor	10	10	14	16	18	18
Bus drivers	229	235	212	220	227	221
Other	42	45	50	52	73	76
<b>Total support services and human resources</b>	<b>1,537</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	1
Chief operating officer	1	1	1	1	1	1
Executive director	1	1	2	2	3	2
Administrative assistant to superintendent/BOE	0	1	0	3	5	4
Coordinator level/consultant	0	1	1	0	1	1
Manager	3	4	7	6	4	5
Secretaries	4	1	1	2	1	0
Technicians/specialists classified	1	1	3	1	0	0
Other	1	2	2	2	6	7
<b>Total districtwide</b>	<b>12</b>	<b>13</b>	<b>18</b>	<b>17</b>	<b>22</b>	<b>21</b>
<b>Grand total</b>	<b>7,772</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 14  
 Jefferson County School District, No.R-1  
 Full-time Equivalent District Employees by Category with Hourly FTE's  
 Last Four Fiscal Years

Employee Category	As of June 30			
	2010	2011	2012	2013
<b>Administrative services</b>				
Superintendent	1	1	1	1
Chief Academic Officer	1	1	1	1
Chief Operating Officer	2	1	1	1
Chief Information Officer	1	1	1	1
Chief Technology Officer	0	1	1	1
Chief Financial Officer	1	1	1	1
Executive Director	19	19	18	19
Principal	135	142	140	143
Director/Assistant Director	56	57	49	46
Assistant Principal	138	128	129	124
Community Superintendent	4	4	4	4
Manager/Supervisor	44	47	48	52
Technical Specialist	83	88	87	84
Coordinator - Administrative	11	11	14	12
Administrator	7	7	9	15
Food Service Coordinator	7	7	7	8
Administrative Assistant	10	10	9	9
Investigator	2	2	2	2
<b>Total administrative services</b>	<b>522</b>	<b>528</b>	<b>522</b>	<b>524</b>
<b>Licensed services</b>				
Teacher	4,439	4,442	4,360	4401
Counselor	142	143	142	143
Teacher Librarian	129	135	119	118
Coordinator	27	27	23	22
Resource Teachers	92	113	87	70
Instructional Coach	141	140	129	130
Physical Therapists	14	12	11	12
Occupational Therapists	33	32	31	29
Nurse	35	40	40	41
Psychologist	69	70	70	67
Social Worker	60	57	59	64
Audiologist	4	4	4	5
Speech Therapist	116	117	118	120
Certificated - Hourly	26	15	18	17
<b>Total licensed services</b>	<b>5,327</b>	<b>5,347</b>	<b>5,211</b>	<b>5239</b>
<b>Support services</b>				
Director/Assistant Director - Preschool	42	45	47	44
Technical Specialist/Coordinator Classified	5	7	7	9
Accountant	3	2	2	2
Specialist/Technicians - Classified	344	344	332	321
Buyer/Buyer Assistant	6	6	5	5
Transportation Trainer	5	5	5	5
Group Leader	17	16	15	18
School Secretary	348	336	329	328
Secretary/Clerk	35	33	26	28
Paraprofessional/Para-Educator	1,106	1,053	1,087	1125
Special Interpreter/Tutor	82	56	62	67
Clinic Aides	84	80	80	84
Trade Technician	184	174	167	166
Food Equipment Repair Assistant	2	2	2	2
Bus Driver	225	218	221	235
Printing Equipment Operator	3	2	2	2
Custodian	491	450	442	452
Campus Supervisor	67	63	64	66
Security Officer/Alarm Monitors	18	18	18	19
Food Service/Satellite Manager	126	121	118	117
Food Service Hourly Worker	185	160	165	167
Warehouse Worker	14	15	14	14
Classified Hourly	200	202	182	172
<b>Total Support Services</b>	<b>3,592</b>	<b>3,408</b>	<b>3,392</b>	<b>3448</b>
<b>Grand total</b>	<b>9,441</b>	<b>9,284</b>	<b>9,125</b>	<b>9,211</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 15  
 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
2004	544,494,799	82,184	6,625	12.38%	4,515	18.20	76.3	28.47
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	*	55.85

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

(2) Enrollment data report, the enrollment number does not include component units.

