

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2015

Jefferson County, Colorado



Building Bright Futures

***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, 2015

Presented to the Board of Education

Board Members

Ken Witt, President

Julie Williams, First Vice President

Lesley Dahlkemper, Second Vice President

John Newkirk, Secretary

Jill Fellman, Treasurer

Superintendent

Dan McMinimee

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

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

June 30, 2015

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November 10, 2015

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, 2015, 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 unmodified ("clean") opinions on the District's financial statements for the year ended June 30, 2015. 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, 2015, 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 17-29 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, 2015, have been included.

The District's Profile

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

The District provides a full range of educational programs and services authorized by Colorado state statute to approximately 87,000 enrolled students. District programs and services include basic K-12 education in elementary schools, middle schools, high schools, option schools, special education, vocational education, preschool and numerous other programs. There are fifteen charter schools within the District that are legally separate entities. The charter schools are funded based on the Colorado Department of Education stated per pupil revenue. This revenue is directly allocated to each charter school. The charter schools are disclosed as discretely presented component units of the District.

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

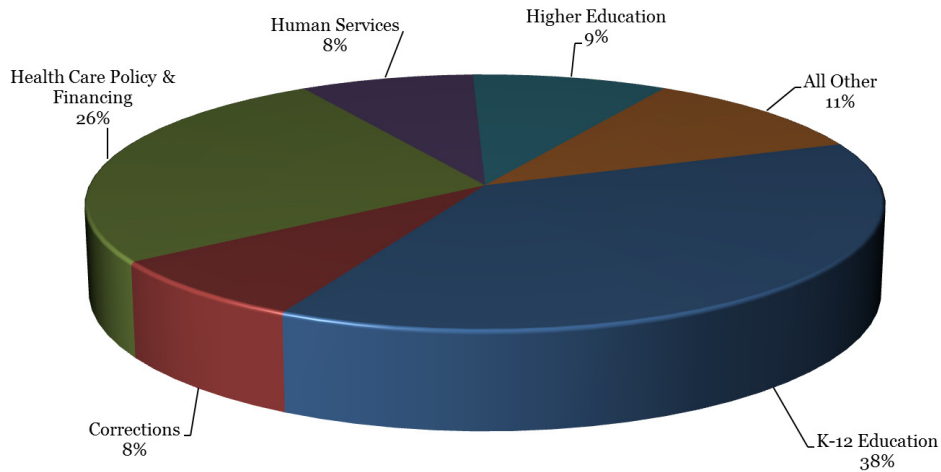
Assessment of the District's Economic Condition

The national economy continues to expand but growth is anticipated to slow in the next year with the uncertainties in the global economy. As noted in the September 2015 Focus Colorado: Economic and Revenue Forecast, growth continues in employment, wages and housing and the dollar continues to strengthen to other currencies. Lower oil prices have been a boost for the national economy. The Institute for Supply Management (ISM) continues to be above the 50.0 index, indicating expansion. The ISM business index was 63.9 and manufacturing at 51.1 for August 2015. This growth is the second highest level within the current economic expansion. Gross Domestic Product (GDP) is estimated to increase 2.3 percent in 2015 and 2.4 percent in 2016. U.S. unemployment decreased in 2015 to 5.3 percent and is expected to fall to 5.1 percent in 2016. Averages of 211,000 new jobs per month were added for the first eight months of the year. Inflation is estimated to increase only.1 percent in 2015 and 1.6 percent in 2016. The lower rate for 2015 is reflecting the decline in oil prices. The ongoing risks from the global economy include the continuing Greek debt crisis and the slowing China economy. At the national level, the potential for less accommodative monetary policies from the Federal Reserve could cause some volatility.

The Colorado economy continues to grow. There has been some dampening due to the oil and gas downturn but the diversity of business in the state has helped offset the impact. The growth in the state economy mirrors growth seen at the national level and it also is expected to continue, The Denver-Boulder-Greeley consumer price index increased 1.2 percent in 2015 and is expected to increase 2.6 percent in 2016. As noted at the national level, 2015 growth slowed from the oil and gas reductions. Unemployment was at 4.4 percent in August 2015 and expected to remain stable at 4.4 percent in 2016. Personal income is projected to grow 5.2 percent for 2015 and 4.9 percent in 2016. The Denver housing market is also expanding at a fast pace. The current demand for housing is higher than the supply making it attractive to build and sell homes. Growth continues in construction of single family and multifamily projects. Residential construction permits increased 8.6 percent in 2015 and forecasted to be 8.9 percent in 2016. Colorado's economy is at risk from the same factors as the nation's economy. Tighter monetary policy from the Federal Reserve and global issues could interrupt growth.

The State of Colorado has seen improved revenue from the economy but there continues to be issues with the state budget. Balancing the budget and meeting statutory funding requirements continues to be an issue. There are three main reasons for the challenges. 1) Article X, Section 20 of the Colorado Constitution (TABOR) limits the amount of revenue the state may retain and either spend or save. The revenue is limited to the prior year's limit or revenue (whichever is lower) adjusted for inflation, population growth and voter changes. Revenue over the limit must be refunded back to taxpayers. 2) Structural issues with the state budget and federal limitations such as Medicaid case load growing faster than the economic recovery and 3) the ability to continue funding the K-12 buy down of the negative factor when prior buy down was using one time money. Economists have raised concerns of the state's ability to continue to fund K-12 education at the required inflation and growth and not increase the negative factor. Sales tax from marijuana sales will first be used to fund regulation of the industry and then for public school capital construction projects, funding has not been available for operational support. 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.

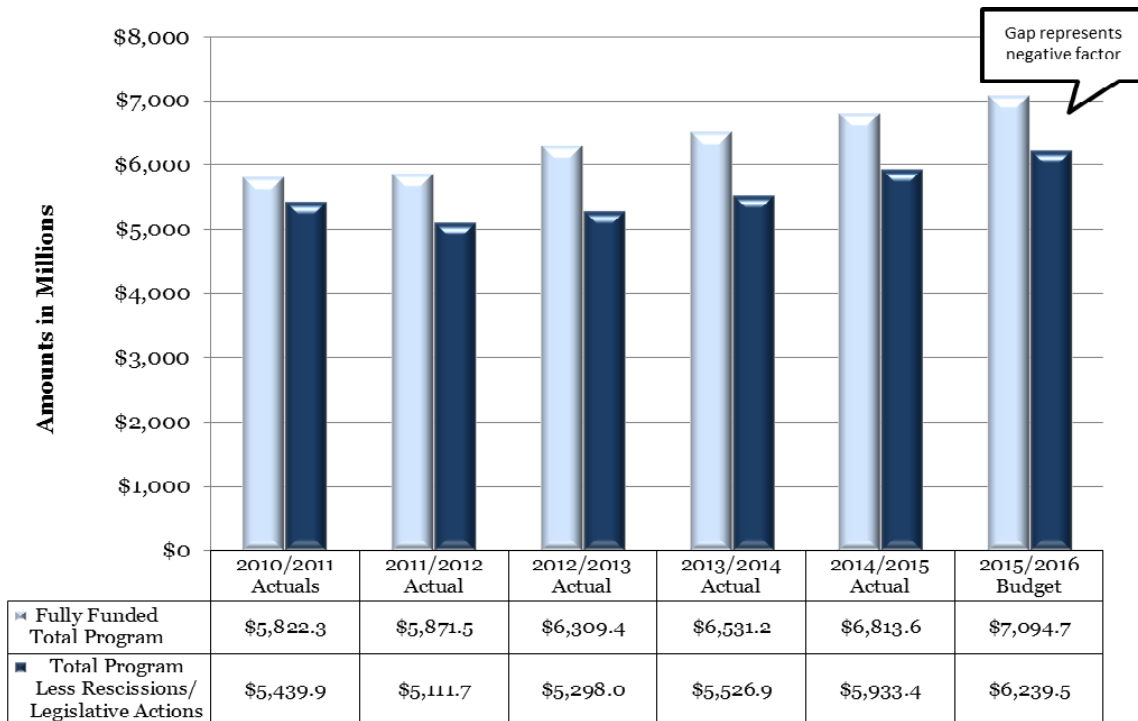
**State of Colorado
2015/2016 Major Department Share
of General Fund**



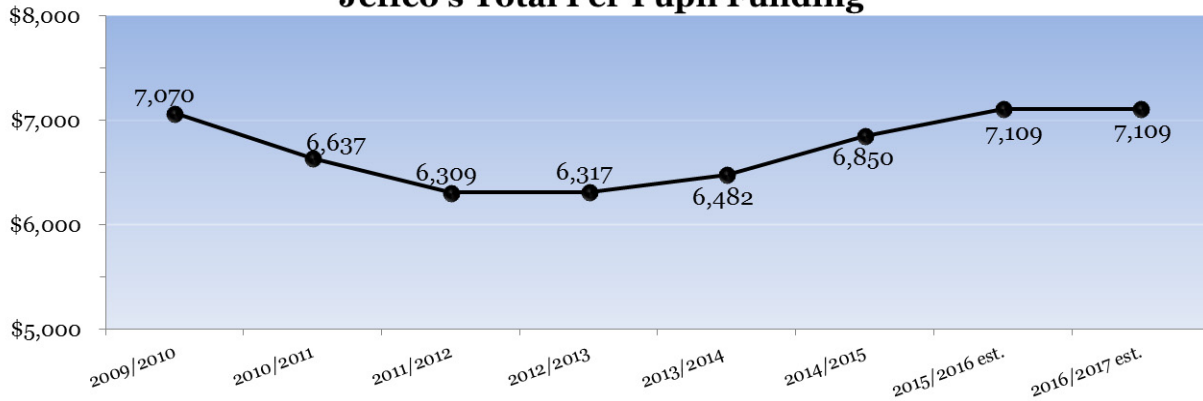
Source: Governor's 2015/2016 Budget Request

Colorado school districts are funded based on a formula that is comprised of revenues from local property taxes and state funding. This formula contains several factors that are to address different demographic needs of districts. To accommodate prior year 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 balance the budget while remaining within the legal limits of the funding formula. The total negative factor for fiscal 2015 was \$880 million; the District share is \$83 million. For fiscal year 2015/2016, the school finance act funded 2.8 percent for inflation and enrollment growth and an additional buy down of \$25 million for the negative factor. The below illustrates the gap in funding created by the negative factor.

State of Colorado Total Program K-12 Education Funding



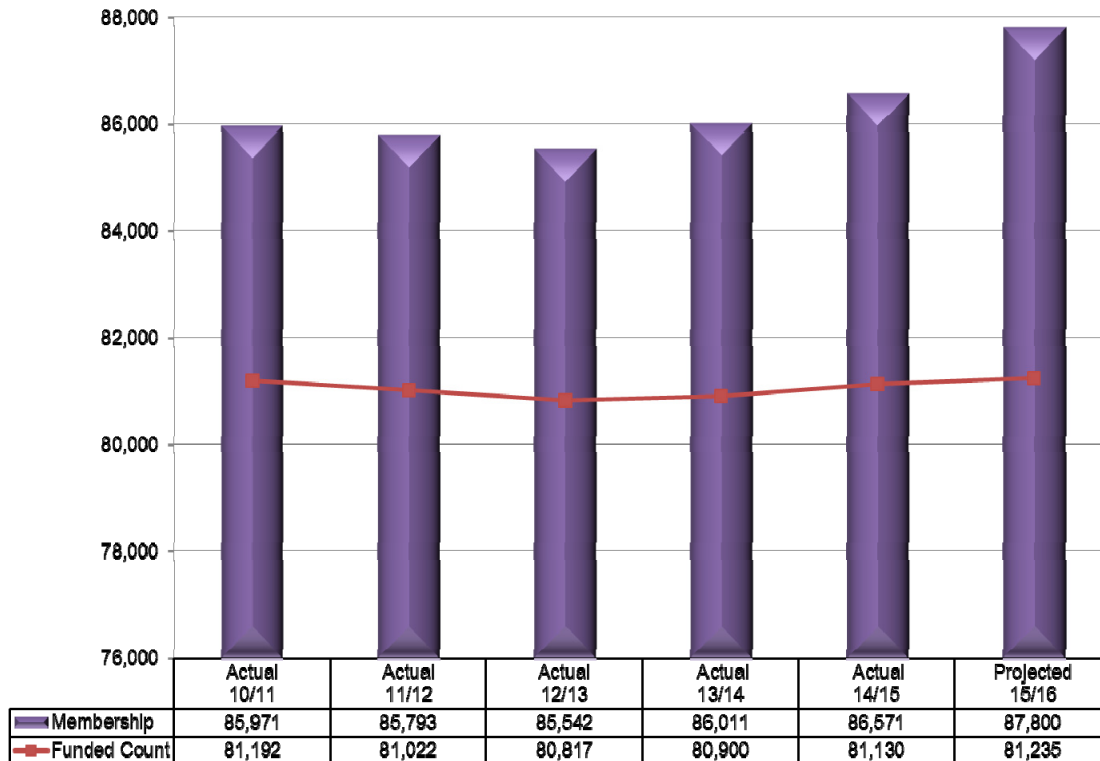
Jeffco's Total Per Pupil Funding



**2015/2016 - CDE has based Total Program and Per Pupil funding numbers on projected enrollment and adoption of the School Finance Act
 **2016/2017 assumes the negative factor remains at the 2015/2016 level of \$855M, and enrollment stays flat compared to 2015/2016

Until fiscal year 2014, the District has experienced declining enrollment. For 2014 and 2015, the majority of growth was experienced in charter schools. The county demographics reflect overall aging with fewer younger families. State funding is calculated on enrollment and decreases as enrollment drops. As enrollment declines, some variable costs are avoided. Although fewer students can mean fewer classrooms and fewer teachers, some fixed costs cannot be reduced as easily such as buildings, utilities, maintenance and insurance. Due to the size of the District, some areas can be declining in enrollment while other areas are increasing resulting in overall enrollment projections for limited growth. Significant shifts in enrollment can cause changes in facility needs and issues of building utilization. For fiscal year 2015, the Board directed \$18 million in underspend be set aside to fund a new elementary school in the north area of the District to address growth.

Jeffco Student Membership and Funded Count



Major Initiatives

Jeffco 2020

In fiscal year 2015, District staff worked with students, staff and the community to build a new strategic plan. The Jeffco 2020 Vision Strategic Plan defines the characteristics of a successful graduate for 2020 and beyond:

In order for students to pursue their life goals by 2020 all Jeffco graduates will be able to successfully apply the following competencies: Content Mastery, Civic & Global Engagement, Communication, Critical Thinking & Creativity, Self-Direction & Personal Responsibility.



Three strategies make up the plan and include essential actions focused on specific Jeffco 2020 competencies:

Empower to Educate, Inspire to Learn

Including: Habits of Success – whole child development

Student, Educator, Parent and Community Empowerment – active engagement in student learning.

Connect to College, Career and Life Aspirations

Including: Student Learning Expectations – prioritizing what students need to know and be able to do

High Quality Instruction – creating the conditions for engaged teaching, learning and ongoing progress

Multiple Pathways – ensuring access and opportunity for all Jeffco students

Leadership Development for all Stakeholders

Including: High Quality Professional Learning – professional growth and leadership development

Continuous Improvement – commitment to Jeffco 2020 competencies for all Jeffco students

Within each priority are the defined actions to accomplish the strategies along with the means for monitoring and measurable outcomes.

Fiscal Management and Strategic Policies

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

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

Budget Development Process

The budget development process is a long-term initiative that aligns available resources to positively impact student achievement. The District's approach encourages communication and leverage between organizational units within the entire District and focuses attention on District goals. Staff and community input during the process is a key component of its success. The District is committed to the continued process of long range planning with the strategic plan as a benchmark for decisions. Please refer to the 2015/2016 Adopted Budget for details on the budgeting process.

Student Based Budgeting

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

Student Achievement

The District's focus on student achievement includes meeting the goals defined by Jeffco's Board of Education, the Colorado Department of Education and the federal government as indicated below:

1) Jeffco's Board of Education has defined specific academic targets in the following Board Policy Ends:

Ends 1: Every student will master the Colorado Content Standards at grade level.

Ends 2: Every student will achieve one year's growth or more as needed to "catch up", in each year of school and be ready for the next level.

Ends 3: Every student will graduate career and workforce and/or post secondary ready.

2) 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.

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

Licensed Employee Compensation Redesign

The District has focused for several years on researching new approaches to compensation for licensed employees (teachers and other professionals who fall under the 'teacher' umbrella such as counselors, teacher librarians, and nurses). Beginning in fiscal year 2015, the board approved a new compensation plan that pushes this work forward in the following ways: an increase in the overall starting salaries for newly hired employees which better aligns District salaries with the surrounding jurisdictions, and a link between pay increases and educator effectiveness as measured through the evaluation system.

21st Century Learning Environments – Capital Improvements

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

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

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

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

District Wide Facilities Master Plan

In compliance with District policies, long-term facilities planning and the development of a District-wide Facilities Master Plan (FMP) is ongoing work, of which, current and accurate data is the foundation. In 2009, to ensure consistent and objective collection of data, the District authorized a comprehensive assessment of its facilities. The assessment consisted of a capacity analysis, an educational adequacy assessment, a building condition assessment and a review of all site and building systems with a life cycle renewal forecast. The first Facility Condition Assessment Summary of Findings was published in September 2010. Each year, staff completes the annual cycle of assessing one-third of the District's facilities, as well as updated cost estimates and life cycle forecasts. These up to date assessments are used for planning and prioritization of all capital spending. Part of the assessment process assigns a Facility Condition Index (FCI) to District facilities. The FCI provides a relative scale of the overall condition of the facility or group of facilities within a facility portfolio. The District will continue to be diligent in analysis, monitoring and management of facilities. The facilities master plan is considered as part of the overall financial plan. Below is a summary of FCI by Site Location from the 2014-2015 Summary of Findings.

Districtwide Facility Condition Index (FCI) by Site Location			
FCI		Campuses	Area
<5%	Best	5	145,966
6-10%	Good	8	868,120
11-20%	Average	20	1,855,502
21-30%	Below Average	21	1,628,184
31-40%	Poor	43	3,163,812
41-50%	Poor	40	2,774,792
51-65%	Very Poor	24	1,478,461
66-80%	Replacement	5	105,835
81-90%	Replacement	-	-
91-100%	Replacement	-	-
>100%	Replacement	3	14,135
Total		169	12,034,807

FCI Category	Count
<5%	5
6-10%	8
11-20%	20
21-30%	21
31-40%	43
41-50%	40
51-65%	24
66-80%	5
81-90%	0
91-100%	0
>100%	3

Renewed Instructional and Business Technology Systems

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

In addition, the Technology and Data Privacy Advisory Committee (TDPAC) was created to advise the Board of Education on district technology strategies, systems and overall data governance. The committee reviews the district's technology plan considering alignment with instructional goals and opportunities for technology innovation as well as district privacy policies and practices. Data governance and the protection of student and staff information is also a critical focus at the District. Ensuring that data is protected with all technology processes is required to create a consistent and secure handling of the data across the District.

Jeffco has maintained its status as a national K-12 technology leader with the collaboration of technology and instructional staff to develop and implement robust data systems in support of Colorado's new educator effectiveness legislation. As the District thinks strategically about emerging instructional trends, Education Research and Design (ERD), with support from Information Technology (IT), is leading efforts to plan and implement the build-out of IT infrastructure that will eventually enable the use of thousands of mobile wireless devices that will integrate with instruction. Funding has been approved for the Mobile Device Readiness (MDR) program over the next four to five years to achieve this goal.

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, 2014. This was the thirty second consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Kathleen Askelson
Interim Chief Financial Officer



Lisa Anderson
Manager, General Accounting



Government Finance Officers Association

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

Presented to

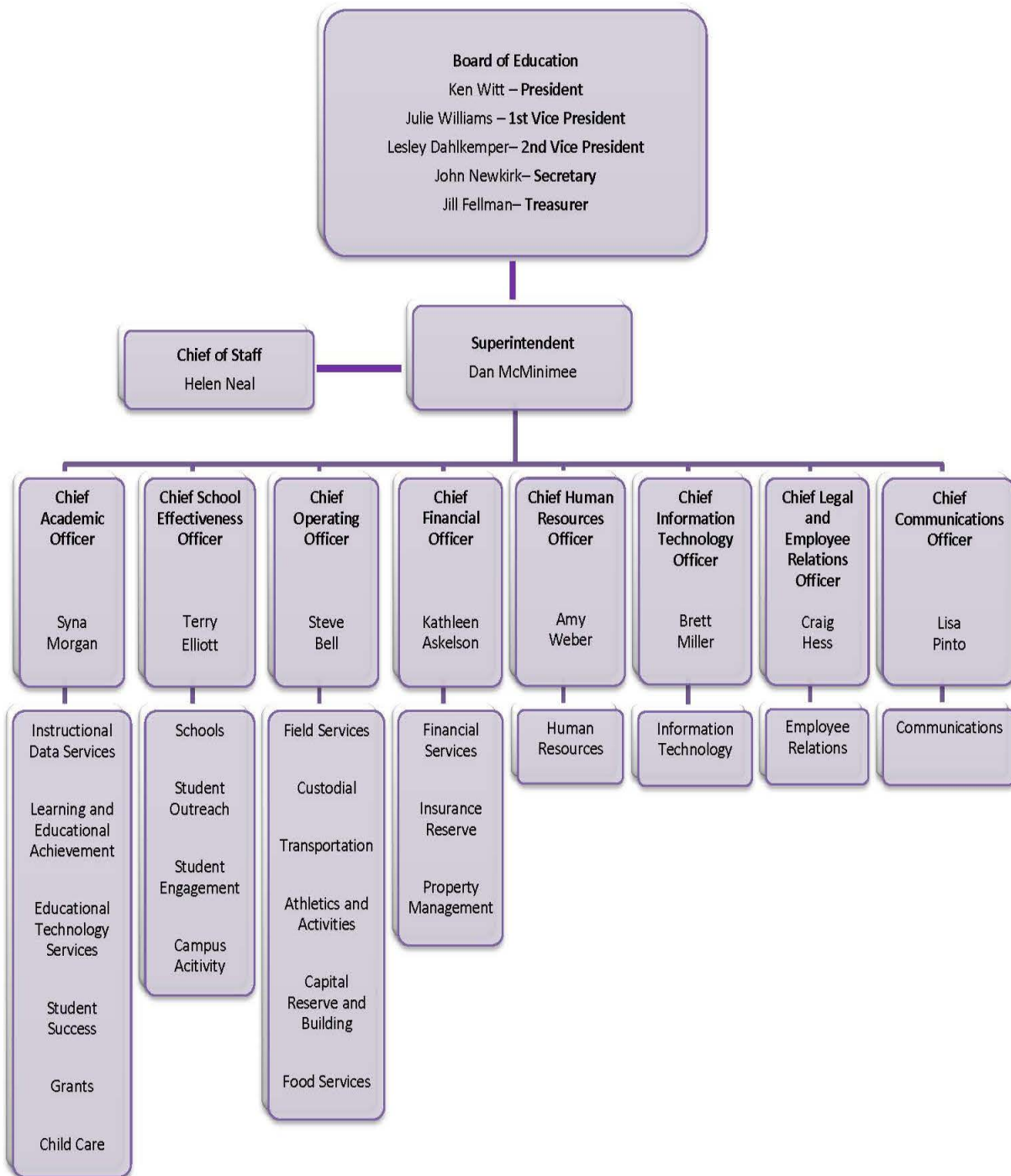
Jefferson County

School District No. R-1, Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



Note: Detail is presented at the division and fund level. For department detail, see the Jeffco Public Schools website.