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

\*Not available

**Operating Information Schedule 16**  
**Jefferson County School District, No.R-1**  
**School Building Information**  
**Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2,013
<b>Elementary/Pre-K campuses</b>	103	103	103	104	104	103	103	101	101	97
Total square feet	4,160,960	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
Total program capacity	41,880	41,880	41,880	42,052	43,475	44,330	51,047	50,711	48,670	43,088
Enrollment	40,060	39,123	38,806	39,023	40,532	40,053	40,947	40,874	40,274	40,774
<b>Middle school campuses</b>	19	19	19	20	20	19	19	19	19	19
Total square feet	1,924,789	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
Total program capacity	13,759	13,759	14,502	15,062	15,626	15,812	16,410	16,410	15,943	15,786
Enrollment	12,816	12,592	12,182	11,811	11,537	11,209	10,770	10,755	10,686	10,720
<b>High school campuses</b>	17	17	17	17	17	17	17	17	17	17
Total square feet	3,207,614	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
Total program capacity	24,959	24,959	25,455	26,759	27,796	28,680	30,063	30,063	30,019	29,764
Enrollment	25,199	25,282	25,293	25,042	24,623	24,108	23,939	23,384	23,219	22,958
<b>Option schools/Districtwide</b>	10	10	11	11	11	13	15	15	15	15
Total square feet	703,629	703,629	894,106	894,106	894,106	894,106	900,062	900,062	923,062	928,709
Enrollment	3,314	4,347	4,571	4,403	3,239	4,321	4,094	4,054	4,031	3,801
<b>Charter schools</b>	11	11	11	12	13	13	13	14	14	14
Enrollment	3,516	4,134	4,231	4,511	4,865	4,952	5,198	5,551	6,119	7,008
<b>Support facilities</b>										
Total square feet	419,518	419,518	419,518	419,518	419,518	419,518	468,413	534,434	491,806	485,210

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



**Operating Information Schedule 17**  
**Jefferson County School District, No.R-1**  
**Certificated staff Data - Number of certificated staff by salary level with average salaries**  
**Last Ten Fiscal Years**

Fiscal Year	Non-Degree Vocational	Bachelor's Degree	Bachelor's Degree Plus 20 semester hours (undergraduate or graduate)	Bachelor's Degree Plus 40 semester hours (undergraduate or graduate)
2004	15	772	586	1,392
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	451	361	1,350
2013	16	453	320	1,218

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.

<u>Bachelor's Degree Plus 60 semester hours (30 credits must be graduate level) Must include masters degree</u>	<u>Bachelor's Degree Plus 75 semester hours (37.5 credits must be graduate level) Must include masters degree</u>	<u>Salary Ranges</u>	<u>Average Salary</u>
464	2,182	\$27,501 to \$82,002	\$ 50,100
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
439	2,980	32,608 to 91,725	58,500
380	2,939	32,934 to 92,642	58,100



## **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, 2013

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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, 2012 through June 30, 2013

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, 2013	10.555		1,264,281
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2013	10.553		2,116,388
National school lunch program June 30, 2013	10.555		9,672,035
Summer food service program for children June 30, 2013	10.559		141,809
Child nutrition cluster subtotal			11,930,232
Agency subtotal			13,194,513
<u>U.S. Department of Transportation</u>			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205	7205	66,522
<u>U. S. Department of Education</u>			
Direct:			
Title VII - Indian education-formula grants to LEA and tribal schools	84.060a	4060	116,102
Title V Part D Teacher Incentive Fund	84.374	4374	4,689,104
ARRA - Title V Part D Teacher Incentive Fund	84.385	4385	4,260,998
Total direct			9,066,204
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B/Increasing Achievement	84.027	4027/5027	13,751,498
Individuals with disabilities education act-preschool services	84.173	4173	330,212
Special education cluster subtotal			14,081,710
Adult education-state administered basic grant program	84.002	6002	68,126
Title I grants to local education agencies	84.010	4010	11,309,367
Twenty-First century community learning	84.287	5287/6287	688,800
Title I-C Migrant Education - direct to Jeffco Schools	84.011	4011	63,691
McKinney Homeless - education for children and youth	84.196	5196	25,891
Public charter schools	84.282	5282	176,714
ARRA - Data Sharing Pilot	84.384	7384	79,550
Title I-G - Advanced Placement for Disadvantaged Students	84.330	5330	15,505
Colorado Graduation Pathways	84.360	5360	222,981
Title III - English language acquisition, enhancement, and academic achievement	84.365	4365	358,548
Title II - A - Teacher Quality	84.367	4367	1,083,108
ARRA - Race to the Top	84.413	4413	144,539
Passed through Colorado Community College and Occupational: Educational			
Vocational and applied technology education-basic state grants	84.048a	4048	431,948
Passed through Colorado Department of Human Services:			
Rehabilitation services – vocational rehabilitation grants to states (SWAP)	84.126	6126	732,715
Agency subtotal			38,549,397
<u>Corporation for National and Community Service</u>			
Passed through Colorado Department of Local Affairs:			
AmeriCorp	94.006	7006	79,975
<u>US Department of Health and Human Services</u>			
Passed through Jefferson County Human Services			
Temporary Assistance for Needy Families (TANF)	93.558	8558	64,528
ARRA-Head Start-Results Matter	93.708	5708	5,397
			69,925
Total expenditures of federal awards			\$ 51,960,332