Superintendent's Cabinet

Dan McMinimee Superintendent
Helen Neal Chief of Staff for Superintendent and BOE
Syna Morgan..... Chief Academic Officer
Terry Elliott..... Chief School Effectiveness Officer
Steven Bell Chief Operating Officer
Kathleen Askelson Chief Financial Officer
Amy Weber Chief Human Resources Officer
Brett Miller Chief Information Officer
Craig Hess..... Chief Legal Counsel/Executive Director Employee Relations
To be filled..... Chief Communications Officer



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County School District, No. R-1 (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, 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.

Emphasis of Matters

Adoption of New Accounting Standard

As described in Note 17 to the financial statements, the District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68. As a result of the implementation of GASB Statement No. 68, the District reported a restatement for the change in accounting principle. Our opinions were not modified with respect to the restatement.

Additionally, the District has reconciled the Food Services Fund, a proprietary fund on full accrual basis, to a special revenue fund, modified accrual basis, as required by the Colorado Department of Education. As a result of this change, the District reported a restatement for the change from a proprietary fund to a special revenue fund in the Supplementary Information on pages 111-113. Our opinions were not modified with respect to the restatement.

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, the schedule of the District's proportionate share of the net pension liability on page 77, and the schedule of contributions and related ratios on page 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

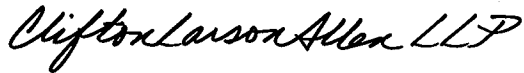
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements and schedules,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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



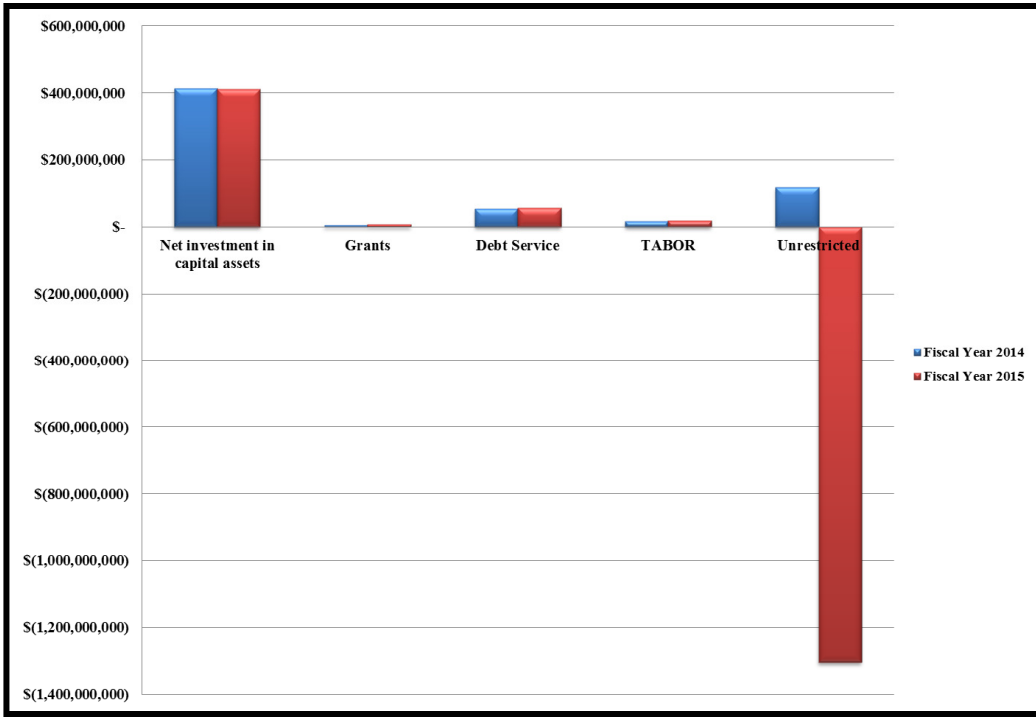
CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 9, 2015



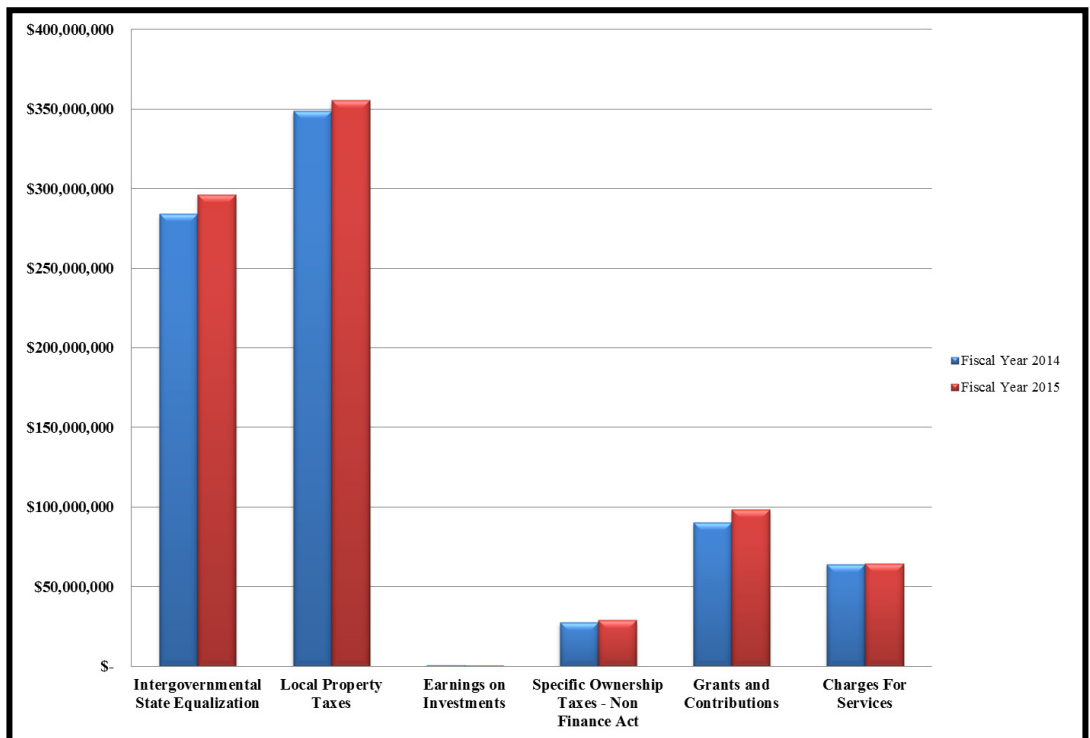
Management's Discussion and Analysis

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2015**

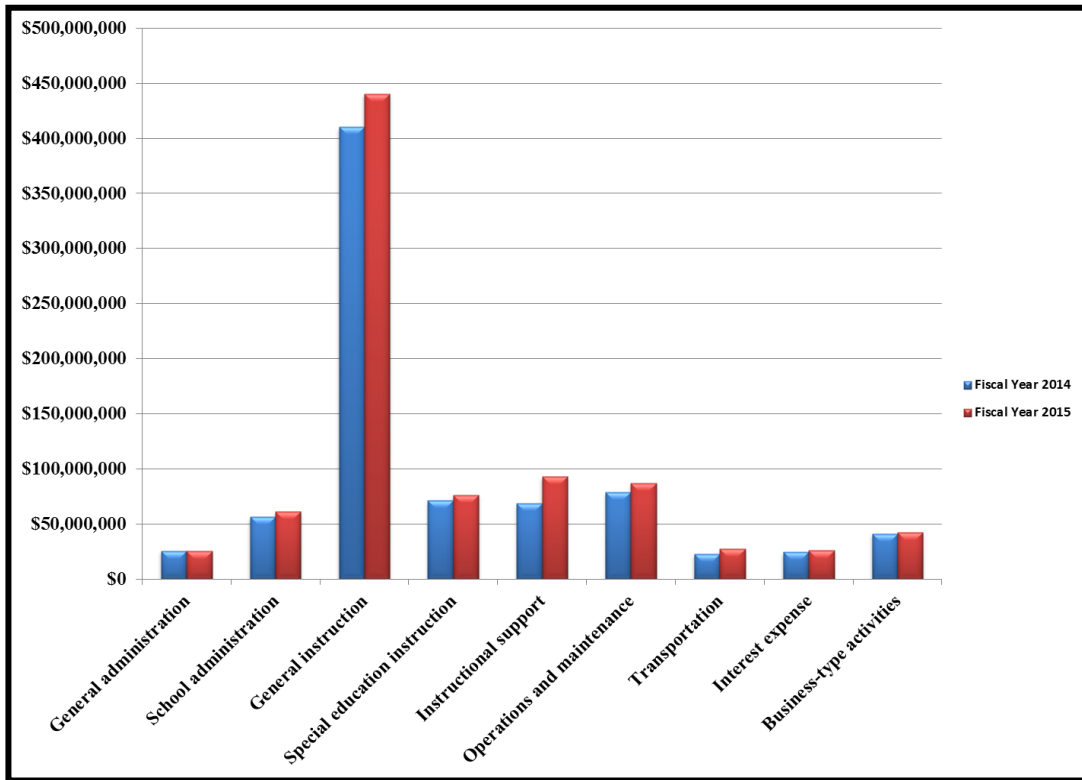


Primary Government Government-wide Net Position:
Decreased \$1.4 billion from prior year

Primary Government Government-wide Revenues: Increased \$28 million from prior year.



**Jefferson County School District, No. R-1
Management's Discussion and Analysis
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Primary Government Government-wide Expenses:
Increased \$80 million from the 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, 2015. 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 decreased \$1.4 billion in fiscal year 2015 with the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. The District's share of the Public Employees' Retirement Association of Colorado (PERA) net pension liability for the year ended June 30, 2015 is \$1.5 billion. This impacted the unrestricted portion of net position.
- Government-wide total assets decreased \$30 million. The District Supplemental Retirement Plan was terminated in fiscal year 2015 and the prior year net pension asset of \$43 million was expensed. Net capital assets increased \$20 million with the continued capital investment from the 2012 bond issue.
- Deferred outflows of resources also increased with the implementation of GASB 68 and GASB Statement No.71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The recognition of contributions after the plan measurement date and change in the investment earnings added \$73 million.
- Government-wide total liabilities increased \$1.4 billion from the prior year due to the new pension liability resulting from the implementation of GASB 68.
- Deferred inflows of resources also resulted from the GASB 68 implementation. The change in proportionate share of the District's liability and in experience added \$40 million.
- The combined governmental fund balance for fiscal year 2015 is \$218 million, a decrease of \$18 million from the prior year. \$43 million of the general fund balance (7.5 percent of general fund expenditures) is unassigned.

Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2015

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 32-74 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 required and other supplemental information in addition to the basic financial statements themselves on pages 77-113.

Government-wide financial statements

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

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

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

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

The only activity of the District's Finance Corporation is to act as a conduit for the transfer of funds relating to the issuance and refunding of COPs. The Corporation has no assets or liabilities at June 30, 2015, and therefore has no financial impact on the District. Financial information for Charter Schools is presented separately from the primary government because the Charter Schools are considered discrete component units of the District. The financial statements for the Charter School component units can be found on pages 102-109.

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.

**Jefferson County School District, No. R-1
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Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

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

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

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

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

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

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

Notes to the basic financial statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 52-74 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 84-99 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. However, the implementation of GASB 68 and GASB 71 have caused a large change in unrestricted net position that make other changes difficult to discern. Net position decreased \$1.4 billion from the prior year due to the write on of the net pension liability. Net investment in capital assets decreased with the spend down of proceeds from the 2012 bonds and payoff of general obligation debt. The legally required TABOR reserve is restricted.

Cash and investments account for 29 percent of the total assets. These assets are available to provide resources for near-term operations of the District. Receivables are due in large part as a result of the property tax collection process and federal grants reimbursements. The District receives close to 68 percent of the annual property tax assessment between March and June. 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.

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The deferred outflows, loss on refunding represent the difference between the reacquisition and the net carrying amount of current and advance debt refunding. The contributions after measurement date and change in investment earnings are deferrals from PERA pension liability calculations.

Total liabilities include \$1.4 billion in pension liability. This represents the District's share in the School Division of PERA. 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 are exceeded by liabilities by \$829 million with a negative unrestricted net position balance of \$1.3 billion.

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

	Fiscal Year 2014			Fiscal Year 2015		
	Governmental Activities	Business-type Activities	Government-Wide	Governmental Activities	Business-type Activities	Government-Wide
Assets:						
Current and other assets	\$ 441,339,545	\$ 17,786,338	\$ 459,125,883	\$ 390,478,249	\$ 18,254,510	\$ 408,732,759
Capital assets, net of depreciation	<u>830,963,933</u>	<u>3,388,248</u>	<u>834,352,181</u>	<u>850,999,958</u>	<u>3,297,928</u>	<u>854,297,886</u>
Total assets	<u>1,272,303,478</u>	<u>21,174,586</u>	<u>1,293,478,064</u>	<u>1,241,478,207</u>	<u>21,552,438</u>	<u>1,263,030,645</u>
Total deferred outflows of resources	<u>20,710,870</u>	<u>-</u>	<u>20,710,870</u>	<u>89,969,940</u>	<u>-</u>	<u>89,969,940</u>
Liabilities:						
Other liabilities	144,871,933	3,507,541	148,379,474	1,598,123,005	2,500,878	1,600,623,883
Long-term liabilities outstanding	<u>555,208,634</u>	<u>-</u>	<u>555,208,634</u>	<u>522,037,215</u>	<u>-</u>	<u>522,037,215</u>
Total liabilities	<u>700,080,567</u>	<u>3,507,541</u>	<u>703,588,108</u>	<u>2,120,160,220</u>	<u>2,500,878</u>	<u>2,122,661,098</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,479,963</u>	<u>-</u>	<u>40,479,963</u>
Net position:						
Net investment in capital assets	409,948,271	3,388,248	413,336,519	407,426,359	3,297,928	410,724,287
Restricted for:						
Grants	5,986,671	-	5,986,671	7,460,403	-	7,460,403
Debt service	54,882,086	-	54,882,086	59,372,593	-	59,372,593
Food service	-	-	-	-	4,714,950	4,714,950
TABOR	17,263,926	729,971	17,993,897	17,769,611	907,329	18,676,940
Unrestricted	<u>104,852,827</u>	<u>13,548,826</u>	<u>118,401,653</u>	<u>(1,321,221,002)</u>	<u>10,131,353</u>	<u>(1,311,089,649)</u>
Total net position	<u>\$ 592,933,781</u>	<u>\$ 17,667,045</u>	<u>\$ 610,600,826</u>	<u>\$ (829,192,036)</u>	<u>\$ 19,051,560</u>	<u>\$ (810,140,476)</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 2014		Fiscal Year 2015	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 830,963,933	\$ 3,388,248	\$ 850,999,958	\$ 3,297,928
Deferred outflows on refunding	20,710,870	-	17,308,057	-
Unspent proceeds from bond issuance	84,902,102	-	31,975,559	-
Less: General obligation bonds	<u>526,628,634</u>	<u>-</u>	<u>492,857,215</u>	<u>-</u>
Net investment in capital assets	<u>\$ 409,948,271</u>	<u>\$ 3,388,248</u>	<u>\$ 407,426,359</u>	<u>\$ 3,297,928</u>

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2015**

Government-wide activities

Government-wide activities decreased the net position of the District by \$38 million during the year ended June 30, 2015. The following schedules, charts and analysis focus on this increase.

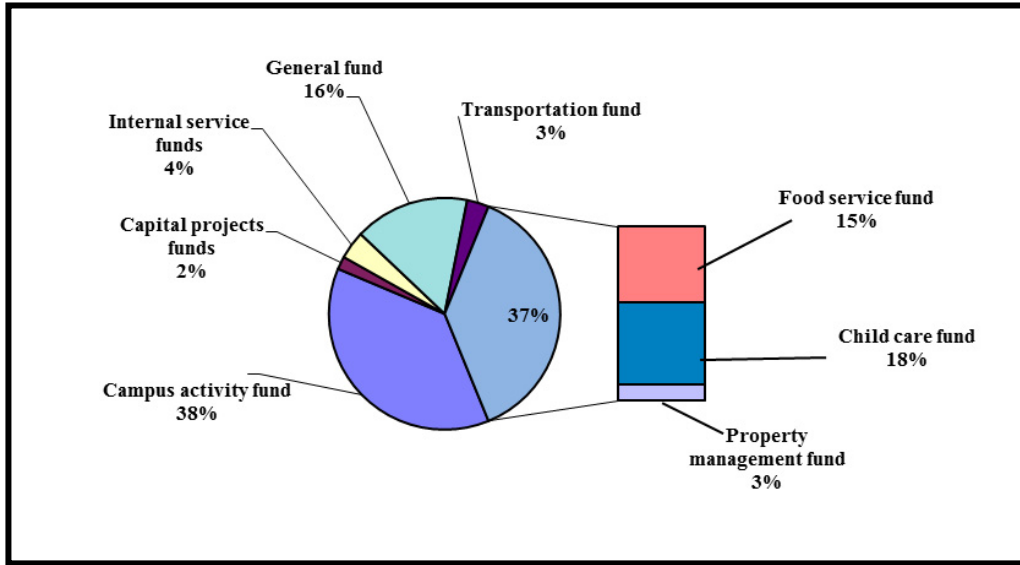
**Comparative Schedule of Changes in Net Position
As of June 30**

	Fiscal Year 2014			Fiscal Year 2015		
	Governmental Activities	Business-type Activities	Government Wide	Governmental Activities	Business-type Activities	Government Wide
Revenues						
Program revenues:						
Charges for services	\$ 41,161,997	\$ 22,862,185	\$ 64,024,182	\$ 40,352,428	\$ 24,306,997	\$ 64,659,425
Operating grants and contributions	76,969,329	13,389,433	90,358,762	78,664,931	19,609,657	98,274,588
Capital grants and contributions	-	96,924	96,924	-	234,780	234,780
General revenues:						
Taxes:						
Local property taxes	349,115,550	-	349,115,550	355,606,853	-	355,606,853
Automotive ownership taxes	27,486,392	-	27,486,392	28,916,207	-	28,916,207
Intergovernmental state equalization	284,144,134	-	284,144,134	296,285,316	-	296,285,316
Earnings on investments	<u>873,530</u>	<u>49,668</u>	<u>923,198</u>	<u>504,048</u>	<u>14,684</u>	<u>518,732</u>
Total revenues	<u>779,750,932</u>	<u>36,398,210</u>	<u>816,149,142</u>	<u>800,329,783</u>	<u>44,166,118</u>	<u>844,495,901</u>
Expenses						
Governmental activities:						
General administration	25,908,579	-	25,908,579	25,647,057	-	25,647,057
School administration	56,613,420	-	56,613,420	61,622,289	-	61,622,289
General instruction	410,335,528	-	410,335,528	440,423,884	-	440,423,884
Special education instruction	71,357,688	-	71,357,688	76,419,427	-	76,419,427
Instructional support	68,774,854	-	68,774,854	93,132,858	-	93,132,858
Operations and maintenance	78,844,714	-	78,844,714	87,346,892	-	87,346,892
Transportation	23,177,884	-	23,177,884	27,654,266	-	27,654,266
Interest expense, unallocated	24,692,063	-	24,692,063	26,445,984	-	26,445,984
Food services	-	24,059,390	24,059,390	-	24,335,013	24,335,013
Child care	-	15,669,253	15,669,253	-	16,365,381	16,365,381
Property management	-	<u>1,653,841</u>	<u>1,653,841</u>	-	<u>1,881,209</u>	<u>1,881,209</u>
Total expenses	<u>759,704,730</u>	<u>41,382,484</u>	<u>801,087,214</u>	<u>838,692,657</u>	<u>42,581,603</u>	<u>881,274,260</u>
Increase (decrease) in net position before transfers	<u>20,046,202</u>	<u>(4,984,274)</u>	<u>15,061,928</u>	<u>(38,362,874)</u>	<u>1,584,515</u>	<u>(36,778,359)</u>
Transfers	<u>(5,399,639)</u>	<u>5,399,639</u>	<u>-</u>	<u>200,000</u>	<u>(200,000)</u>	<u>-</u>
Increase (decrease) in net position	14,646,563	415,365	15,061,928	(38,162,874)	1,384,515	(36,778,359)
Net position, July 1,	<u>578,287,218</u>	<u>17,251,680</u>	<u>595,538,898</u>	<u>(791,029,162)*</u>	<u>17,667,045</u>	<u>(773,362,117)</u>
Net position, June 30	<u>\$ 592,933,781</u>	<u>\$ 17,667,045</u>	<u>\$ 610,600,826</u>	<u>\$ (829,192,036)</u>	<u>\$ 19,051,560</u>	<u>\$ (810,140,476)</u>

*The prior year net position is restated by \$1,383,962,943 from the write on of net pension liability with the implementation of GASB 68 and GASB 71.

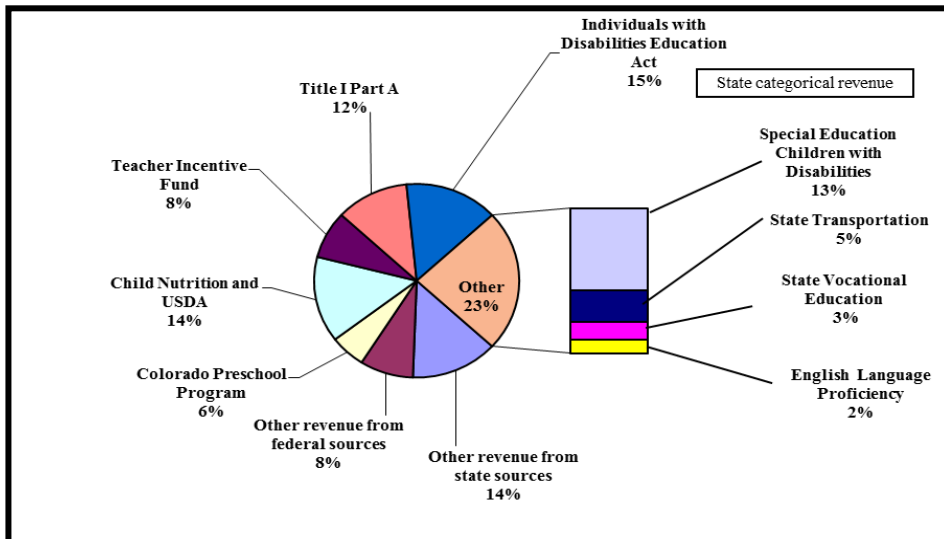
**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2015**

Analysis of Revenues

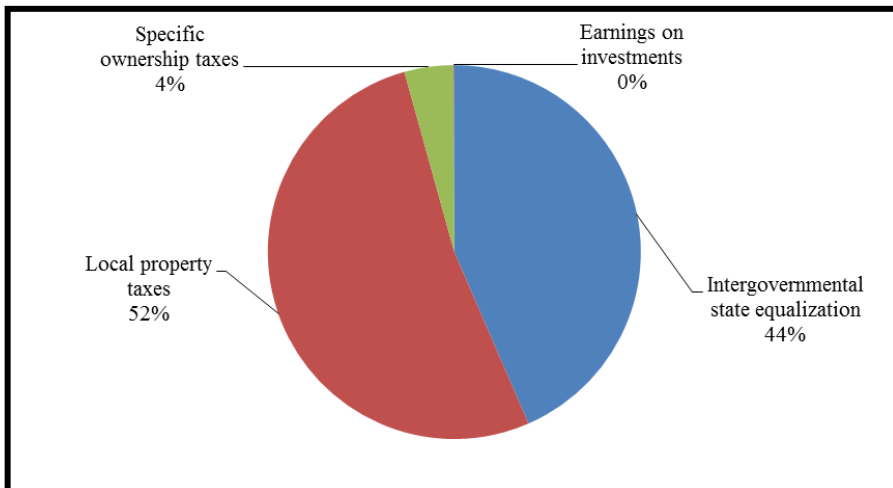


Government-wide Charges for Services totals \$65 million

Government-wide Operating Grants and Contributions (includes Capital grants and contributions) totals \$98 million

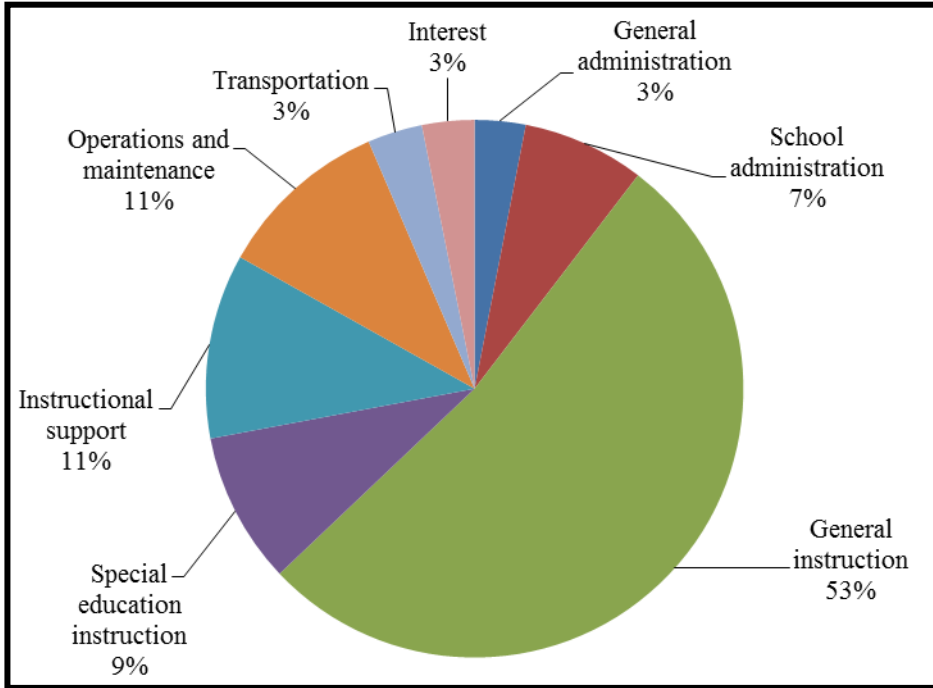


Total general revenues of \$681 million

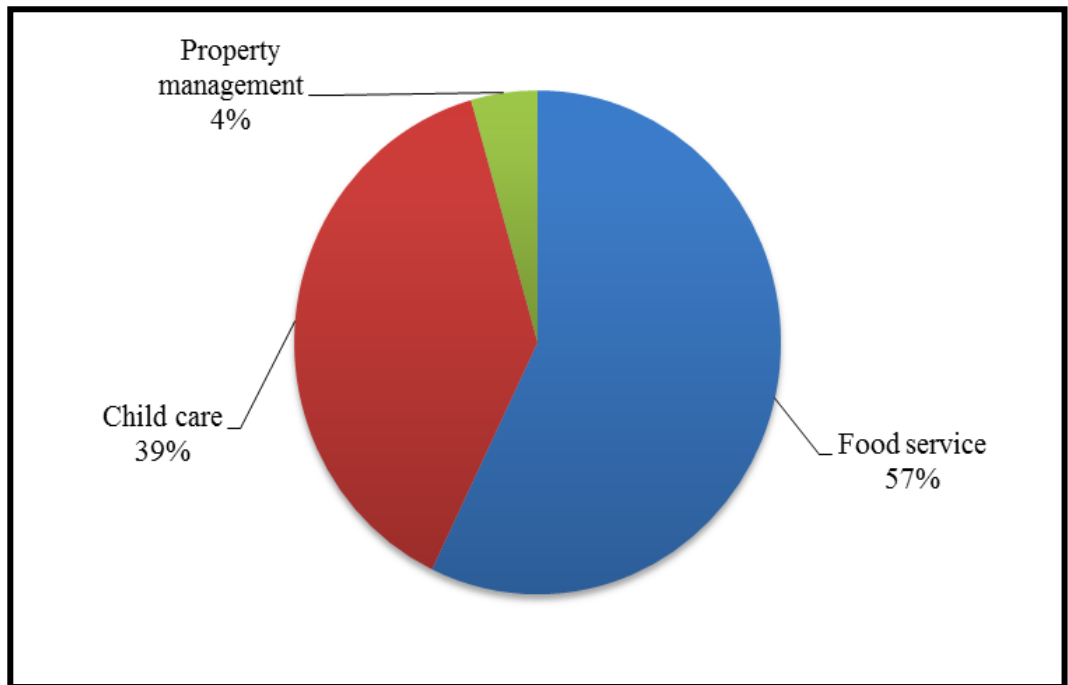


**Jefferson County School District, No. R-1
Management's Discussion and Analysis
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Analysis of Expenses



Governmental activities
Expenses total
\$839 million



Business-type activities
Expenses total
\$43 million

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
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Government-wide revenues

Government-wide revenues increased \$28 million from the prior year. Local property taxes increased \$6.5 million from increased assessed values and \$1 million for specific ownership tax (a vehicle use tax) from the prior year. State equalization funding (state share) increased by \$12 million as authorized by the state for inflation, growth and a buy down of the negative factor. The negative factor was used at the state level to balance the school finance act formula with what the state could afford to fund K-12 education. Operating grants and contributions increased \$8 million over the prior year. \$6 million is due to a reclassification to grants from state funding for the Colorado Preschool program in the child care business-type activity. The District also had received \$2 million in additional Title I grant revenue.

Government-wide expenses

Government-wide expenses increased \$80 million from the prior year. The recording of the Districts share of the Public Employees' Retirement Association of Colorado (PERA) net pension liability in accordance with GASB 68 added a net \$35 million of expense. In fiscal year 2015, the District terminated the 1999 Supplemental Retirement plan. The net pension asset of \$43 million was written off.

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 94-99 of this report. Following are highlights of activity in the District's internal service funds for fiscal year 2015.

- Central services provide copier and printing services for the school district. The fund had unfilled staffing vacancies that resulted in expenses less than the prior year.
- The employee benefits fund accounts for dental and vision self-insurance for the District. Decreased participation in the dental and vision self-insurance programs reduced revenues to the fund. However, claim expenses were higher than the prior year for both programs.
- The insurance reserve fund accounts for self insured property, liability, worker's compensation and other insurance as needed for the school district. There was less activity in the current fiscal year due to lower insurance events. The safety and security department was moved from this fund to the general fund in fiscal year 2015.
- The technology fund supports the District's technology initiatives and systems. Expenses were less than plan due to staff vacancies and timing of projects.

The District's business-type activities increased net position by \$1.4 million. The basic proprietary fund financial statements are presented on pages 44-49. Key elements that highlight the activities in fiscal year 2015 are as follows:

- Student participation in the food service program increased in fiscal year 2015. The rising costs for purchased food to be in compliance with the Healthy Hunger Free Kids Act of 2010 were offset with staffing cost reductions, increasing net position by \$600 thousand.
- The child care fund accounts for tuition-based full-day kindergarten, preschool and before and after school care programs. Revenues and expenditures increased over the prior year with additional full-day kindergarten and preschool programs. Net position increased \$585 thousand.
- The property management fund accounts for revenues and expenditures related to the public use of District property. Stadium concession services were brought in house and resulted in increased revenue and expenditures for the year. The fund increased net position \$200 thousand.

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.

Jefferson County School District, No. R-1
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As of and for the fiscal year ended June 30, 2015

Unassigned fund balance for the District at the end of the fiscal year is comprised of the general fund balance of \$43 million, an increase of \$11 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. The School Finance Act increased funding for fiscal year 2015 for student growth, inflation and a buy down of the negative factor, approximately a 5 percent increase for the District. The student funded enrollment for the District increased by 230 students. The student increases were in the component unit charter schools, the primary government continued to experience a decline in enrollment.

Actual expenditures for the general fund were significantly lower than budgeted. Estimates for savings from retirements, position turnover and unfilled vacancy savings were lower than actual results. Supplemental budgets were approved by the Board of Education to transfer the savings to the capital reserve capital projects fund. This additional transfer will be used to make facility adjustments to two school articulation areas and provide funding for a new school needed in the north area of the District. In addition, the savings increased the general fund unassigned reserve.

The bond redemption debt service fund has fund balance of \$59 million. This fund accounts for the voter approved property taxes collected to repay general obligation debt. The current fund balance will be used to make the December 2015 principal and interest payments. The levy to accumulate resources for the June 2016 principal and interest payments will be certified in December 2015. In compliance with Senate Bill 237, the District has contracted with a third party custodian to administer bond principal and interest payments.

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

The grants fund revenues and expenditures were higher than the prior year with increased funding for the Title I grant.

Revenues and expenditures slightly increased in the campus activity fund for the current year. The timing of school trips and activities can cause variances for the fund from year to year.

Per state statute, districts that charge a fee for transportation must account for those activities in a separate special revenue fund. The District is required to make a transfer from the general fund, if needed, to balance the fund. The District collected over \$3.6 million in fees to help offset the cost of transportation. The transfer from the general fund was \$15 million.

General fund budgetary highlights

The 2014/2015 Adopted Budget incorporated the additional School Finance Act funding and other savings to increase compensation to employees and fund critical initiatives to invest in student achievement. Expenditures were increased for compensation, benefits, new curriculum, technology and healthcare reform. Two supplemental appropriations adjusted the budget as follows:

- \$20.3 million additional transfer to the capital reserve capital projects fund for facility changes and a new school. The additional transfer was made possible from increased revenues, under spending in the general fund and transportation fund.
- \$31 million for the refunding of the 2006 certificates of participation for savings purposes.

General fund expenditures were 98.6 percent of the final budget. Actual expenditures were lower than planned due to continued savings from retirements and position turnover, vacancies and conservative spending. The unassigned fund balance for the general fund at the end of the fiscal year is \$43 million, an increase from the prior year of \$11 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 \$648 million. Unassigned fund balance represents 7 percent of expenditures while total fund balance represents 12 percent of expenditures. This is a 2 percent increase for unassigned from the prior year and 1 percent increase for total fund balance.

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2015**

Capital assets and debt administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2015, increased to \$854 million (net of accumulated depreciation). The majority of the increase is from capital additions from the 2012 bond program. 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 \$71 million which include: District-wide warm, safe and dry projects including HVAC improvements, paving and multiple sites roof replacements.
- Depreciation of \$59 million for governmental activities and \$448 thousand for business-type activities.

	<u>Fiscal Year 2014</u>		<u>Fiscal Year 2015</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Non-depreciable assets:				-
Land	\$ 57,229,806	-	\$ 57,229,806	-
Construction in progress	<u>31,451,701</u>	<u>-</u>	<u>43,492,309</u>	<u>-</u>
Total non-depreciable assets	88,681,507	-	100,722,115	-
Depreciable assets (net of accumulated depreciation):				
Buildings and site improvements	706,309,964	-	714,502,460	-
Equipment and vehicles	<u>35,972,462</u>	<u>\$ 3,388,248</u>	<u>35,775,383</u>	<u>\$ 3,297,928</u>
Total depreciable assets	<u>742,282,426</u>	<u>3,388,248</u>	<u>750,277,843</u>	<u>3,297,928</u>
Total capital assets:	<u>\$ 830,963,933</u>	<u>\$ 3,388,248</u>	<u>\$ 850,999,958</u>	<u>\$ 3,297,928</u>

Additional information on the District's capital assets can be found in note 5 on pages 61-63 of this report.

At June 30, 2015, the District had total bonded debt outstanding of \$447 million backed by the full faith and credit of the District. Additionally, the District has long-term debt obligations certificates of participation in the amount of \$29 million for governmental activities still outstanding at the end of the current fiscal year.

General Obligation Bonds and Certificates of Participation

	<u>Fiscal Year 2014</u>			<u>Fiscal Year 2015</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	\$ 473,965,000	-	\$ 473,965,000	\$ 447,370,000	-	\$ 447,370,000
Certificates of participation	<u>28,580,000</u>	<u>-</u>	<u>28,580,000</u>	<u>29,180,000</u>	<u>-</u>	<u>29,180,000</u>
Total outstanding long-term debt	<u>\$ 502,545,000</u>	<u>-</u>	<u>\$ 502,545,000</u>	<u>\$ 476,550,000</u>	<u>-</u>	<u>\$ 476,550,000</u>

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2015**

The certificates of participation were issued to fund the terminated 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 \$1,412,333,992 and the legal debt margin was \$1,023,660,242.

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

General budgetary highlights and economic factors

For the 2015/2016 budget, the Board of Education established objectives to be met by the budget process. They determined that the budget would:

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

The budget process will continue to:

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

Several factors impact the District's Adopted Budget and are considered when making budget assumptions: Colorado School Finance Act increases, changes in student funded counts, compensation increases, benefit cost increases, retirement savings and capital infrastructure needs. For the 2015/2016 Adopted Budget, \$22 million net revenue increase is projected for the general fund with \$28 million in net expenditure increase. \$3 million of the increased expenditure appropriation is a planned spend down of school based reserves. The remaining expenditures are funded from estimates for further retirement turnover savings and revenue previously used to build reserves. The District plans to maintain unassigned reserves in fiscal 2016.

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. Community forums, surveys and public comment provide significant and valuable input to the process. The budget development process is detailed in the 2015/2016 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, Chief Financial Officer
Jefferson County School District, No. R-1
1829 Denver West Drive, Building 27
Golden, Colorado 80401



Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Net Position
June 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Cash	\$ 1,255,678	\$ 4,686	\$ 1,260,364	\$ 64,096
Restricted cash	125,148	-	125,148	12,927,145
Restricted cash TABOR	-	-	-	1,751,835
Cash held by county treasurer	3,393,157	-	3,393,157	-
Equity in pooled cash and investments	242,357,149	14,973,979	257,331,128	16,029,195
Investments	106,967,159	-	106,967,159	-
Property taxes receivable	15,694,604	-	15,694,604	-
Accounts receivable	3,287,974	281,920	3,569,894	446,368
Intergovernmental receivable	11,251,385	1,178,291	12,429,676	-
Inventories	2,140,859	1,750,482	3,891,341	-
Prepaid expenses	4,005,136	65,152	4,070,288	133,223
Capital assets				
Land and construction in progress	100,722,115	-	100,722,115	12,325,060
Depreciable assets	1,653,058,882	8,951,978	1,662,010,860	74,409,775
Accumulated depreciation	(902,781,039)	(5,654,050)	(908,435,089)	(14,924,724)
Total capital assets	<u>850,999,958</u>	<u>3,297,928</u>	<u>854,297,886</u>	<u>71,810,111</u>
Total assets	<u>1,241,478,207</u>	<u>21,552,438</u>	<u>1,263,030,645</u>	<u>103,161,973</u>
Deferred outflows of resources				
Loss on refunding	\$ 17,308,057	\$ -	\$ 17,308,057	\$ 2,333,549
Contributions after measurement date	39,293,088	-	39,293,088	2,298,198
Changes in investment earnings	33,368,795	-	33,368,795	1,951,694
Changes in proportionate share	-	-	-	3,715,741
Total deferred outflows of resources	<u>89,969,940</u>	<u>-</u>	<u>89,969,940</u>	<u>10,299,182</u>
Liabilities				
Accounts payable	\$ 28,348,546	\$ 130,991	\$ 28,479,537	\$ 507,716
Accrued salaries and benefits	81,413,127	1,439,614	82,852,741	2,084,418
Payroll withholding	23,512,404	-	23,512,404	-
Unearned revenue	759,007	769,753	1,528,760	544,136
Liability claims/premiums	5,961,264	-	5,961,264	-
Interest payable	844,576	-	844,576	655,235
Early retirement	2,150,000	-	2,150,000	-
Compensated absences (long-term)	4,110,916	160,520	4,271,436	-
Long term liabilities				
Due within 1 year	32,265,000	-	32,265,000	1,716,492
Due in more than 1 year	489,772,215	-	489,772,215	73,925,531
Net pension liability	1,451,023,165	-	1,451,023,165	84,868,311
Total liabilities	<u>2,120,160,220</u>	<u>2,500,878</u>	<u>2,122,661,098</u>	<u>164,301,839</u>
Deferred inflows of resources				
Changes in proportionate share	\$ 40,371,618	\$ -	\$ 40,371,618	\$ 562,463
Changes in experience	108,345	-	108,345	6,339
Total deferred inflows of resources	<u>40,479,963</u>	<u>-</u>	<u>40,479,963</u>	<u>568,802</u>
Net position				
Net investment in capital assets	407,426,359	3,297,928	410,724,287	8,753,799
Restricted for:				
Capital projects	-	-	-	4,641,890
Grants	7,460,403	-	7,460,403	-
Debt service	59,372,593	-	59,372,593	7,866,039
Food services	-	4,714,950	4,714,950	-
TABOR	17,769,611	907,329	18,676,940	1,751,835
Unrestricted	(1,321,221,002)	10,131,353	(1,311,089,649)	(74,423,049)
Total net position	<u>\$ (829,192,036)</u>	<u>\$ 19,051,560</u>	<u>\$ (810,140,476)</u>	<u>\$ (51,409,486)</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Activities
Fiscal year ended June 30, 2015

Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position				
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units		
				Governmental Activities	Business-type Activities	TOTAL	Charter Schools	
Functions/Programs								
Primary government:								
Governmental activities:								
General administration	\$ 25,647,057	\$ 906,896	\$ 4,002,024	-	\$ (20,738,137)	-	\$ (20,738,137)	-
School administration	61,622,289	-	3,883	-	(61,618,406)	-	(61,618,406)	-
General instruction	440,423,884	27,346,106	17,807,677	-	(395,270,101)	-	(395,270,101)	-
Special education instruction	76,419,427	5,435,234	26,830,057	-	(44,154,136)	-	(44,154,136)	-
Instructional support	93,132,858	-	18,028,401	-	(75,104,457)	-	(75,104,457)	-
Operations and maintenance	87,346,892	4,685,037	6,609,171	-	(76,052,684)	-	(76,052,684)	-
Transportation	27,654,266	1,979,155	5,383,718	-	(20,291,393)	-	(20,291,393)	-
Interest expense, unallocated	26,445,984	-	-	-	(26,445,984)	-	(26,445,984)	-
Total governmental activities	<u>838,692,657</u>	<u>40,352,428</u>	<u>78,664,931</u>	<u>-</u>	<u>(719,675,298)</u>	<u>-</u>	<u>(719,675,298)</u>	<u>-</u>
Business-type Activities:								
Food services	24,335,013	10,612,859	14,083,555	\$ 234,780	-	\$ 596,181	596,181	-
Child care	16,365,381	11,417,547	5,526,102	-	-	578,268	578,268	-
Property management	1,881,209	2,276,591	-	-	-	395,382	395,382	-
Total business-type activities	<u>42,581,603</u>	<u>24,306,997</u>	<u>19,609,657</u>	<u>234,780</u>	<u>-</u>	<u>1,569,831</u>	<u>1,569,831</u>	<u>-</u>
Total primary government	<u>\$ 881,274,260</u>	<u>\$ 64,659,425</u>	<u>\$ 98,274,588</u>	<u>\$ 234,780</u>	<u>\$ (719,675,298)</u>	<u>\$ 1,569,831</u>	<u>\$ (718,105,467)</u>	<u>-</u>
Component units-Charter schools	<u>\$ 63,895,581</u>	<u>\$ 18,148,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ (45,747,126)</u>	<u>-</u>
General revenues								
Taxes:								
Local property taxes					355,606,853	-	355,606,853	-
Automotive ownership taxes					28,916,207	-	28,916,207	-
Unrestricted intergovernmental state equalization					296,285,316	-	296,285,316	55,877,521
Unrestricted investment income					504,048	14,684	518,732	-
Transfers					200,000	(200,000)	-	-
Total general revenues and transfers					<u>681,512,424</u>	<u>(185,316)</u>	<u>681,327,108</u>	<u>55,877,521</u>
Change in net position					<u>(38,162,874)</u>	<u>1,384,515</u>	<u>(36,778,359)</u>	<u>10,130,395</u>
Net position July 1, 2014, as restated					<u>(791,029,162)</u>	<u>17,667,045</u>	<u>(773,362,117)</u>	<u>(61,539,881)</u>
Net position June 30, 2015					<u>\$ (829,192,036)</u>	<u>\$ 19,051,560</u>	<u>\$ (810,140,476)</u>	<u>\$ (51,409,486)</u>

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, 2015

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Assets			
Cash	\$ 2,250	\$ -	\$ 100
Restricted Cash	88,148	-	-
Cash held by county treasurer	3,286,686	106,471	-
Equity in pooled cash and investments	132,580,075	-	41,943,871
Investments	-	57,802,749	-
Property taxes receivable, net of allowance for doubtful collections of \$7,059,146	13,351,655	2,342,949	-
Accounts, notes, contracts, and interest receivable	1,235,808	-	22,122
Intergovernmental receivables	-	-	-
Due from other funds	-	-	875,420
Due from component units	-	-	-
Inventories	1,023,267	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 151,567,889</u>	<u>\$ 60,252,169</u>	<u>\$ 42,841,513</u>
Liabilities			
Accounts and retainages payable	\$ 2,223,343	\$ 35,000	\$ 6,167,043
Accrued salaries, benefits, and compensated absences	68,549,714	-	135,564
Due to other funds	-	-	-
Other unearned revenues	354,700	-	-
Total liabilities	<u>71,127,757</u>	<u>35,000</u>	<u>6,302,607</u>
Deferred Inflows of Resources			
Unavailable property tax revenues	<u>8,679,011</u>	<u>1,520,919</u>	<u>-</u>
Fund balances:			
Nonspendable:			
Inventory	1,023,267	-	-
Prepaid items	-	-	-
Restricted for:			
TABOR	17,041,991	-	35,477
Grants	-	-	-
Debt service	-	58,696,250	-
Construction	-	-	-
Committed to:			
Construction	-	-	36,503,429
Multi-year contract	220,000	-	-
Assigned to:			
School carry forward	10,000,000	-	-
Special revenue funds	-	-	-
Unassigned	43,475,863	-	-
Total fund balances	<u>71,761,121</u>	<u>58,696,250</u>	<u>36,538,906</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 151,567,889</u>	<u>\$ 60,252,169</u>	<u>\$ 42,841,513</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
\$ 1,147,308	\$ -	\$ 105,720	\$ 1,255,378
-	-	-	88,148
-	-	-	3,393,157
-	3,894,441	11,027,033	189,445,420
49,164,410	-	-	106,967,159
-	-	-	15,694,604
-	-	-	3,094,773
50,775	91,769	1,694,299	11,251,385
-	11,251,385	-	875,420
-	-	-	-
-	-	-	-
-	-	978,949	2,002,216
-	-	21,219	21,219
<u>\$ 50,362,493</u>	<u>\$ 15,237,595</u>	<u>\$ 13,827,220</u>	<u>\$ 334,088,879</u>
\$ 17,511,514	\$ 510,089	\$ 782,395	\$ 27,229,384
-	7,267,103	1,920,513	77,872,894
875,420	-	-	875,420
-	-	49,519	404,219
<u>18,386,934</u>	<u>7,777,192</u>	<u>2,752,427</u>	<u>106,381,917</u>
-	-	-	10,199,930
-	-	978,949	2,002,216
-	-	21,219	21,219
-	-	615,759	17,693,227
-	7,460,403	-	7,460,403
-	-	-	58,696,250
31,975,559	-	-	31,975,559
-	-	-	36,503,429
-	-	-	220,000
-	-	-	10,000,000
-	-	9,458,866	9,458,866
-	-	-	43,475,863
<u>31,975,559</u>	<u>7,460,403</u>	<u>11,074,793</u>	<u>217,507,032</u>
<u>\$ 50,362,493</u>	<u>\$ 15,237,595</u>	<u>\$ 13,827,220</u>	<u>\$ 334,088,879</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of governmental funds balance sheet to statement of net position
 June 30, 2015

Governmental funds total fund balances	\$	217,507,032
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.		10,199,930
Capital assets used in governmental funds are not considered current financial resources and therefore, not reported in the governmental funds.		1,718,881,145
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds.		17,308,057
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Contributions subsequent to measurement date \$39,293,088, the difference between expected and actual investment earnings \$33,368,795.		72,661,883
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.		38,600,251
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.		884,463,429
Long-term liabilities for general obligation debt, net of discounts and premiums (\$492,857,215), certificates of participation net of discounts and premiums (\$29,180,000), early retirement estimate (\$2,150,000), and compensated absences (\$3,351,986) are not due and payable in the current period and, therefore, not reported in the funds.		527,539,201
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.		844,576
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds: Difference between expected and actual experience \$108,345, change in proportionate share \$40,371,618.		40,479,963
The long-term liability for pension is not due and payable in the current period and, therefore, not reported in the funds.		1,451,023,165
Governmental activities net position	<u>\$</u>	<u>(829,192,036)</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, 2015

	General	Bond Redemption Debt Service
Revenues:		
Taxes	\$ 328,103,059	\$ 52,496,730
Intergovernmental	314,845,758	-
Investment income	281,269	3,171
Other	16,079,237	-
Total revenues	659,309,323	52,499,901
Expenditures:		
Current:		
General administration	19,918,854	-
School administration	47,556,168	-
General instruction	318,382,350	-
Special education instruction	54,878,553	-
Instructional support	66,469,803	-
Operations and maintenance	67,276,937	-
Transportation	-	-
Capital outlay	-	-
Debt service:		
Principal retirements	1,575,000	27,920,000
Interest and fiscal charges	1,628,233	21,160,190
Total expenditures	577,685,898	49,080,190
Excess (deficiency) of revenues over (under) expenditures	81,623,425	3,419,711
Other Financing Sources (Uses):		
General obligation bond issuance	-	40,345,000
Payment to refunded bond escrow agent	-	(40,937,195)
Transfers out	(69,854,455)	-
Transfers in	-	-
Certificates of participation issued	29,180,000	-
Payments to refunded certificates of participation escrow agent	(30,485,732)	-
Total other financing sources (uses)	(71,160,187)	(592,195)
Net change in fund balances	10,463,238	2,827,516
Fund balances - July 1, 2014	61,297,883	55,868,734
Fund balances - June 30, 2015	\$ 71,761,121	\$ 58,696,250

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

Capital Reserve Capital Projects	Building Fund Capital Projects	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 380,599,789
-	-	52,498,763	5,006,241	372,350,762
20,513	169,274	-	4,181	478,408
1,162,068	-	2,599,486	27,940,618	47,781,409
<u>1,182,581</u>	<u>169,274</u>	<u>55,098,249</u>	<u>32,951,040</u>	<u>801,210,368</u>
-	-	3,894,981	-	23,813,835
-	-	3,779	-	47,559,947
-	-	12,172,393	25,196,955	355,751,698
-	-	13,207,401	-	68,085,954
-	-	17,546,189	-	84,015,992
-	-	6,432,393	-	73,709,330
-	-	367,381	23,915,194	24,282,575
20,419,607	53,095,817	-	-	73,515,424
-	-	-	-	29,495,000
-	-	-	-	22,788,423
<u>20,419,607</u>	<u>53,095,817</u>	<u>53,624,517</u>	<u>49,112,149</u>	<u>803,018,178</u>
<u>(19,237,026)</u>	<u>(52,926,543)</u>	<u>1,473,732</u>	<u>(16,161,109)</u>	<u>(1,807,810)</u>
-	-	-	-	40,345,000
-	-	-	-	(40,937,195)
-	-	-	-	(69,854,455)
38,975,600	-	-	16,093,355	55,068,955
-	-	-	-	29,180,000
-	-	-	-	(30,485,732)
<u>38,975,600</u>	<u>-</u>	<u>-</u>	<u>16,093,355</u>	<u>(16,683,427)</u>
19,738,574	(52,926,543)	1,473,732	(67,754)	(18,491,237)
16,800,332	84,902,102	5,986,671	11,142,547	235,998,269
<u>\$ 36,538,906</u>	<u>\$ 31,975,559</u>	<u>\$ 7,460,403</u>	<u>\$ 11,074,793</u>	<u>\$ 217,507,032</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, 2015

Governmental funds changes in fund balances	\$ (18,491,237)
Add:	
Unavailable property tax revenue: Revenues that do not provide current financial resources are unavailable on the governmental fund financial statements but recognized on the government-wide financial statements.	10,199,931
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.	102,696,419
Reverse the prior year interest payable accrued to offset current year expenditures.	986,648
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.	3,611,448
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (governmental additions \$75,313,661) exceeded depreciation (disposal of capital assets \$53,966,987) in the current period.	21,346,674
Additional deferred outflows on current year refunding.	834,498
Other pension related items are reported as expenditures in the governmental funds. However, in the statement of activities the contributions made during the fiscal year either reduced the net pension liability or are shown as contributions after the measurement date of December 31, 2014 and not reflected as expenses on the statement of activities. Employer contribution expense \$73,689,334, contributions subsequent to measurement date \$2,384,034.	76,073,368
Less:	
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net position.	660,103
Unavailable property taxes of the prior year: Property taxes unavailable in the prior year and received in the current year are recognized in the prior year net position on the statement of activities.	6,276,667
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.	844,576
Amortization of deferred outflows on refunding.	4,237,303
The supplemental retirement plan was terminated in fiscal year 2015. This is the write off of the prior year net pension asset.	42,764,360
New issues for general obligation and certificates of participation debt are recognized in the fund statement but restated as liabilities and offsets for the government-wide.	69,525,000
Amount of long term compensated absences accrued for the current year.	160,944
Net pension liability related items are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of: Pension expense \$125,904,121, Pension expense (amortization of change in proportionate share) \$(14,952,451).	110,951,670
Governmental activities change in net position	\$ (38,162,874)

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 295,851,600	\$ 294,241,600	\$ 299,186,852	\$ 4,945,252
Automotive ownership taxes	25,017,700	27,500,000	28,916,207	1,416,207
State of Colorado	320,222,800	320,824,600	314,845,758	(5,978,842)
Investment earnings	50,000	50,000	281,269	231,269
Other	16,000,000	16,000,000	16,079,237	79,237
Total revenues	<u>657,142,100</u>	<u>658,616,200</u>	<u>659,309,323</u>	<u>693,123</u>
Expenditures:				
Current:				
General administration	27,140,200	25,473,413	23,122,087	2,351,326
School administration	47,382,000	49,319,033	47,556,168	1,762,865
General instruction	342,277,500	318,585,687	318,382,350	203,337
Special education instruction	60,394,500	55,261,156	54,878,553	382,603
Instructional support	56,184,500	69,223,424	66,469,803	2,753,621
Operations and maintenance	68,540,800	67,930,887	67,276,937	653,950
Total expenditures	<u>601,919,500</u>	<u>585,793,600</u>	<u>577,685,898</u>	<u>8,107,702</u>
Excess of revenues over expenditures	55,222,600	72,822,600	81,623,425	8,800,825
Other financing sources (uses) -				
Transfers out	(52,313,400)	(71,313,400)	(69,854,455)	1,458,945
Certificates of participation issued	-	31,000,000	29,180,000	(1,820,000)
Payments to refunded certificates of participation escrow agent	-	(31,000,000)	(30,485,732)	514,268
Total other financing uses	<u>(52,313,400)</u>	<u>(71,313,400)</u>	<u>(71,160,187)</u>	<u>153,213</u>
Excess of revenues over expenditures and other financing sources (uses)	<u>\$ 2,909,200</u>	<u>\$ 1,509,200</u>	<u>10,463,238</u>	<u>\$ 8,954,038</u>
Fund balance - July 1, 2014			61,297,883	
Fund balance - June 30, 2015			<u>\$ 71,761,121</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, 2015

	Grants Fund		
	Original and Final Budget Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
Federal government	\$ 38,002,400	\$ 41,892,114	\$ 3,889,714
State of Colorado	18,230,700	10,606,649	(7,624,051)
Other:			
Gifts and grants	1,799,400	2,599,486	800,086
Total revenues	58,032,500	55,098,249	(2,934,251)
Expenditures:			
Current:			
General administration	4,580,600	3,894,981	685,619
School administration	174,200	3,779	170,421
General instruction	15,531,600	12,172,393	3,359,207
Special education instruction	12,746,100	13,207,401	(461,301)
Instructional support	13,871,200	17,546,189	(3,674,989)
Operations and maintenance	10,994,600	6,432,393	4,562,207
Transportation	134,200	367,381	(233,181)
Total expenditures	58,032,500	53,624,517	4,407,983
Excess of revenues over expenditures	\$ -	1,473,732	\$ 1,473,732
Fund balance - July 1, 2014		5,986,671	
Fund balance - June 30, 2015		\$ 7,460,403	

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, 2015

Assets	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Current assets:		
Cash	\$ 1,400	\$ 1,053
Restricted cash	-	-
Equity in pooled cash and investments	3,800,038	6,633,787
Accounts and other receivable	37,404	38,873
Intergovernmental receivables	1,178,291	-
Inventories	1,750,482	-
Prepaid items	41,642	-
Total current assets	6,809,257	6,673,713
Noncurrent assets:		
Capital assets:		
Vehicles and equipment	6,789,240	610,000
Less accumulated depreciation	(4,514,604)	(322,533)
Total capital assets, net of accumulated depreciation	2,274,636	287,467
Total assets	\$ 9,083,893	\$ 6,961,180
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 70,554	\$ 51,964
Accrued salaries, benefits, and compensated absences	840,675	588,313
Payroll withholding	-	-
Due to other funds	-	-
Other unearned revenues	731,779	37,974
Estimated liability for premiums and claims	-	-
Total current liabilities	1,643,008	678,251
Non-current liabilities:		
Compensated absences	120,921	31,864
Total noncurrent liabilities	120,921	31,864
Total liabilities	1,763,929	710,115
Net position:		
Net investment in capital assets	2,274,636	287,467
Restricted for:		
TABOR	330,378	508,520
Food services	4,714,950	-
Unrestricted	-	5,455,078
Total net position	7,319,964	6,251,065
Total liabilities and net position	\$ 9,083,893	\$ 6,961,180

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
\$ 2,233	\$ 4,686	\$ 300
-	-	37,000
4,540,154	14,973,979	52,911,729
205,643	281,920	193,202
-	1,178,291	-
-	1,750,482	138,643
23,510	65,152	3,983,917
<u>4,771,540</u>	<u>18,254,510</u>	<u>57,264,791</u>
1,552,738	8,951,978	34,899,853
(816,913)	(5,654,050)	(18,317,610)
<u>735,825</u>	<u>3,297,928</u>	<u>16,582,243</u>
<u>\$ 5,507,365</u>	<u>\$ 21,552,438</u>	<u>\$ 73,847,034</u>
\$ 8,473	\$ 130,991	\$ 1,119,162
10,626	1,439,614	3,540,233
-	-	23,512,405
-	-	-
-	769,753	354,788
-	-	5,961,264
<u>19,099</u>	<u>2,340,358</u>	<u>34,487,852</u>
7,735	160,520	758,931
<u>7,735</u>	<u>160,520</u>	<u>758,931</u>
26,834	2,500,878	35,246,783
735,825	3,297,928	16,582,242
68,431	907,329	76,385
-	4,714,950	-
4,676,275	10,131,353	21,941,624
5,480,531	19,051,560	38,600,251
<u>\$ 5,507,365</u>	<u>\$ 21,552,438</u>	<u>\$ 73,847,034</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, 2015

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Operating Revenues:		
Food sales	\$ 10,493,575	\$ -
Insurance premiums	-	-
Service contracts	119,284	1,058,309
Tuition	-	10,359,238
Total operating revenues	10,612,859	11,417,547
Operating Expenses:		
Purchased food	9,526,628	-
USDA commodities	1,653,509	-
Salaries and employee benefits	10,812,438	13,007,788
Administration services	812,036	1,877,122
Utilities	351,305	18,422
Supplies	821,170	731,914
Repairs and maintenance	18,554	7,578
Rent	-	691,215
Depreciation	331,472	24,036
Other	4,868	7,305
Claim losses	-	-
Premiums paid	-	-
Total operating expenses	24,331,980	16,365,380
Income (loss) from operations	(13,719,121)	(4,947,833)
Non-operating revenues (expenses):		
USDA commodities	1,557,343	-
Reimbursement from government sponsored programs	12,526,212	5,526,102
Investment income	3,210	7,022
Interest expense	-	-
Loss on sale of capital assets	(3,033)	-
Total non-operating revenues (expenses)	14,083,732	5,533,124
Income (loss) before transfers and capital contributions	364,611	585,291
Capital contributions	234,780	-
Transfers out to other funds	-	-
Transfers in from other funds	-	-
Change in net position	599,391	585,291
Total net position - July 1, 2014	6,720,573	5,665,774
Total net position - June 30, 2015	\$ 7,319,964	\$ 6,251,065

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
\$ -	\$ 10,493,575	\$ -
-	-	6,733,014
2,276,591	3,454,184	19,512,629
-	10,359,238	-
<u>2,276,591</u>	<u>24,306,997</u>	<u>26,245,643</u>
-	9,526,628	-
-	1,653,509	-
973,330	24,793,556	12,599,856
422,216	3,111,374	3,638,404
215,978	585,705	39,333
157,070	1,710,154	1,789,566
1,500	27,632	4,253,823
-	691,215	-
92,899	448,407	4,702,110
18,217	30,390	8,301
-	-	8,183,787
-	-	2,198,645
<u>1,881,210</u>	<u>42,578,570</u>	<u>37,413,825</u>
<u>395,381</u>	<u>(18,271,573)</u>	<u>(11,168,182)</u>
-	1,557,343	-
-	18,052,314	-
4,452	14,684	25,639
-	-	(11,273)
-	(3,033)	(220,236)
<u>4,452</u>	<u>19,621,308</u>	<u>(205,870)</u>
399,833	1,349,735	(11,374,052)
-	234,780	-
(200,000)	(200,000)	-
-	-	14,985,500
<u>199,833</u>	<u>1,384,515</u>	<u>3,611,448</u>
5,280,698	17,667,045	34,988,803
<u>\$ 5,480,531</u>	<u>\$ 19,051,560</u>	<u>\$ 38,600,251</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended June 30, 2015

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Cash flows from operating activities:		
Receipts from customers	\$ 10,646,060	\$ 10,940,722
Payments to employees	(10,798,315)	(12,953,673)
Payments to vendors	(13,748,101)	(3,325,238)
Net cash provided by (used for) operating activities	<u>(13,900,356)</u>	<u>(5,338,189)</u>
Cash flows from noncapital financing activities:		
Transfers received	-	-
Transfers out	-	-
Federal and state reimbursements	14,107,483	5,526,102
Net cash provided by noncapital financing activities	<u>14,107,483</u>	<u>5,526,102</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	-	(8,232)
Interest payments	-	-
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(8,232)</u>
Cash flows from investing activities:		
Interest received	3,210	7,022
Net cash provided by investing activities	<u>3,210</u>	<u>7,022</u>
Net increase (decrease) in cash and cash equivalents	210,337	186,703
Cash and cash equivalents - July 1, 2014	3,591,101	6,448,137
Cash and cash equivalents - June 30, 2015	<u>\$ 3,801,438</u>	<u>\$ 6,634,840</u>
Reconciliation of cash flows from operating activities:		
Operating Income (Loss)	\$ (13,719,121)	\$ (4,947,833)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	331,472	24,036
(Increase) decrease intergovernmental and other receivables	(2,225)	(9,434)
Increase in prepaid items	(160)	-
Decrease in inventories	-	-
Decrease in purchased food and supplies inventories	105,692	-
Increase (decrease) in accounts payable	(665,563)	8,319
Increase (decrease) in accrued salaries, benefits, and compensated absences	14,123	54,115
Increase in payroll withholding	-	-
Decrease in due to other funds	-	-
Increase (decrease) in unearned revenues	35,426	(467,392)
Increase in estimated liability for premiums and claims	-	-
Net cash provided by (used for) operating activities	<u>\$ (13,900,356)</u>	<u>\$ (5,338,189)</u>
Noncash investing, capital, and financing activities:		
Donated commodities acquired and used from USDA	\$ 1,653,509	\$ -
Disposal and write off of capital assets	3,033	-
Capital contributions	234,780	-

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	
\$ 2,237,496	\$ 23,824,278	\$ 26,263,388
(967,373)	(24,719,361)	(12,775,982)
(830,140)	(17,903,479)	(23,036,086)
<u>439,983</u>	<u>(18,798,562)</u>	<u>(9,548,680)</u>
-	-	14,985,500
(200,000)	(200,000)	-
-	19,633,585	-
<u>(200,000)</u>	<u>19,433,585</u>	<u>14,985,500</u>
(118,108)	(126,340)	(4,327,301)
-	-	(11,273)
<u>(118,108)</u>	<u>(126,340)</u>	<u>(4,338,574)</u>
4,452	14,684	25,639
<u>4,452</u>	<u>14,684</u>	<u>25,639</u>
126,327	523,367	1,123,885
4,416,060	14,455,298	51,769,644
<u>\$ 4,542,387</u>	<u>\$ 14,978,665</u>	<u>\$ 52,893,529</u>
\$ 395,381	\$ (18,271,573)	\$ (11,168,182)
92,899	448,407	4,702,110
(39,095)	(50,754)	53,360
(23,510)	(23,670)	(30,586)
-	-	(43,582)
-	105,692	-
8,351	(648,893)	542,765
5,957	74,195	(203,612)
-	-	533,982
-	-	(4,121,929)
-	(431,966)	(35,618)
-	-	222,612
<u>\$ 439,983</u>	<u>\$ (18,798,562)</u>	<u>\$ (9,548,680)</u>
\$ -	\$ 1,653,509	\$ -
-	3,033	220,236
-	234,780	-



Notes to Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

June 30, 2015

1. Summary of significant accounting policies

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 87,000 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 do not meet the definition of a component unit but are discretely presented component units as required by the Colorado Department of Education. All charter schools are required to have individual independent audits.