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2013

(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 \$1,264,281 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, 2012.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 51,960,332
Less: USDA *	(13,194,513)
	<u>\$ 38,765,819</u>

Grants Fund

Total expenditures from basic financial statements	\$ 42,658,696
Less: Nonfederal grants expenditures	(3,892,877)
	<u>\$ 38,765,819</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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 21, 2013.

**Internal Control Over Financial Reporting**

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

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

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



**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

Greenwood Village, Colorado  
October 21, 2013





**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, 2013. 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, 2013.





## Report on Internal Control Over Compliance

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

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

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

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



Greenwood Village, Colorado  
October 21, 2013



**JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1**  
**Schedule of Findings and Questioned Costs**  
**Fiscal year ended June 30, 2013**

**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>
Nutrition Cluster:	
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program
84.385	Title V-D Teacher Incentive Fund, ARRA
84.374	Title V-D Teacher Incentive Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$1,558,810

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 Findings and Questioned Costs**  
**Fiscal year ended June 30, 2013**

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

**Finding 2012-01**

US Department of Education

Passed through Colorado Department of Education

Title II, Part A – Improving Teacher Quality State Grants, CFDA #84.367

**Allowable Costs**

**Significant Deficiency**

Recommendation:           The District should strengthen its internal controls over salary certifications by enhancing the instructions provided to the grant manager. These instructions should remind the grant manager of their responsibility of certifying the amounts that were actually charged to the grant.

Status:                        Implemented.

**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 2012-13

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type	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	36,054,552	580,419,664	566,507,651	49,966,565
18 Risk Mgmt Sub-Fund of General Fund	0	6,598,700	6,598,700	0
19 Colorado Preschool Program Fund	0	4,065,067	4,065,067	0
<b>Sub- Total</b>	<b>36,054,552</b>	<b>591,083,431</b>	<b>577,171,418</b>	<b>49,966,565</b>
11 Charter School Fund	21,713,583	66,499,580	71,795,356	16,417,806
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	2,900,673	43,453,057	42,658,696	3,695,034
23 Pupil Activity Special Revenue Fund	10,905,543	22,870,840	22,810,219	10,966,165
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	21,586,277	21,586,277	0
31 Bond Redemption Fund	76,032,525	134,943,620	157,331,871	53,644,274
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	0	116,898,120	5,307,620	111,590,500
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	27,379,037	22,848,568	29,354,606	20,872,999
<b>Totals</b>	<b>174,985,914</b>	<b>1,020,183,492</b>	<b>928,016,063</b>	<b>267,153,343</b>
<b>Proprietary</b>				
51 Food Service Fund	7,336,247	24,797,956	24,681,539	7,452,665
50 Other Enterprise Funds	8,857,940	12,427,463	11,486,388	9,799,015
64 (63) Risk-Related Activity Fund	8,553,883	966,955	1,035,546	8,485,292
60,65-69 Other Internal Service Funds	24,294,459	6,749,674	6,436,395	24,607,738
<b>Totals</b>	<b>49,042,529</b>	<b>44,942,049</b>	<b>43,639,868</b>	<b>50,344,710</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 priorperiod adjustment is added into both your ending and beginning fund balances on this report.