Blended component unit - Jefferson County School District Finance Corporation

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

B) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units.

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

D) Fund accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred inflows of resources, liabilities, deferred outflows of resources, 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 General fund, Employee Benefits 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 2014 but not yet collected as of June 30, 2015 are identified as property taxes receivable and deferred inflows of resources, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$12,429,676 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, 2015, the District had \$12,291,893 and \$137,783 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 - \$1,023,267 and Other Governmental funds - \$978,949.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both government-wide and fund financial statements. Fund balance is nonspendable for the prepaid balances as follows: Other Governmental funds - \$21,219.

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 \$17,308,057 and \$2,333,549 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 12) are serviced from property taxes and other revenues by the respective fund type from future appropriations.

L) Pension

The District participates in the School Division Trust Fund (SCHDTF), a cost sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. Current year pension liabilities are expected to be paid from the respective proprietary funds, the long term portion of the liability is reflected in the governmental activities. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M) 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, 2015, for budgetary purposes the District restricted \$17,041,991 in the General fund, \$35,477 in the Capital Reserve Capital Projects fund, \$615,759 in Other Governmental funds, \$330,378 in the Food Service fund, \$508,520 in the Child Care fund, \$68,431 in the Property Management fund, \$76,385 in Internal Service funds and \$1,751,835 was restricted in the Component Units Charter Schools for this purpose.

N) Property taxes

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

Levy date	December 22
Lien date	January 1
Tax bills mailed	January 1
First installment due	February 28/29

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Notes to Basic Financial Statements

Second installment due
If paid in full, due

June 15
April 30

O) 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.

As of June 30, 2015, a summary of changes in accumulated vacation is as follows:

<u>Fund</u>	<u>Accumulated Vacation</u>			<u>Balance June 30, 2015</u>	<u>Due within one year</u>
	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>		
General	\$ 4,147,140	\$ 971,020	\$ (820,536)	\$ 4,297,624	\$ 1,432,398
Grants fund	140,251	71,264	(7,627)	203,888	67,956
Special Revenue	328,212	58,751	(28,961)	358,002	119,322
Capital projects	170,721	33,316	(35,823)	168,214	56,066
Enterprise	244,024	42,476	(45,724)	240,776	80,256
Internal service	<u>1,279,326</u>	<u>249,986</u>	<u>(390,974)</u>	<u>1,138,338</u>	<u>379,408</u>
	<u>\$ 6,309,674</u>	<u>\$ 1,426,813</u>	<u>\$ (1,329,645)</u>	<u>\$ 6,406,842</u>	<u>\$ 2,135,406</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.

P) 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 the Chief Financial Officer as 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

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Notes to Basic Financial Statements

unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions. Fund balance is adopted annually by the Board of Education during the budgeting process.

P) New and Future Accounting Pronouncements

The GASB issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (Statement No. 75), which revises and establishes new financial reporting requirements for state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement requires the liability of employers for defined benefit OPEB (net of OPEB liability to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees for those employees' past periods of service. Statement No. 75 is effective for fiscal year 2018, however, early application is encouraged. At this time, management is currently evaluating the effects that Statement No. 75 will have on their financial statements.

2. Reconciliation of government-wide and fund financial statements

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 capital reserve capital projects fund from building fund – fund statements	\$ 875,420
Elimination of governmental activity	<u>(875,420)</u>
Due to the primary government – governmental activities	<u>\$ -</u>

3. Budgetary information

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

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

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

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

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Notes to Basic Financial Statements

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.

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, 2015 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Food services fund	\$ 25,646,800	\$24,335,013	\$1,311,787
Child care fund	17,081,000	16,365,380	715,620
Property management fund	2,509,000	1,881,210	627,790
Central services fund	3,293,000	3,129,042	163,958
Employee benefits fund	6,595,000	6,138,726	456,274
Insurance reserve fund	8,384,100	5,737,774	2,646,326
Technology fund	23,756,400	22,639,792	1,116,608
Component Units	83,028,500	75,901,317	7,127,183

4. Deposits and investments

Deposits:	Government-wide Statement of Net Position		
	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash	\$ 1,260,364	\$ 64,096	\$ 1,324,460
Restricted cash and cash held by third parties	3,518,305	14,678,980	18,197,285
Equity in pooled cash and investments	257,331,128	16,029,195	273,360,323
Investments	<u>106,967,159</u>	<u>-</u>	<u>106,967,159</u>
Total cash and investments	<u>\$ 369,076,956</u>	<u>\$ 30,772,271</u>	<u>\$ 399,849,227</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$56,886,086.

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, 2015, \$46,677,249 of the District and the discretely presented component unit's bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$46,370,173 are collateralized with securities held by the pledging financial institution through PDPA. Deposits of \$307,076 are insured under FDIC. The District's investment policy calls for minimizing this risk by pre-qualifying financial institutions.

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Notes to Basic Financial Statements

Cash held in trust:

As of June 30, 2015 the District had \$3,393,157 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, 2015, 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&P</u>	<u>Moody's</u>
Money Market Mutual Funds	\$ 2,197,548	Overnight	AAA	Aaa
CSafe	204,926,008	Under 60 days	AAAm	N/A
FFCB	15,094,943	1.26	AA+	Aaa
FNMA	15,108,235	1.72	AA+	Aaa
FHLMC	12,874,933	1.00	AA+	Aaa
FHLB	6,475,330	1.33	AA+	Aaa
US Treasury T-Notes	12,889,602	1.88	AA+	Aaa
Commercial Paper	5,249,743	.01	A-1	P-1
Corporate Bonds	10,387,623	Average 1.02 years	34% AA+ 31% AA- 10% AAA 25% AA	24% Aaa 15% Aa3 16% Aa2 10% Aa1 35% A1
Forward delivery agreement (U.S. Instrumentality)	<u>57,759,175</u> <u>\$ 342,963,140</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.

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Notes to Basic Financial Statements

Concentration of Credit Risk – 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 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.

5. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Non-depreciable assets:					
Land	\$ 57,229,806	\$ -	\$ -	\$ -	\$ 57,229,806
Construction in progress	<u>31,451,701</u>	<u>70,557,451</u>	<u>(75,016)</u>	<u>(58,441,827)</u>	<u>43,492,309</u>
Total non-depreciable assets	<u>\$ 88,681,507</u>	<u>\$ 70,557,451</u>	<u>\$ (75,016)</u>	<u>\$ (58,441,827)</u>	<u>\$ 100,722,115</u>
Depreciable assets:					
Buildings and site improvements	\$1,495,227,429	\$ 1,222,058	\$ (1,502,729)	\$ 58,441,827	\$1,553,388,585
Equipment and vehicles – Internal service funds	35,735,082	4,327,301	(5,162,530)	-	34,899,853
Equipment and vehicles	<u>62,103,778</u>	<u>3,534,152</u>	<u>(867,486)</u>	<u>-</u>	<u>64,770,444</u>
Total depreciable assets	<u>\$1,593,066,289</u>	<u>\$ 9,083,511</u>	<u>\$ (7,532,745)</u>	<u>\$ 58,441,827</u>	<u>\$1,653,058,882</u>
Less accumulated depreciation for:					
	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Building and site improvements	\$ (788,917,465)	\$ (50,903,943)	\$ 935,283	\$ -	\$ (838,886,125)
Equipment and vehicles – Internal service funds	(18,502,293)	(4,702,111)	4,886,794	-	(18,317,610)
Equipment and vehicles	<u>(43,364,105)</u>	<u>(3,063,044)</u>	<u>849,845</u>	<u>-</u>	<u>(45,577,304)</u>
Total accumulated depreciation	<u>\$ (850,783,863)</u>	<u>\$ (58,669,098)</u>	<u>\$ 6,671,922</u>	<u>\$ -</u>	<u>\$ (902,781,039)</u>
Total capital assets, net	<u>\$ 830,963,933</u>	<u>\$ 20,971,864</u>	<u>\$ (935,839)</u>	<u>\$ -</u>	<u>\$ 850,999,958</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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.

Business-type activities

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

	Balance				Balance
	July 1, 2014	Additions	Deletions	Transfers	June 30, 2015
Equipment	\$ 6,586,197	\$ 234,780	\$ (31,737)	\$ -	\$ 6,789,240
Accumulated depreciation	<u>(4,211,836)</u>	<u>(331,472)</u>	<u>28,704</u>	<u>-</u>	<u>(4,514,604)</u>
Total	<u>\$ 2,374,361</u>	<u>\$ (96,692)</u>	<u>\$ (3,033)</u>	<u>\$ -</u>	<u>\$ 2,274,636</u>

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

	Balance				Balance
	July 1, 2014	Additions	Deletions	Transfers	June 30, 2015
Equipment	\$ 621,547	\$ 8,232	\$ (19,779)	\$ -	\$ 610,000
Accumulated depreciation	<u>(318,276)</u>	<u>(24,036)</u>	<u>19,779</u>	<u>-</u>	<u>(322,533)</u>
Total	<u>\$ 303,271</u>	<u>\$ (15,804)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,467</u>

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

	Balance				Balance
	July 1, 2014	Additions	Deletions	Transfers	June 30, 2015
Equipment	\$ 1,441,175	\$ 118,108	\$ (6,545)	\$ -	\$ 1,552,738
Accumulated depreciation	<u>(730,559)</u>	<u>(92,899)</u>	<u>6,545</u>	<u>-</u>	<u>(816,913)</u>
Total	<u>\$ 710,616</u>	<u>\$ 25,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 735,825</u>

Total capital assets being depreciated, business-type activities	\$ 8,951,978
Accumulated depreciation	<u>(5,654,050)</u>
Business-type activities capital assets, net	<u>\$ 3,297,928</u>

Discretely presented component units

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

	Balance				Balance
	July 1, 2014	Additions	Deletions	Transfers	June 30, 2015
Non-depreciable assets:					
Land	\$ 9,510,312	\$ -	\$ -	\$ -	\$ 9,510,312
Construction in progress	<u>8,185,360</u>	<u>7,683,989</u>	<u>-</u>	<u>(13,054,600)</u>	<u>2,814,749</u>
Total Non-depreciable assets:	<u>\$ 17,695,672</u>	<u>\$ 7,683,989</u>	<u>\$ -</u>	<u>\$ (13,054,600)</u>	<u>\$ 12,325,061</u>
Depreciable assets:					
Buildings and equipment	\$ 60,150,726	\$ 1,225,736	\$ (21,288)	\$ 13,054,600	\$ 74,409,774
Accumulated depreciation	<u>(12,616,634)</u>	<u>(2,314,464)</u>	<u>6,374</u>	<u>-</u>	<u>(14,924,724)</u>
Total	<u>\$ 65,229,764</u>	<u>\$ 6,595,261</u>	<u>\$ (14,914)</u>	<u>\$ -</u>	<u>\$ 71,810,111</u>

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Notes to Basic Financial Statements

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

<u>Governmental activities:</u>	
General Administration	\$ 576,625
School Administration	7,577,953
General Instruction	41,673,918
Special Ed Instruction	29,519
Instructional Support	19,534
Operations & Maintenance	1,767,332
Transportation	2,322,106
Capital assets held by the District's internal service funds	<u>4,702,110</u>
Total depreciation expense – governmental activities	<u>\$ 58,669,097</u>
<u>Business-type activities:</u>	
Food services	\$ 331,472
Child care	24,036
Property management	<u>92,899</u>
Total depreciation expense – business-type activities	<u>\$ 448,407</u>

Construction commitments

The District has active construction projects as of June 30, 2015. 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, 2015, are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
District Wide Mechanical Upgrades	\$13,733,066	\$20,540,164
Utilization for grades 7-12 Schools	92,220	3,767,554
District Wide Fire Alarms	2,502,588	3,332,489
District Wide Paving & Concrete	486,540	1,359,224
Colorow ES Upgrades	976,861	1,341,115
District Wide Charter Upgrades	281,938	1,301,741
Westgate ES Upgrades	764,365	965,246

6. Interfund receivables and payables

The following identifies amounts due to and from individual funds at June 30, 2015:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
<u>Governmental fund:</u>		
Capital Reserve Capital Projects	\$ 875,420	\$ -
Building Fund Capital Projects	<u>-</u>	<u>875,420</u>
	<u>\$875,420</u>	<u>\$875,420</u>

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

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Notes to Basic Financial Statements

7. Transfers

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. At June 30, 2015, the detail for these transfers is as follows:

Campus activity fund	\$ 627,673
Transportation fund	15,265,682
Capital reserve capital projects fund	<u>38,975,600</u>
Net transfers within the governmental funds	<u>54,868,955</u>
Internal service funds	<u>14,985,500</u>
Net transfers into the proprietary funds	<u>14,985,500</u>
Total transfers out from the General fund	<u>\$ 69,854,455</u>

8. Short-term debt

The District opened a line of credit through US Bank in January 2015 for \$15,000,000. This was done because the majority of the District's property tax revenues are received in the fourth quarter of the year, potentially creating a cash shortfall in the third quarter. The District did not need to make any draws on these funds and closed the line of credit in March 2015.

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

The 2006 certificates of participation (COP's) original term was twenty years. The 2015 refunding COP's did not extend past the original COP terms and have interest ranging from .75 to 3.55 percent. Certificates of participation and capital lease obligations for the fiscal year ended June 30, 2015, are comprised of the following:

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	Outstanding <u>June 30, 2015</u>	<u>Current Portion</u>
<u>Governmental activities</u>					
Supplemental Retirement 2006A COP's	\$ 18,825,000	\$ -	(18,825,000)	\$ -	\$ -
Supplemental Retirement 2006B COP's	9,755,000	-	(9,755,000)	-	-
2015 Refunding COP's	<u>-</u>	<u>29,180,000</u>	<u>-</u>	<u>29,180,000</u>	<u>2,235,000</u>
Governmental activity long-term liabilities	<u>\$ 28,580,000</u>	<u>\$ 29,180,000</u>	<u>\$ (28,580,000)</u>	<u>\$ 29,180,000</u>	<u>\$ 2,235,000</u>

On May 20, 2015, \$29,180,000 in certificates of participation (COP's) with a true interest cost of 2.97 percent were issued to refund the 2006 COP's of \$28,580,000 with a true interest cost of 5.56 percent. The amount to refund the COP's of \$30,787,865 included \$1,607,865 from the District as budgeted for the refunded COP's semiannual payment and \$28,877,867 of net proceeds (after payment of \$302,133 in underwriting fees and other issuance costs). The Series 2015 refunding COP's maintained the original term of the 2006 certificates, maturing in 2027 and decreased the total debt service payments over the next twelve years by \$2,225,014 resulting in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,874,508. 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 four schools, the net book value as of June 30, 2015 was \$11,569,081.

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Notes to Basic Financial Statements

<u>Component unit activities:</u>	Balance	<u>Additions</u>	<u>Retirements</u>	Outstanding	<u>Current Portion</u>
	<u>July 1, 2014</u>			<u>June 30, 2015</u>	
Component units – Buildings/Capital leases	\$ 70,935,000	\$ 21,295,000	\$ (16,865,000)	\$ 75,365,000	\$ 1,675,000
Less deferred amounts:					
For discounts and premiums	<u>225,113</u>	<u>(25,691)</u>	<u>(16,380)</u>	<u>183,042</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 71,160,113</u>	<u>\$ 21,269,309</u>	<u>\$ (16,881,380)</u>	<u>\$ 75,548,042</u>	<u>\$ 1,675,000</u>
Component Units - Promissory notes	<u>\$ 153,825</u>	<u>\$ -</u>	<u>\$ (59,844)</u>	<u>\$ 93,981</u>	<u>\$ 41,492</u>

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

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

Capital leases

Fiscal Year Ending <u>June 30</u>	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>COP's</u>		<u>Charter Schools</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,235,000	\$ 769,399	\$ 1,675,000	\$ 3,793,280
2017	2,310,000	695,550	1,870,000	3,721,799
2018	2,350,000	662,798	1,970,000	3,629,783
2019	2,385,000	623,003	2,065,000	3,530,287
2020	2,435,000	578,043	2,115,000	3,426,170
2021-2025	13,130,000	1,904,681	12,330,000	15,399,721
2026-2030	4,335,000	152,899	28,035,000	11,688,520
2031-2035	-	-	13,435,000	5,633,044
2036-2040	-	-	8,620,000	2,414,125
2041-2044	-	-	<u>3,250,000</u>	<u>306,069</u>
Total	<u>\$29,180,000</u>	<u>\$ 5,386,371</u>	<u>\$75,365,000</u>	<u>\$53,542,799</u>

Promissory note

Fiscal Year Ending <u>June 30</u>	<u>Component Units</u>	
	<u>Charter Schools</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 41,492	\$ 3,551
2017	11,158	2,885
2018	11,856	2,187
2019	12,598	1,445
2020	13,385	694
2021	<u>3,492</u>	<u>35</u>
Total	<u>\$ 93,981</u>	<u>\$ 10,797</u>

The District has appropriated amounts from 2016 revenues in the General Fund to meet the lease payments for the COP principal and interest which is due in 2016.

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Notes to Basic Financial Statements

10. General obligation bonds payable

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, 2015 are comprised of the following:

\$48,315,000 2003 Series Refunding Bonds were paid off on December 15, 2014.	\$ -
\$257,000,000 2004 Series Bonds were paid off on December 15, 2014.	-
\$63,440,000 2004 Series A Refunding Bonds due in semi-annual installments with one payment of \$18,711,375 due December 15, 2015. Interest rate: 2.00% to 5.25%.	18,255,000
\$39,595,000 2005 Series A Refunding Bonds were refunded on May 20, 2015 with the 2015 Refunding Bonds.	-
\$233,400,000 2010 Series Refunding Bonds due in semi-annual installments with annual payments of \$844,400 to \$35,335,375 through December 15, 2024. Interest rate: 2.00% to 5.25%.	229,745,000
\$69,540,000 2012 Series Refunding Bonds due in semi-annual installments with annual payments of \$854,250 to \$35,024,250 through December 15, 2026. Interest rate: 3.50% to 5.00%.	69,540,000
\$99,000,000 2012 Series Bonds due in semi-annual installments with annual payments of \$271,625 to \$11,136,625 through December 15, 2032. Interest rate: 2.00% to 5.00%.	89,485,000
\$40,345,000 2015 Series Refunding Bonds due in semi-annual installments with annual payments of \$113,936 to \$19,928,936 through December 15, 2017. Interest rate: 0.55% to 1.15%.	<u>40,345,000</u>
Total	<u>\$447,370,000</u>

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Notes to Basic Financial Statements

	Balance July 1, <u>2014</u>	New and Refunding <u>Issues</u>	Payments & Amortization <u>of Discount</u>	Balance June 30, <u>2015</u>	Current <u>Portion</u>
Refunding – 2003	\$ 17,700,000	\$ -	\$ (17,700,000)	\$ -	\$ -
Construction – 2004	5,425,000	-	(5,425,000)	-	-
Refunding – 2004	18,255,000	-	-	18,255,000	18,255,000
Refunding – 2005	39,020,000	-	(39,020,000)	-	-
Refunding – 2010	229,745,000	-	-	229,745,000	5,085,000
Refunding – 2012	69,540,000	-	-	69,540,000	-
Construction – 2012	94,280,000	-	(4,795,000)	89,485,000	5,810,000
Refunding - 2015	-	40,345,000	-	40,345,000	880,000
Less deferred amounts:					
Discounts and premiums	<u>52,663,634</u>	<u>-</u>	<u>(7,176,419)</u>	<u>45,487,215</u>	<u>-</u>
	<u>\$ 526,628,634</u>	<u>\$ 40,345,000</u>	<u>\$ (74,116,419)</u>	<u>\$ 492,857,215</u>	<u>\$ 30,030,000</u>

Future year's general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 30,030,000	\$ 19,078,552
2017	31,115,000	18,064,435
2018	26,085,000	17,527,761
2019	27,480,000	16,630,275
2020	28,820,000	15,248,363
2021-2025	166,845,000	52,940,550
2026-2030	105,900,000	15,500,500
2031-2033	<u>31,095,000</u>	<u>2,367,075</u>
Total	<u>\$ 447,370,000</u>	<u>\$ 157,357,511</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, 2015, are \$1,412,333,992 and \$1,023,660,242, respectively. Management of the District believes it is in compliance with the legal debt limit.

On May 20, 2015, \$40,345,000 in general obligation bonds with a true interest cost of 1.18 percent were issued to refund the 2005 Series bonds of \$39,020,000 with a true interest cost of 5.00 percent. The amount to refund the bonds of \$41,185,014 included \$840,014 from the District as budgeted from the prior debt service and \$40,097,181 of net proceeds (after payment of \$247,819 in underwriting fees and other issuance costs). The Series 2015 refunding bonds maintained the original term of the 2005 bonds, maturing in 2018 and decreased the total debt service payments over the next three years by \$1,885,837 resulting in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,852,104.

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Notes to Basic Financial Statements

11. Defeased debt

The District has issued bonds for the purpose of refunding portions of the 2004 bonds and the 2006 bonds. The proceeds of these bonds were placed in an irrevocable trust to provide the future debt service payments on the old bonds. The trust account assets and the liabilities for the defeased bonds are not included in the District's basic financial statements. At June 30, 2015 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>
2012	\$ 69,000,000	December, 2016	\$ 70,673,769	\$ 69,000,000
2015	\$ 39,020,000	December, 2015	\$ 39,968,828	\$ 39,020,000

12. Risk management

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

The District retains the first \$100,000 of any property loss, the first \$500,000 of any liability loss, or errors and omissions loss. The District also retains the first \$500,000 of any in state automobile liability loss and the first \$150,000 of any out of state automobile liability loss. For workers' compensation losses the District retains the first \$450,000. In order to minimize expenditures for self-insured losses and for excess premiums, the District adjusts its own workers' compensation claims and manages the handling of all other claims.

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

The cost of Insurance Reserve Fund claims and premiums are recorded when incurred. Estimates for unsettled and incurred but not reported claims in the amount of \$5,332,511 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2015. 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, 2015 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, 2014	\$ 5,237,082
Increase (Decrease) in estimated claims:	
Estimated property claims	12,726
Automobile claims	53,909
General liability claims	(96,160)
Workers' compensation claims	<u>124,954</u>
Balance June 30, 2015	<u>\$ 5,332,511</u>

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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>2014</u>	<u>2015</u>
Amount of claims liabilities at July 1	\$ 4,467,380	\$ 5,237,082
Incurred claims and change in reserve	4,478,377	2,737,159
Payments on claims	<u>(3,708,675)</u>	<u>(2,641,730)</u>
Amount of claims liabilities at June 30	<u>\$ 5,237,082</u>	<u>\$ 5,332,511</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 \$212,885 and \$39,473 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2015, related to the District's self-insured dental and vision plans respectively and \$376,395 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>2014</u>	<u>2015</u>
Amount of claims liabilities at July 1	\$ 262,001	\$ 258,398
Incurred claims and change in reserve	5,147,607	5,446,628
Payments on claims	<u>(5,151,210)</u>	<u>(5,452,668)</u>
Amount of claims liabilities at June 30	<u>\$ 258,398</u>	<u>\$ 252,358</u>

13. Commitments and contingencies

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

14. Pension plan

Plan description - Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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Notes to Basic Financial Statements

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions - Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF ¹	16.43%	17.33%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

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Notes to Basic Financial Statements

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$76,073,368 for the year ended June 30, 2015.

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

At June 30, 2015, the District reported a liability of \$1,451,023,165 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The District proportion of the net pension liability was based on contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2014, the District's proportion was 11.33 percent, which was a decrease of .40 percent from its proportion measured as of December 31, 2013. The District's share of the total proportion share was 94.47 percent with the balance being the component units.

For the year ended June 30, 2015, the District recognized pension expense of \$110,951,670. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	-	\$108,345
Net difference between projected and actual earnings on pension plan investments	\$33,368,795	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	40,371,618
Contributions subsequent to the measurement date	39,293,088	-
Total	\$72,661,883	\$40,479,963

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Notes to Basic Financial Statements

\$39,293,088 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(6,650,380)
2017	(6,650,380)
2018	(2,152,606)
2019	8,342,198

Actuarial assumptions - The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

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

Notes to Basic Financial Statements

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District proportionate share of the net pension liability to changes in the discount rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$1,913,306,601	\$1,451,023,165	\$1,064,084,090

Pension plan fiduciary net position - Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports

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Notes to Basic Financial Statements

15. Other post-employment benefits

Plan Description – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The District is required to contribute at a rate of 1.02 percent of PERA-includable 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 C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended. For the years ending June 30, 2013, 2014 and 2015, the contributions to the HCTF were \$4,779,500, \$4,743,503 and \$4,834,960, respectively, equal to their required contributions for each year.

16. Early, supplemental and post retirement benefits

The District Supplemental Retirement Plan was terminated in fiscal year 2015. The associated prior year pension asset of \$42,764,360 was written off effective June 30, 2015.

17. Restatement of net position

For the year ended June 30, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This statement requires the liability of employers contributing to entities for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past period of service (total pension liability), less the amount of the pension plans fiduciary net position. As a result, the District adjusted the July 1, 2014 beginning net position in the amount of \$1,383,962,943 for the primary government and \$73,585,368 for the component units.

	Primary Government Governmental Activities	Component Unit Charter Schools
Net Position – Beginning	\$592,933,781	\$12,045,488
June 30, 2014, net pension liability	(1,420,871,997)	(75,547,825)
Employer contributions after 12/31/2013 measurement	<u>36,909,054</u>	<u>1,962,456</u>
Net Position – Beginning, restated	<u>\$(791,029,162)</u>	<u>\$(61,539,881)</u>

Required Supplementary Information



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years

	<u>2014</u>	<u>2013</u>
District's proportion (percentage) of the collective net pension liability	10.7060040809%	11.1397491568%
District's proportionate share of the collective pension liability	1,451,023,165	1,420,871,997
Covered-employee payroll	448,446,768	449,164,037
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	323.57%	316.34%
Plan fiduciary net pension as a percentage of the total pension liability	62.80%	64.06%

The amounts presented for each fiscal year were determined as of December 31.
 Primary government only, does not include component units.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Contributions and Related Ratios
Last 10 Fiscal Years

As of June 30,	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contributions	\$ 76,073,368	\$ 71,324,403	\$ 67,961,016
Contributions in relation to the statutorily required contribution	<u>76,073,368</u>	<u>71,324,403</u>	<u>67,961,016</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	450,960,315	445,953,649	450,325,361
Contribution as a percentage of covered-employee payroll	16.87%	15.99%	15.09%

The amounts presented for each fiscal year were determined as of June 30.
Primary government only, does not include component units.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 64,279,955	\$ 63,755,788	\$ 60,831,453	\$ 55,276,166	\$ 48,382,559	\$ 48,667,926	\$ 44,465,782
<u>64,279,955</u>	<u>63,755,788</u>	<u>60,831,453</u>	<u>55,276,166</u>	<u>48,382,559</u>	<u>48,667,926</u>	<u>44,465,782</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
452,971,847	478,394,132	489,243,753	479,339,659	465,259,023	446,675,410	425,354,626
14.19%	13.33%	12.43%	11.53%	10.40%	10.90%	10.45%



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, 2015

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	
Assets			
Cash	\$ 105,220	\$ 500	\$ 105,720
Equity in pooled cash and investments	8,827,705	2,199,328	11,027,033
Accounts and interest receivable	1,610,706	83,593	1,694,299
Inventories	395,757	583,192	978,949
Prepaid items	-	21,219	21,219
Total assets	\$ 10,939,388	\$ 2,887,832	\$ 13,827,220
Liabilities			
Accounts payable	\$ 377,884	\$ 404,511	\$ 782,395
Accrued salaries and benefits	41,603	1,878,910	1,920,513
Unearned revenues	49,519	-	49,519
Total liabilities	469,006	2,283,421	2,752,427
Fund Balances:			
Nonspendable:			
Inventory	395,757	583,192	978,949
Prepaid items	-	21,219	21,219
Restricted for:			
TABOR	615,759	-	615,759
Assigned to:			
Special revenue funds	9,458,866	-	9,458,866
Total fund balance	10,470,382	604,411	11,074,793
Total liabilities and fund balances	\$ 10,939,388	\$ 2,887,832	\$ 13,827,220

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, 2015

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	
Revenues:			
Intergovernmental:			
State of Colorado	\$ -	\$ 5,006,241	\$ 5,006,241
Other:			
Interest	4,181	-	4,181
Student activities	6,753,426	-	6,753,426
Fundraising	3,773,742	-	3,773,742
Fees and dues	6,562,657	-	6,562,657
Donations	3,759,631	-	3,759,631
Miscellaneous	3,431,297	-	3,431,297
Service contracts	-	3,659,865	3,659,865
Total revenues	<u>24,284,934</u>	<u>8,666,106</u>	<u>32,951,040</u>
Expenditures:			
Current:			
General instruction	25,196,955	-	25,196,955
Transportation	-	23,915,194	23,915,194
Total expenditures	<u>25,196,955</u>	<u>23,915,194</u>	<u>49,112,149</u>
Excess of revenues over (under) expenditures	(912,021)	(15,249,088)	(16,161,109)
Other financing sources (uses):			
Transfers in	827,673	15,265,682	16,093,355
Total other financing sources (uses)	<u>827,673</u>	<u>15,265,682</u>	<u>16,093,355</u>
Excess of revenues and other financing sources over (under) expenditures	(84,348)	16,594	(67,754)
Fund balances - July 1, 2014	10,554,730	587,817	11,142,547
Fund balances - June 30, 2015	<u>\$ 10,470,382</u>	<u>\$ 604,411</u>	<u>\$ 11,074,793</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, 2015

Bond Redemption Debt Service Fund				
	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 51,991,800	\$ 51,991,800	\$ 52,496,730	\$ 504,930
Interest	5,000	5,000	3,171	(1,829)
Total taxes	51,996,800	51,996,800	52,499,901	503,101
Expenditures:				
Debt Service				
Principal retirement	27,920,000	27,920,000	27,920,000	-
Interest and fiscal charges	21,913,300	21,913,300	21,160,190	753,110
Total expenditures	49,833,300	49,833,300	49,080,190	753,110
Excess of revenues over expenditures	2,163,500	2,163,500	3,419,711	1,256,211
Other financing sources (uses):				
General obligation bond proceeds	-	41,000,000	40,345,000	(655,000)
Payment to refunded bond escow agent	-	(41,000,000)	(40,937,195)	62,805
Total other financing sources (uses)	-	-	(592,195)	(592,195)
Excess of revenues over expenditures	\$ 2,163,500	\$ 2,163,500	2,827,516	\$ 664,016
Fund balances - July 1, 2014			55,868,734	
Fund balances - June 30, 2015			\$ 58,696,250	

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, 2015

Capital Reserve Capital Projects Fund				
	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 30,000	\$ 30,000	\$ 20,513	\$ (9,487)
Other	350,000	350,000	1,162,068	812,068
Total revenues	<u>380,000</u>	<u>380,000</u>	<u>1,182,581</u>	<u>802,581</u>
Expenditures:				
Capital outlay:				
Facility improvements	16,310,800	16,310,800	19,137,130	(2,826,330)
District utilization	2,000,000	7,300,000	1,009,401	6,290,599
New construction	-	-	-	-
Vehicles	600,000	600,000	273,076	326,924
Total expenditures	<u>18,910,800</u>	<u>24,210,800</u>	<u>20,419,607</u>	<u>3,791,193</u>
Excess of revenues over (under) expenditures	(18,530,800)	(23,830,800)	(19,237,026)	4,593,774
Other financing sources:				
Transfers in	18,675,600	38,975,600	38,975,600	-
Total other financing sources	<u>18,675,600</u>	<u>38,975,600</u>	<u>38,975,600</u>	-
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 144,800</u>	<u>\$ 15,144,800</u>	19,738,574	<u>\$ 4,593,774</u>
Fund balance - July 1, 2014			16,800,332	
Fund balance - June 30, 2015			<u>\$ 36,538,906</u>	

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, 2015

Building Fund - Capital Projects				
	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 123,200	\$ 123,200	\$ 169,274	\$ 46,074
Total revenues	<u>123,200</u>	<u>123,200</u>	<u>169,274</u>	<u>46,074</u>
Expenditures:				
Capital outlay:				
Facility improvements	47,882,300	53,382,300	53,095,817	286,483
Total expenditures	<u>47,882,300</u>	<u>53,382,300</u>	<u>53,095,817</u>	<u>286,483</u>
Excess of revenues over (under) expenditures	<u>\$ (47,759,100)</u>	<u>\$ (53,259,100)</u>	(52,926,543)	<u>\$ 332,557</u>
Fund balance - July 1, 2014			84,902,102	
Fund balance - June 30, 2015			<u>\$ 31,975,559</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Campus Activity Special Revenue Fund
Fiscal Year Ended June 30, 2015

	Campus Activity Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 4,181	\$ 4,181
Student activities	6,872,600	6,872,600	6,753,426	(119,174)
Fundraising	3,801,600	3,801,600	3,773,742	(27,858)
Fees and dues	6,224,900	6,624,900	6,562,657	(62,243)
Donations	3,500,000	3,800,000	3,759,631	(40,369)
Miscellaneous	3,101,000	3,401,000	3,431,297	30,297
Total revenues	<u>23,500,100</u>	<u>24,500,100</u>	<u>24,284,934</u>	<u>(215,166)</u>
Expenditures:				
Current:				
Athletics and activities	24,400,000	25,400,000	25,196,955	203,045
Total expenditures	<u>24,400,000</u>	<u>25,400,000</u>	<u>25,196,955</u>	<u>203,045</u>
Excess of revenues over (under) expenditures	(899,900)	(899,900)	(912,021)	(12,121)
Other financing sources:				
Transfers in	850,000	850,000	827,673	(22,327)
Total other financing sources (uses)	<u>850,000</u>	<u>850,000</u>	<u>827,673</u>	<u>(22,327)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ (49,900)</u>	<u>\$ (49,900)</u>	(84,348)	<u>\$ (34,448)</u>
Fund balance - July 1, 2014			10,554,730	
Fund balance - June 30, 2015			<u>\$ 10,470,382</u>	



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, 2015

	Transportation Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Service contracts	\$ 3,455,000	\$ 3,755,000	\$ 3,659,865	\$ (95,135)
State of Colorado	<u>4,850,000</u>	<u>4,850,000</u>	<u>5,006,241</u>	<u>156,241</u>
Total revenues	<u>8,305,000</u>	<u>8,605,000</u>	<u>8,666,106</u>	<u>61,106</u>
Expenditures:				
Current:				
Transportation	<u>26,307,300</u>	<u>25,807,300</u>	<u>23,915,194</u>	<u>1,892,106</u>
Total expenditures	<u>26,307,300</u>	<u>25,807,300</u>	<u>23,915,194</u>	<u>1,892,106</u>
Excess of revenues over (under) expenditures	(18,002,300)	(17,202,300)	(15,249,088)	1,953,212
Other financing sources:				
Transfers in	<u>18,002,300</u>	<u>16,702,300</u>	<u>15,265,682</u>	<u>(1,436,618)</u>
Total other financing sources (uses)	<u>18,002,300</u>	<u>16,702,300</u>	<u>15,265,682</u>	<u>(1,436,618)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (500,000)</u>	16,594	<u>\$ 516,594</u>
Fund balance - July 1, 2014			<u>587,817</u>	
Fund balance - June 30, 2015			<u>\$ 604,411</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, 2015

<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	696,512	40,479,835	11,369,448
Accounts and other receivable	22,950	7,689	35,863
Inventories	129,318	-	-
Prepaid items	-	-	1,660,877
Total current assets	849,080	40,524,524	13,066,188
Capital assets:			
Vehicles and equipment	2,197,896	-	137,175
Less accumulated depreciation	(1,168,309)	-	(137,175)
Total capital assets net of accumulated depreciation	1,029,587	-	-
Total assets	\$ 1,878,667	\$ 40,524,524	\$ 13,066,188
<u>Liabilities and Net Position</u>			
Current liabilities:			
Accounts payable	\$ 64,408	\$ -	\$ 115,000
Accrued salaries, benefits, and compensated absences	56,596	2,560,534	30,889
Payroll withholding	-	23,512,405	-
Due to other funds	-	-	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	628,753	5,332,511
Total current liabilities	121,004	26,701,692	5,478,400
Non-current liabilities:			
Compensated absences	48,047	2,263	19,747
Total non-current liabilities	48,047	2,263	19,747
Total liabilities	169,051	26,703,955	5,498,147
<u>Net Position</u>			
Net investment in capital assets	1,029,587	-	-
Restricted for:			
TABOR	1,808	9,205	22,852
Unrestricted	678,221	13,811,364	7,545,189
Total net position	1,709,616	13,820,569	7,568,041
Total liabilities and net position	\$ 1,878,667	\$ 40,524,524	\$ 13,066,188

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	37,000
365,934	52,911,729
126,700	193,202
9,325	138,643
<u>2,323,040</u>	<u>3,983,917</u>
2,824,999	57,264,791
32,564,782	34,899,853
<u>(17,012,126)</u>	<u>(18,317,610)</u>
15,552,656	16,582,243
<u>\$ 18,377,655</u>	<u>\$ 73,847,034</u>
\$ 939,754	\$ 1,119,162
892,214	3,540,233
-	23,512,405
-	-
354,788	354,788
-	5,961,264
<u>2,186,756</u>	<u>34,487,852</u>
<u>688,874</u>	<u>758,931</u>
<u>688,874</u>	<u>758,931</u>
<u>2,875,630</u>	<u>35,246,783</u>
15,552,655	16,582,242
42,520	76,385
<u>(93,150)</u>	<u>21,941,624</u>
15,502,025	38,600,251
<u>\$ 18,377,655</u>	<u>\$ 73,847,034</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, 2015

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Revenues:			
Insurance premiums	\$ -	\$ 5,726,109	\$ 1,006,905
Service contracts	3,371,540	-	39,000
Total revenues	<u>3,371,540</u>	<u>5,726,109</u>	<u>1,045,905</u>
Expenses:			
Salaries and employee benefits	798,925	64,475	278,129
Administration services	254,149	569,901	403,988
Utilities	3,207	-	-
Supplies	1,349,023	-	-
Repairs and maintenance	387,126	-	-
Depreciation	319,260	-	-
Other	4,201	-	-
Claim losses	-	5,446,628	2,737,159
Premiums paid	-	57,722	2,140,923
Total expenses	<u>3,115,891</u>	<u>6,138,726</u>	<u>5,560,199</u>
Income (loss) from operations	<u>255,649</u>	<u>(412,617)</u>	<u>(4,514,294)</u>
Non-operating revenues (expenses):			
Interest revenues	587	13,243	11,809
Interest expense	-	-	-
Gain (loss) on sale of capital assets	(13,151)	-	(177,575)
Total non-operating revenues (expenses)	<u>(12,564)</u>	<u>13,243</u>	<u>(165,766)</u>
Income (loss) before transfers	243,085	(399,374)	(4,680,060)
Transfers from the general fund	-	-	4,865,500
Transfers out to other funds	-	-	-
Change in net position	<u>243,085</u>	<u>(399,374)</u>	<u>185,440</u>
Net position - July 1, 2014	1,466,531	14,219,943	7,382,601
Net position - June 30, 2015	<u>\$ 1,709,616</u>	<u>\$ 13,820,569</u>	<u>\$ 7,568,041</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 6,733,014
16,102,089	19,512,629
<u>16,102,089</u>	<u>26,245,643</u>
11,458,327	12,599,856
2,410,366	3,638,404
36,126	39,333
440,543	1,789,566
3,866,697	4,253,823
4,382,850	4,702,110
4,100	8,301
-	8,183,787
-	2,198,645
<u>22,599,009</u>	<u>37,413,825</u>
<u>(6,496,920)</u>	<u>(11,168,182)</u>
-	25,639
(11,273)	(11,273)
(29,510)	(220,236)
<u>(40,783)</u>	<u>(205,870)</u>
(6,537,703)	(11,374,052)
10,120,000	14,985,500
-	-
<u>3,582,297</u>	<u>3,611,448</u>
11,919,728	34,988,803
<u>\$ 15,502,025</u>	<u>\$ 38,600,251</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2015

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,376,571	\$ 5,721,772	\$ 1,082,031
Cash paid to employees	(845,551)	(64,069)	(539,513)
Cash paid to vendors	(2,013,546)	(5,440,574)	(5,074,553)
Net cash provided by (used for) in operating activities	<u>517,474</u>	<u>217,129</u>	<u>(4,532,035)</u>
Cash flows from noncapital financing activities:			
Transfers in and (out)	-	-	4,865,500
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>4,865,500</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(280,256)	-	-
Proceeds on sale of capital assets	-	-	-
Interest payments	-	-	-
Net cash (used for) capital and related financing activities	<u>(280,256)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	587	13,243	11,809
Net cash provided by investing activities	<u>587</u>	<u>13,243</u>	<u>11,809</u>
Net increase (decrease) in cash and cash equivalents	237,805	230,372	345,274
Cash and cash equivalents - July 1, 2014	459,007	40,286,463	11,024,174
Cash and cash equivalents - June 30, 2015	<u>\$ 696,812</u>	<u>\$ 40,516,835</u>	<u>\$ 11,369,448</u>
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ 255,649	\$ (412,617)	\$ (4,514,294)
Cash flows from operating activities:			
Depreciation	319,260	-	-
(Increase) decrease intergovernmental and other receivables	5,030	(4,337)	36,126
(Increase) decrease in prepaid items	21,775	-	254,598
Increase in other inventories	(41,633)	-	-
Increase (decrease) in accounts payable	4,018	-	(142,510)
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	(46,625)	(27,082)	(261,384)
Increase in payroll withholding	-	533,982	-
Decrease in due to other funds	-	-	-
Decrease in deferred revenues	-	-	-
Increase in estimated liability for premiums and claims	-	127,183	95,429
Net cash provided by (used for) in operating activities	<u>\$ 517,474</u>	<u>\$ 217,129</u>	<u>\$ (4,532,035)</u>
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ 13,151	\$ -	\$ 177,575

Technology Fund	Governmental Activities - Internal Service Funds
\$ 16,083,014	\$ 26,263,388
(11,326,849)	(12,775,982)
<u>(10,507,413)</u>	<u>(23,036,086)</u>
<u>(5,751,248)</u>	<u>(9,548,680)</u>
10,120,000	14,985,500
<u>10,120,000</u>	<u>14,985,500</u>
(4,047,045)	(4,327,301)
55,500	55,500
<u>(11,273)</u>	<u>(11,273)</u>
<u>(4,002,818)</u>	<u>(4,283,074)</u>
-	25,639
-	<u>25,639</u>
365,934	1,179,385
-	51,769,644
<u>\$ 365,934</u>	<u>\$ 52,949,029</u>
\$ (6,496,920)	\$ (11,168,182)
4,382,850	4,702,110
16,541	53,360
(306,959)	(30,586)
(1,949)	(43,582)
681,257	542,765
131,479	(203,612)
-	533,982
(4,121,929)	(4,121,929)
(35,618)	(35,618)
-	222,612
<u>\$ (5,751,248)</u>	<u>\$ (9,548,680)</u>
\$ 29,510	\$ 220,236



Component Units

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Net Position
Component Units
June 30, 2015

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Assets							
Cash	\$ 500	\$ 1,000	\$ 400	\$ 57,576	\$ 500	\$ -	\$ 1,300
Restricted cash	-	724,405	-	773,231	822,217	620,458	5,517,402
Restricted cash for TABOR	48,047	85,464	71,998	97,531	120,968	90,817	387,805
Equity in pooled cash and investments	447,573	250,484	477,144	567,486	1,250,048	1,056,299	3,576,900
Accounts receivable	5,124	4,979	1,640	5,614	7,389	4,156	22,471
Prepaid items	-	-	-	-	-	-	-
Capital assets							
Land and construction in progress	-	1,643,591	19,276	1,231,157	245,341	1,772,119	1,359,594
Depreciable assets	-	5,135,264	104,873	4,474,441	5,136,979	5,045,355	15,323,970
Accumulated depreciation	-	(2,213,276)	(26,948)	(1,637,458)	(1,700,480)	(831,413)	(2,263,530)
Total capital assets	-	4,565,579	97,201	4,068,140	3,681,840	5,986,061	14,420,034
Total assets	<u>\$ 501,244</u>	<u>\$ 5,631,911</u>	<u>\$ 648,383</u>	<u>\$ 5,569,578</u>	<u>\$ 5,882,962</u>	<u>\$ 7,757,791</u>	<u>\$ 23,925,912</u>
Deferred outflows of resources							
Loss on refunding	-	-	-	397,186	985,331	-	-
Cont after measurement date	53,741	118,410	115,543	129,848	166,007	123,538	449,734
Change in investment earnings	45,639	100,557	98,122	110,270	140,977	104,912	381,927
Change in proportionate share	911,981	-	107,222	229,374	-	143,750	1,399,090
Total deferred outflows	<u>\$ 1,011,361</u>	<u>\$ 218,967</u>	<u>\$ 320,887</u>	<u>\$ 866,678</u>	<u>\$ 1,292,315</u>	<u>\$ 372,200</u>	<u>\$ 2,230,751</u>
Liabilities							
Accounts payable	1,621	1,791	43,299	17,876	69,297	39,409	89,306
Accrued salaries and benefits	68,663	125,430	112,324	138,760	149,778	154,814	452,649
Due to the general fund	-	-	-	-	-	-	-
Unearned revenues	-	1,300	111,277	44,945	14,730	121,407	21,933
Accrued interest	-	12,717	-	114,267	27,843	14,238	127,653
Long term liabilities							
Due within 1 year	-	255,000	-	155,492	195,000	115,000	305,000
Due in more than 1 year	-	5,734,174	-	5,362,489	6,353,410	6,060,279	20,125,000
Net Pension liability	1,984,566	4,372,667	4,266,797	4,795,041	6,130,324	4,562,049	16,607,879
Total liabilities	<u>\$ 2,054,850</u>	<u>\$ 10,503,079</u>	<u>\$ 4,533,697</u>	<u>\$ 10,628,870</u>	<u>\$ 12,940,382</u>	<u>\$ 11,067,196</u>	<u>\$ 37,729,420</u>
Deferred inflows of resources							
Change in proportionate share	-	26,991	-	-	58,156	-	-
Change in experience	148	327	319	358	458	341	1,240
Total deferred inflows	<u>\$ 148</u>	<u>\$ 27,318</u>	<u>\$ 319</u>	<u>\$ 358</u>	<u>\$ 58,614</u>	<u>\$ 341</u>	<u>\$ 1,240</u>
Net Position							
Net investment in capital assets	-	(847,958)	97,201	(583,892)	(1,350,683)	278,593	(825,778)
Restricted for:							
Capital projects	269,276	-	-	-	-	-	3,984,891
Debt service	-	711,688	-	658,964	794,374	606,220	1,404,858
TABOR	48,047	85,464	71,998	97,531	120,968	90,817	387,805
Unrestricted	(859,716)	(4,628,713)	(3,733,945)	(4,365,575)	(5,388,378)	(3,913,176)	(16,525,773)
Total net position	<u>\$ (542,393)</u>	<u>\$ (4,679,519)</u>	<u>\$ (3,564,746)</u>	<u>\$ (4,192,972)</u>	<u>\$ (5,823,719)</u>	<u>\$ (2,937,546)</u>	<u>\$ (11,573,997)</u>

Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 700	\$ 500	\$ -	\$ 300	\$ 300	\$ -	\$ 520	\$ 500	\$ 64,096
763,838	863,428	1,474,757	-	558,841	-	47,780	760,788	12,927,145
136,994	117,850	120,205	83,456	90,757	70,042	80,082	149,819	1,751,835
1,349,548	637,164	373,294	432,807	661,371	364,019	415,831	4,169,227	16,029,195
8,735	6,882	7,162	285,734	4,130	67,847	4,438	10,067	446,368
-	-	-	-	-	3,115	-	130,108	133,223
-	-	-	-	-	-	-	-	-
2,685,452	1,099,229	1,215,664	-	79,925	92,058	-	881,654	12,325,060
6,551,329	4,782,710	4,358,191	250,703	5,141,088	12,255,959	-	5,848,913	74,409,775
(458,047)	(1,659,938)	(237,110)	(141,463)	(1,613,021)	-	-	(2,142,040)	(14,924,724)
8,778,734	4,222,001	5,336,745	109,240	3,607,992	12,348,017	-	4,588,527	71,810,111
\$ 11,038,549	\$ 5,847,825	\$ 7,312,163	\$ 911,537	\$ 4,923,391	\$ 12,853,040	\$ 548,651	\$ 9,809,036	\$ 103,161,973
147,853	706,810	-	-	96,369	-	-	-	2,333,549
195,935	177,628	160,139	61,202	140,035	112,837	110,143	183,458	2,298,198
166,394	150,847	135,994	51,974	118,922	95,824	93,537	155,798	1,951,694
226,935	56,170	307,947	-	-	181,796	-	151,476	3,715,741
\$ 737,117	\$ 1,091,455	\$ 604,080	\$ 113,176	\$ 355,326	\$ 390,457	\$ 203,680	\$ 490,732	\$ 10,299,182
34,506	19,204	8,344	77,642	20,557	3,718	16,901	64,245	507,716
178,183	205,154	-	67,399	163,566	118,914	65,411	83,373	2,084,418
-	-	-	-	-	-	-	-	-
32,908	7,200	139,684	-	21,159	-	4,410	23,183	544,136
107,390	58,711	115,170	-	55,168	-	-	22,078	655,235
-	-	-	-	-	-	-	-	-
171,000	170,000	85,000	-	110,000	-	-	155,000	1,716,492
7,200,152	6,280,000	6,876,507	-	4,733,056	-	-	5,200,464	73,925,531
7,235,543	6,559,476	5,913,634	2,260,070	5,171,244	4,166,856	4,067,397	6,774,768	84,868,311
\$ 14,959,682	\$ 13,299,745	\$ 13,138,339	\$ 2,405,111	\$ 10,274,750	\$ 4,289,488	\$ 4,154,119	\$ 12,323,111	\$ 164,301,839
-	-	-	206,436	50,354	-	220,526	-	562,463
540	490	442	169	386	311	304	506	6,339
\$ 540	\$ 490	\$ 442	\$ 206,605	\$ 50,740	\$ 311	\$ 220,830	\$ 506	\$ 568,802
2,048,852	(994,916)	(432,526)	109,240	(748,431)	12,348,017	-	(343,920)	8,753,799
17,192	-	356,010	-	-	4,521	10,000	-	4,641,890
639,257	804,717	1,003,577	-	503,674	-	-	738,710	7,866,039
136,994	117,850	120,205	83,456	90,757	70,042	80,082	149,819	1,751,835
(6,026,851)	(6,288,606)	(6,269,804)	(1,779,699)	(4,892,773)	(3,468,882)	(3,712,700)	(2,568,458)	(74,423,049)
\$ (3,184,556)	\$ (6,360,955)	\$ (5,222,538)	\$ (1,587,003)	\$ (5,046,773)	\$ 8,953,698	\$ (3,622,618)	\$ (2,023,849)	\$ (51,409,486)



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Activities
Component Units
Fiscal year ended June 30, 2015

	Expenses	Charges For Services	Governmental Activities	General Revenues	Change in net position	Net position beginning, as restated	Net position ending
Schools							
Addenbrooke Classical Academy	\$ 2,044,149	\$ 349,256	\$ (1,694,893)	\$ 1,780,785	\$ 85,892	\$ (628,285)	\$ (542,393)
Collegiate Academy of Colorado	3,045,203	881,567	(2,163,636)	3,104,978	941,342	(5,620,861)	(4,679,519)
Compass Montessori - Wheat Ridge	2,826,417	933,679	(1,892,738)	1,781,881	(110,857)	(3,453,889)	(3,564,746)
Compass Montessori - Golden	3,845,864	1,061,620	(2,784,244)	2,980,989	196,745	(4,389,717)	(4,192,972)
Excel Charter School	4,531,572	527,957	(4,003,615)	4,093,753	90,138	(5,913,857)	(5,823,719)
Free Horizon	3,419,304	1,376,093	(2,043,211)	2,399,165	355,954	(3,293,500)	(2,937,546)
Jefferson Academy	13,650,603	1,709,025	(11,941,578)	13,041,472	1,099,894	(12,673,891)	(11,573,997)
Lincoln Academy Charter School	5,071,056	446,748	(4,624,308)	4,812,035	187,727	(3,372,282)	(3,184,555)
Montessori Peaks	4,689,982	1,017,798	(3,672,184)	3,519,223	(152,961)	(6,207,995)	(6,360,956)
Mountain Phoenix	4,475,028	765,882	(3,709,146)	3,800,606	91,460	(5,313,998)	(5,222,538)
New America	2,601,757	342,457	(2,259,300)	2,800,053	540,753	(2,127,756)	(1,587,003)
Rocky Mountain Academy Evergreen	3,672,846	768,321	(2,904,525)	2,858,306	(46,219)	(5,000,554)	(5,046,773)
Rocky Mountain Deaf School	2,438,330	6,932,592	4,494,262	741,198	5,235,460	3,718,238	8,953,698
Two Roads High School	2,903,184	148,798	(2,754,386)	2,926,748	172,362	(3,794,980)	(3,622,618)
Woodrow Wilson Academy	4,680,286	886,662	(3,793,624)	5,236,329	1,442,705	(3,466,554)	(2,023,849)
Total	<u>\$ 63,895,581</u>	<u>\$ 18,148,455</u>	<u>\$ (45,747,126)</u>	<u>\$ 55,877,521</u>	<u>\$ 10,130,395</u>	<u>\$ (61,539,881)</u>	<u>\$ (51,409,486)</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

All Component Units
Combining Balance Sheet
June 30, 2015

	Addeenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Assets:							
Cash	\$ 500	\$ 1,000	\$ 400	\$ 57,576	\$ 500	\$ -	\$ 1,300
Restricted Cash	48,047	809,869	71,998	870,762	943,185	711,275	5,905,207
Equity in pooled cash and investments	447,573	250,484	477,144	567,486	1,250,048	1,056,299	3,576,900
Accounts, notes, contracts, and interest receivable	5,124	4,979	1,640	5,614	7,389	4,156	22,471
Prepaid items	-	-	-	-	-	-	-
Total Assets	\$ 501,244	\$ 1,066,332	\$ 551,182	\$ 1,501,438	\$ 2,201,122	\$ 1,771,730	\$ 9,505,878
Liabilities and fund balances (deficit)							
Liabilities:							
Accounts and retainages payable	1,621	1,791	43,299	17,876	69,297	39,409	89,306
Accrued salaries, benefits, and compensated absences	68,663	125,430	112,324	138,760	149,778	154,814	452,649
Due to primary government	-	-	-	-	-	-	-
Unearned revenues	-	1,300	111,277	44,945	14,730	121,407	21,933
Total Liabilities	\$ 70,284	\$ 128,521	\$ 266,900	\$ 201,581	\$ 233,805	\$ 315,630	\$ 563,888
Fund balances:							
Restricted for:							
TABOR	48,047	85,464	71,998	97,531	120,968	90,817	387,805
Debt service	-	724,405	-	773,231	822,217	620,458	1,532,511
Construction	269,276	-	-	-	-	-	3,984,891
Unassigned	113,637	127,942	212,284	429,095	1,024,132	744,825	3,036,783
Total fund balances (deficit)	430,960	937,811	284,282	1,299,857	1,967,317	1,456,100	8,941,990
Total liabilities and fund balances	\$ 501,244	\$ 1,066,332	\$ 551,182	\$ 1,501,438	\$ 2,201,122	\$ 1,771,730	\$ 9,505,878
Amounts reported for component unit activities in the statement of net position are different because:							
Component units total fund balance	\$ 430,960	\$ 937,811	\$ 284,282	\$ 1,299,857	\$ 1,967,317	\$ 1,456,100	\$ 8,941,990
Add: Capital assets	-	6,778,855	124,149	5,705,598	5,382,320	6,817,474	16,683,564
Deferred outflows - Loss on refunding	-	-	-	397,186	985,331	-	-
Deferred outflows - Cont after measurement	53,741	118,410	115,543	129,848	166,007	123,538	449,734
Deferred outflows - Change in investment earn	45,639	100,557	98,122	110,270	140,977	104,912	381,927
Deferred outflows - Change in proportion share	911,981	-	107,222	229,374	-	143,750	1,399,090
Less: Accumulated depreciation	-	(2,213,276)	(26,948)	(1,637,458)	(1,700,480)	(831,413)	(2,263,530)
Long-term liabilities	-	(5,989,174)	-	(5,517,981)	(6,548,410)	(6,175,279)	(20,430,000)
Accrued interest	-	(12,717)	-	(114,267)	(27,843)	(14,238)	(127,653)
Deferred inflows - Change in proportion share	-	(26,991)	-	-	(58,156)	-	-
Deferred inflows - Change in experience	(148)	(327)	(319)	(358)	(458)	(341)	(1,240)
Pension liability	(1,984,566)	(4,372,667)	(4,266,797)	(4,795,041)	(6,130,324)	(4,562,049)	(16,607,879)
Net position of component unit activities	\$ (542,393)	\$ (4,679,519)	\$ (3,564,746)	\$ (4,192,972)	\$ (5,823,719)	\$ (2,937,546)	\$ (11,573,997)

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	\$ 64,096
900,832	981,278	1,594,962	83,456	649,598	70,042	127,862	910,607	14,678,980
1,349,548	637,164	373,294	432,807	661,371	364,019	415,831	4,169,227	16,029,195
8,735	6,882	7,162	285,734	4,130	67,847	4,438	10,067	446,368
-	-	-	-	-	3,115	-	130,108	133,223
<u>\$ 2,259,815</u>	<u>\$ 1,625,824</u>	<u>\$ 1,975,418</u>	<u>\$ 802,297</u>	<u>\$ 1,315,399</u>	<u>\$ 505,023</u>	<u>\$ 548,651</u>	<u>\$ 5,220,509</u>	<u>\$ 31,351,862</u>

34,506	19,204	8,344	77,642	20,557	3,718	16,901	64,245	507,716
178,183	205,154	-	67,399	163,566	118,914	65,411	83,373	2,084,418
-	-	-	-	-	-	-	-	-
32,908	7,200	139,684	-	21,159	-	4,410	23,183	544,136
<u>\$ 245,597</u>	<u>\$ 231,558</u>	<u>\$ 148,028</u>	<u>\$ 145,041</u>	<u>\$ 205,282</u>	<u>\$ 122,632</u>	<u>\$ 86,722</u>	<u>\$ 170,801</u>	<u>\$ 3,136,270</u>

136,994	117,850	120,205	83,456	90,757	70,042	80,082	149,819	1,751,835
746,647	863,428	1,118,747	-	558,841	-	-	760,788	8,521,273
17,192	-	356,010	-	-	4,521	10,000	-	4,641,890
1,113,385	412,988	232,428	573,800	460,519	307,828	371,847	4,139,101	13,300,594
2,014,218	1,394,266	1,827,390	657,256	1,110,117	382,391	461,929	5,049,708	28,215,592
<u>\$ 2,259,815</u>	<u>\$ 1,625,824</u>	<u>\$ 1,975,418</u>	<u>\$ 802,297</u>	<u>\$ 1,315,399</u>	<u>\$ 505,023</u>	<u>\$ 548,651</u>	<u>\$ 5,220,509</u>	<u>\$ 31,351,862</u>

\$ 2,014,218	\$ 1,394,266	\$ 1,827,390	\$ 657,256	\$ 1,110,117	\$ 382,391	\$ 461,929	\$ 5,049,708	\$ 28,215,592
9,236,782	5,881,938	5,573,855	250,703	5,221,013	12,348,017	-	6,730,567	86,734,835
147,853	706,810	-	-	96,369	-	-	-	2,333,549
195,935	177,628	160,139	61,202	140,035	112,837	110,143	183,458	2,298,198
166,394	150,847	135,994	51,974	118,922	95,824	93,537	155,798	1,951,694
226,935	56,170	307,947	-	0	181,796	-	151,476	3,715,741
(458,047)	(1,659,938)	(237,110)	(141,463)	(1,613,021)	-	-	(2,142,040)	(14,924,724)
(7,371,152)	(6,450,000)	(6,961,507)	-	(4,843,056)	-	-	(5,355,464)	(75,642,023)
(107,390)	(58,711)	(115,170)	-	(55,168)	-	-	(22,078)	(655,235)
-	-	-	(206,436)	(50,354)	-	(220,526)	-	(562,463)
(540)	(490)	(442)	(169)	(386)	(311)	(304)	(506)	(6,339)
(7,235,543)	(6,559,476)	(5,913,634)	(2,260,070)	(5,171,244)	(4,166,856)	(4,067,397)	(6,774,768)	(84,868,311)
<u>\$ (3,184,555)</u>	<u>\$ (6,360,956)</u>	<u>\$ (5,222,538)</u>	<u>\$ (1,587,003)</u>	<u>\$ (5,046,773)</u>	<u>\$ 8,953,698</u>	<u>\$ (3,622,618)</u>	<u>\$ (2,023,849)</u>	<u>\$ (51,409,486)</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, 2015

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Wheat Ridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Revenues:							
Intergovernmental	\$ 1,780,785	\$ 3,104,978	\$ 1,781,881	\$ 2,980,989	\$ 4,093,753	\$ 2,399,165	\$ 13,041,472
Other revenue	349,256	202,906	914,403	846,972	518,597	1,024,662	1,709,025
Total revenues	2,130,041	3,307,884	2,696,284	3,827,961	4,612,350	3,423,827	14,750,497
Expenditures:							
Current:							
Salaries and benefits	1,098,668	1,841,683	1,855,103	2,154,196	2,570,626	2,031,491	7,148,147
Purchased services	530,589	506,531	607,480	755,647	881,572	483,498	2,803,578
Materials and supplies	43,397	67,379	181,391	219,437	163,584	161,129	1,196,930
Capital outlay	-	-	-	-	38,425	-	1,072,451
Debt service	-	557,200	-	460,764	718,841	456,106	355,302
Total other instructional programs	1,672,654	2,972,793	2,643,974	3,590,044	4,373,048	3,132,224	12,576,408
Excess of revenues over (under) expenditures	457,387	335,091	52,310	237,917	239,302	291,603	2,174,089
Other Financing Sources (uses):							
Other financing sources - capital leases	-	-	-	-	-	-	20,430,000
Other financing uses - refunding capital leases	-	-	-	-	-	-	(15,934,147)
Total other financing sources (uses)	-	-	-	-	-	-	4,495,853
Excess of Revenues and other Financing Sources Over (Under) Expenditures	457,387	335,091	52,310	237,917	239,302	291,603	6,669,942
Fund balance (deficit) - July 1, 2014	(26,427)	602,720	231,972	1,061,940	1,728,015	1,164,497	2,272,048
Fund balance (deficit) - June 30, 2015	\$ 430,960	\$ 937,811	\$ 284,282	\$ 1,299,857	\$ 1,967,317	\$ 1,456,100	\$ 8,941,990
Amounts reported for component unit activities in the statement of activities are different because:							
Excess of Revenues and other Financing Sources Over (Under) Expenditures	\$ 457,387	\$ 335,091	\$ 52,310	\$ 237,917	\$ 239,302	\$ 291,603	\$ 6,669,942
Less: Depreciation expense	-	(175,320)	(4,244)	(147,828)	(172,440)	(200,600)	(534,518)
Loss on disposal of assets	-	(14,914)	-	-	-	-	-
Other sources - debt and amortization of premiums and discounts	-	(1,927)	-	-	21,758	3,611	(20,430,000)
Deferred outflow on refunding	-	-	-	(18,914)	(51,860)	-	(225,721)
Change in accrued interest	-	576	-	2,789	578	183	(90,999)
Pension expense	(172,199)	(379,413)	(370,227)	(416,063)	(531,923)	(395,845)	(1,441,053)
Pension expense (amortization)	(337,771)	9,997	(39,712)	(84,954)	21,539	(53,241)	(518,182)
Add: Net capital outlay asset additions	-	694,635	19,276	214,648	52,785	351,431	1,163,465
Principal payment on long-term liabilities	-	240,000	-	144,844	185,000	110,000	15,570,000
Pension employer contribution expense	100,785	222,063	216,687	243,513	311,325	231,681	843,421
Pension contributions after measurement	37,690	10,554	15,053	20,793	14,074	17,131	93,539
Change in net position of component unit activities	\$ 85,892	\$ 941,342	\$ (110,857)	\$ 196,745	\$ 90,138	\$ 355,954	\$ 1,099,894

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
\$ 4,812,035	\$ 3,519,223	\$ 3,800,606	\$ 2,800,053	\$ 2,858,306	\$ 741,198	\$ 2,926,748	\$ 5,236,329	\$ 55,877,521
446,748	953,684	725,918	342,457	642,557	1,673,937	148,798	475,476	\$ 10,975,396
<u>5,258,783</u>	<u>4,472,907</u>	<u>4,526,524</u>	<u>3,142,510</u>	<u>3,500,863</u>	<u>2,415,135</u>	<u>3,075,546</u>	<u>5,711,805</u>	<u>66,852,917</u>

3,038,425	2,962,455	2,554,347	1,039,386	2,138,878	1,707,747	1,686,764	2,641,763	36,469,679
939,397	735,703	816,989	1,401,387	744,037	393,736	990,504	1,008,443	13,599,091
192,993	202,416	172,375	119,351	91,671	70,413	164,088	205,043	3,251,597
150,564	29,414	345,701	-	-	8,513	-	46,214	1,691,282
515,439	526,175	513,450	-	434,463	-	-	417,781	4,955,521
<u>4,836,818</u>	<u>4,456,163</u>	<u>4,402,862</u>	<u>2,560,124</u>	<u>3,409,049</u>	<u>2,180,409</u>	<u>2,841,356</u>	<u>4,319,244</u>	<u>59,967,170</u>

421,965	16,744	123,662	582,386	91,814	234,726	234,190	1,392,561	6,885,747
-	-	865,000	-	-	-	-	-	21,295,000
-	-	-	-	-	-	-	-	(15,934,147)
-	-	865,000	-	-	-	-	-	<u>5,360,853</u>

421,965	16,744	988,662	582,386	91,814	234,726	234,190	1,392,561	12,246,600
1,592,253	1,377,522	838,728	74,870	1,018,303	147,665	227,739	3,657,147	15,968,992
<u>\$ 2,014,218</u>	<u>\$ 1,394,266</u>	<u>\$ 1,827,390</u>	<u>\$ 657,256</u>	<u>\$ 1,110,117</u>	<u>\$ 382,391</u>	<u>\$ 461,929</u>	<u>\$ 5,049,708</u>	<u>\$ 28,215,592</u>

\$ 421,965	\$ 16,744	\$ 988,662	\$ 582,386	\$ 91,814	\$ 234,726	\$ 234,190	\$ 1,392,561	\$ 12,246,600
(251,007)	(158,489)	(147,340)	(35,366)	(195,215)	-	-	(292,097)	(2,314,464)
-	-	-	-	-	-	-	-	(14,914)
(2,316)	-	(845,773)	-	(9,306)	-	-	11,024	(21,252,929)
(5,280)	(33,658)	-	-	(4,818)	-	-	-	(340,251)
1,089	1,485	(59,432)	-	1,153	-	-	475	(142,103)
(627,823)	(569,161)	(513,121)	(196,104)	(448,705)	(361,555)	(352,925)	(587,841)	(7,363,958)
(84,050)	(20,804)	(114,054)	76,458	18,650	(67,332)	81,676	(56,102)	(1,167,882)
150,564	93,529	385,663	-	125,764	5,200,565	-	457,399	8,909,724
190,000	165,000	70,000	-	100,000	-	-	150,000	16,924,844
367,453	333,119	300,320	114,776	262,618	211,611	206,560	344,053	4,309,985
27,132	19,274	26,535	(1,397)	11,826	17,445	2,861	23,233	335,743
<u>\$ 187,727</u>	<u>\$ (152,961)</u>	<u>\$ 91,460</u>	<u>\$ 540,753</u>	<u>\$ (46,219)</u>	<u>\$ 5,235,460</u>	<u>\$ 172,362</u>	<u>\$ 1,442,705</u>	<u>\$ 10,130,395</u>



State of Colorado Required Information

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Fund Conversion for State Compliance
Food Service Fund
June 30, 2015

Assets	Business-Type Activities Enterprise Funds		Governmental Special Revenue Fund
	Food Services Fund	Adjustments to Modified Accrual	Food Services Fund
Current assets:			
Cash	\$ 1,400	\$ -	\$ 1,400
Restricted cash	-	-	-
Equity in pooled cash and investments	3,800,038	-	3,800,038
Accounts and other receivable	37,404	-	37,404
Intergovernmental receivables	1,178,291	-	1,178,291
Inventories	1,750,482	-	1,750,482
Prepaid items	41,642	-	41,642
Total current assets	6,809,257	-	6,809,257
Noncurrent assets:			
Capital assets:			
Vehicles and equipment	6,789,240	(6,789,240)	-
Less accumulated depreciation	(4,514,604)	4,514,604	-
Total capital assets, net of accumulated depreciation	2,274,636	(2,274,636)	-
Total assets	\$ 9,083,893	\$ (2,274,636)	\$ 6,809,257
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 70,554	\$ -	\$ 70,554
Accrued salaries, benefits, and compensated absences	840,675	-	840,675
Payroll withholding	-	-	-
Due to other funds	-	-	-
Other unearned revenues	731,779	-	731,779
Estimated liability for premiums and claims	-	-	-
Total current liabilities	1,643,008	-	1,643,008
Non-current liabilities:			
Compensated absences	120,921	(120,921)	-
Total noncurrent liabilities	120,921	(120,921)	-
Total liabilities	1,763,929	(120,921)	1,643,008
Net position:			
Net investment in capital assets	2,274,636	(2,274,636)	-
Restricted for:			
TABOR	330,378	-	330,378
Food services	4,714,950	120,921	4,835,871
Unrestricted	-	-	-
Total net position/fund balance	7,319,964	(2,153,715)	5,166,249
Total liabilities and net position	\$ 9,083,893	\$ (2,274,636)	\$ 6,809,257

Adjustments for capital assets and long term compensated absences are required for modified accrual.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Fund Conversion for State Compliance
Food Service Fund
Fiscal Year Ended June 30, 2015

	Business-Type Activities Enterprise Funds		Governmental Funds Special Revenue Fund
	Food Services Fund	Adjustments To Modified Accrual	Food Services Fund
Operating Revenues:			
Food sales	\$ 10,493,575	\$ -	\$ 10,493,575
Insurance premiums	-	-	-
Service contracts	119,284	-	119,284
Tuition	-	-	-
Federal government	-	1,557,343	1,557,343
State of Colorado	-	12,526,212	12,526,212
Interest	-	3,210	3,210
Total operating revenues	10,612,859	14,086,765	24,699,624
Operating Expenses:			
Purchased food	9,526,628	-	9,526,628
USDA commodities	1,653,509	-	1,653,509
Salaries and employee benefits	10,812,438	(120,921)	10,691,517
Administration services	812,036	-	812,036
Utilities	351,305	-	351,305
Supplies	821,170	-	821,170
Repairs and maintenance	18,554	-	18,554
Rent	-	-	-
Depreciation	331,472	(331,472)	-
Other	4,868	-	4,868
Claim losses	-	-	-
Premiums paid	-	-	-
Total operating expenses	24,331,980	(452,393)	23,879,587
Income (loss) from operations	(13,719,121)	(452,393)	820,037
Non-operating revenues (expenses):			
USDA commodities	1,557,343	(1,557,343)	-
Reimbursement from government sponsored programs	12,526,212	(12,526,212)	-
Investment income	3,210	(3,210)	-
Interest expense	-	-	-
Loss on sale of capital assets	(3,033)	3,033	-
Total non-operating revenues (expenses)	14,083,732	-	-
Income (loss) before transfers and capital contributions	364,611	(452,393)	820,037
Capital contributions	234,780	(234,780)	-
Transfers out to other funds	-	-	-
Transfers in from other funds	-	-	-
Transfers out to other funds (note 10)	-	-	-
Change in net position	599,391	-	820,037
Adjustment to net position for prior year net assets	-	(2,374,361)	(2,374,361)
Total net position/fund balance - July 1, 2014	6,720,573	-	6,720,573
Total net position/fund balance - June 30, 2015	\$ 7,319,964	\$ (2,826,754)	\$ 5,166,249

Adjustments for capital assets, long term compensated absences and reclass of revenues are required for modified accrual.



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>
Financial Trends These schedules contain trend information to help the reader understand how the District's Financial performance and well-being have changed over time.	116-125
Revenue Capacity These schedules contain information to help the reader assess the District's property tax revenue.	126-131
Debt Capacity 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.	132-135
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	136-137
Operating Information 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.	138-142

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 272,131,267	\$ 279,690,380	\$ 282,779,947	\$ 300,549,882
Restricted	119,886,342	137,222,692	157,681,790	149,063,262
Unrestricted	82,472,483	84,308,430	130,950,972	128,442,632
Total governmental activities net assets/net position	<u>\$ 474,490,092</u>	<u>\$ 501,221,502</u>	<u>\$ 571,412,709</u>	<u>\$ 578,055,776</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 2,610,619	\$ 2,524,688	\$ 2,399,710	\$ 2,702,062
Restricted	709,513	758,429	799,858	781,383
Unrestricted	8,077,616	10,085,377	12,430,067	12,771,303
Total business-type activities net assets/net position	<u>\$ 11,397,748</u>	<u>\$ 13,368,494</u>	<u>\$ 15,629,635</u>	<u>\$ 16,254,748</u>
Primary government				
Invested in capital assets, net of related debt	\$ 274,741,886	\$ 282,215,068	\$ 285,179,657	\$ 303,251,944
Restricted	120,595,855	137,981,121	158,481,648	149,844,645
Unrestricted	90,550,099	94,393,807	143,381,039	141,213,935
Total primary government net assets/net position	<u>\$ 485,887,840</u>	<u>\$ 514,589,996</u>	<u>\$ 587,042,344</u>	<u>\$ 594,310,524</u>

Fiscal Year

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 344,003,602	\$ 360,914,728	\$ 376,550,610	\$ 403,794,024	\$ 409,948,271	\$ 407,426,358
122,592,857	122,902,877	118,918,869	69,044,589	78,132,683	83,081,688
117,372,458	91,113,699	73,925,741	105,448,605	104,852,827	(1,319,700,082)
<u>\$ 583,968,917</u>	<u>\$ 574,931,304</u>	<u>\$ 569,395,220</u>	<u>\$ 578,287,218</u>	<u>\$ 592,933,781</u>	<u>\$ (829,192,036)</u>
\$ 3,642,539	\$ 3,706,030	\$ 3,434,251	\$ 3,555,684	\$ 3,388,248	\$ 3,297,928
747,019	720,617	691,773	708,022	729,971	5,622,279
10,045,737	9,883,367	12,068,165	12,987,974	13,548,826	10,131,353
<u>\$ 14,435,295</u>	<u>\$ 14,310,014</u>	<u>\$ 16,194,189</u>	<u>\$ 17,251,680</u>	<u>\$ 17,667,045</u>	<u>\$ 19,051,560</u>
\$ 347,646,141	\$ 364,620,758	\$ 379,984,861	\$ 407,349,708	\$ 413,336,519	\$ 410,724,287
123,339,876	123,623,494	119,610,642	69,752,611	78,862,654	88,703,967
127,418,195	100,997,066	85,993,906	118,436,579	118,401,653	(1,309,568,730)
<u>\$ 598,404,212</u>	<u>\$ 589,241,318</u>	<u>\$ 585,589,409</u>	<u>\$ 595,538,898</u>	<u>\$ 610,600,826</u>	<u>\$ (810,140,476)</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)

	2006	2007	2008	2009	2010
Expenses *					
Governmental activities:					
School administration	\$ -	\$ -	\$ -	\$ -	\$ -
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	420,089,848	436,859,865	441,488,697	475,473,399	488,851,713
Indirect instruction	126,074,406	124,087,808	125,534,158	139,506,864	146,058,971
Transportation	18,779,643	19,993,110	20,201,331	21,744,799	21,105,227
Custodial services	24,209,356	25,002,154	26,277,156	27,158,925	27,460,710
Field services	21,508,695	20,441,219	21,725,526	24,507,637	23,020,164
Telecommunications, networking and utilities	19,653,828	17,523,410	18,945,386	19,361,791	21,021,606
Support services	18,789,170	18,212,328	21,950,387	23,191,961	25,970,162
General administration	2,894,361	3,127,500	2,575,859	3,328,842	4,122,191
District-wide	1,548,547	1,624,570	2,296,287	1,123,258	1,383,435
Interest expense, unallocated	36,819,243	37,525,398	36,810,282	34,967,047	32,332,211
Total governmental activities expenses	690,367,097	704,397,362	717,805,069	770,364,523	791,326,390
Business-type activities					
Food services	19,750,220	21,215,750	22,169,060	23,425,181	25,200,972
Child care	11,039,953	12,138,653	13,611,593	14,547,344	14,728,222
Property management	1,125,385	1,319,568	1,356,529	1,225,624	2,051,238
Other enterprise	-	-	-	-	-
Total business-type activities expenses	31,915,558	34,673,971	37,137,182	39,198,149	41,980,432
Total primary government expenses	\$ 722,282,655	\$ 739,071,333	\$ 754,942,251	\$ 809,562,672	\$ 833,306,822
Program Revenues					
Governmental activities:					
Charges for services:					
General administration	\$ -	\$ -	\$ -	\$ -	\$ -
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	4,329,271	4,847,435	4,149,185	4,323,891	5,053,827
Indirect instruction	29,837,974	30,532,826	31,273,508	30,296,343	27,065,122
Transportation	502,601	435,245	446,566	384,133	400,388
Field services	2,292,589	3,255,854	11,994,896	3,169,242	3,998,449
District-wide	3,537,713	1,993,172	1,969,309	569,173	474,589
Operating grants and contributions:					
General administration	-	-	-	-	-
School administration	-	-	-	-	-
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	41,131,579	45,512,301	43,214,748	41,273,450	49,402,008
Indirect instruction	7,020,660	7,729,655	7,350,301	7,225,032	9,914,138
Transportation	4,234,626	4,081,376	4,302,427	4,463,314	4,785,359
Total governmental activities program revenues	92,887,013	98,387,864	104,700,940	91,704,578	101,093,880
Business-type activities					
Charges for services:					
Food services	12,906,439	13,222,800	13,233,844	12,732,788	11,736,773
Child care	8,669,515	9,747,943	11,285,473	11,019,746	10,295,931
Property management	1,906,311	1,937,185	1,921,999	1,728,955	1,674,886
Other enterprise	-	-	-	-	-
Operating grants and contributions:					
Food services	7,092,392	7,414,794	7,758,304	8,735,385	10,964,421
Child Care	-	-	-	-	-
Capital grants and contributions:					
Food services	1,405,393	1,281,906	1,981,771	1,682,642	1,172,164
Property management	-	-	-	32,738	-
Other enterprise	-	-	-	-	-
Total business-type activities program revenues	31,980,050	33,604,628	36,181,391	35,932,254	35,844,175
Total primary government program revenues	\$ 124,867,063	\$ 131,992,492	\$ 140,882,331	\$ 127,636,832	\$ 136,938,055
Net (Expense)/Revenue					
Governmental activities	\$ (597,480,084)	\$ (606,009,498)	\$ (613,104,129)	\$ (678,659,945)	\$ (690,232,510)
Business-type activities	64,492	(1,069,343)	(955,791)	(3,265,895)	(6,136,257)
Total primary government net expense	\$ (597,415,592)	\$ (607,078,841)	\$ (614,059,920)	\$ (681,925,840)	\$ (696,368,767)

*Recategorized expense types starting in fiscal year 2012.

Fiscal Year

	2011	2012*	2013	2014	2015
\$	-	\$ 57,409,152	\$ 54,996,871	\$ 56,613,420	\$ 61,622,289
	-	408,204,654	405,528,254	410,335,528	440,423,884
	-	65,020,783	69,392,712	71,357,688	76,419,427
	-	67,648,351	64,686,916	68,774,854	93,132,858
	-	69,998,170	67,985,826	78,844,714	87,346,892
488,170,063	-	-	-	-	-
148,378,364	-	-	-	-	-
20,850,913	23,703,443	24,115,123	23,177,884	27,654,266	
26,864,799	-	-	-	-	
21,763,434	-	-	-	-	
21,974,077	-	-	-	-	
25,168,348	-	-	-	-	
3,909,716	27,898,413	27,617,388	25,908,579	25,647,057	
596,970	-	-	-	-	
28,681,991	25,666,711	25,135,731	24,692,063	26,445,984	
<u>786,358,675</u>	<u>745,549,677</u>	<u>739,458,821</u>	<u>759,704,730</u>	<u>838,692,657</u>	
24,402,366	22,995,136	24,588,376	24,059,390	24,335,013	
14,277,646	13,664,939	14,253,323	15,669,253	16,365,381	
1,288,442	1,276,209	1,298,134	1,653,841	1,881,209	
-	-	-	-	-	
<u>39,968,454</u>	<u>37,936,284</u>	<u>40,139,833</u>	<u>41,382,484</u>	<u>42,581,603</u>	
<u>\$ 826,327,129</u>	<u>\$ 783,485,961</u>	<u>\$ 779,598,654</u>	<u>\$ 801,087,214</u>	<u>\$ 881,274,260</u>	
\$	-	\$ 1,152,290	\$ 1,323,748	\$ 2,669,066	\$ 906,896
	-	25,645,123	26,903,962	27,047,349	27,346,106
	-	4,713,718	4,932,848	3,195,644	5,435,234
	-	3,842,879	4,929,770	6,116,159	4,685,037
5,148,800	-	-	-	-	-
28,066,756	-	-	-	-	-
354,195	1,386,407	1,974,372	2,133,779	1,979,155	
3,747,188	-	-	-	-	
1,358,775	-	-	-	-	
-	3,652,537	3,889,298	3,706,405	4,002,024	
-	861,829	-	49,851	3,883	
-	14,548,969	16,103,053	16,423,080	17,807,677	
-	25,408,016	24,338,028	27,343,034	26,830,057	
-	16,402,238	15,731,027	16,251,832	18,028,401	
-	797,353	165,699	7,920,034	6,609,171	
69,228,523	-	-	-	-	
13,358,689	-	-	-	-	
4,866,106	5,103,034	5,009,964	5,275,093	5,383,718	
<u>126,129,032</u>	<u>103,514,393</u>	<u>105,301,769</u>	<u>118,131,326</u>	<u>119,017,359</u>	
11,634,444	11,514,984	11,049,462	9,830,452	10,612,859	
10,281,161	9,867,724	10,630,601	11,111,356	11,417,547	
1,763,175	1,595,449	1,796,862	1,920,377	2,276,591	
-	-	-	-	-	
11,709,247	12,716,967	13,520,079	13,389,433	14,083,555	
-	-	-	-	5,526,102	
352,528	84,766	135,253	96,924	234,780	
-	-	-	-	-	
-	-	-	-	-	
<u>35,740,555</u>	<u>35,779,890</u>	<u>37,132,257</u>	<u>36,348,542</u>	<u>44,151,434</u>	
<u>\$ 161,869,587</u>	<u>\$ 139,294,283</u>	<u>\$ 142,434,026</u>	<u>\$ 154,479,868</u>	<u>\$ 163,168,793</u>	
\$ (660,229,643)	\$ (642,035,284)	\$ (634,157,052)	\$ (641,573,404)	\$ (719,675,298)	
(4,227,899)	(2,156,394)	(3,007,576)	(5,033,942)	1,569,831	
<u>\$ (664,457,542)</u>	<u>\$ (644,191,678)</u>	<u>\$ (637,164,628)</u>	<u>\$ (646,607,346)</u>	<u>\$ (718,105,467)</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General revenues and other changes in net assets/net position					
Taxes					
Local property taxes	\$ 321,679,910	\$ 323,604,561	\$ 351,299,729	\$ 349,209,271	\$ 351,591,719
Automotive ownership taxes	30,814,386	29,414,761	28,858,670	26,428,023	24,730,646
School finance act	281,173,393	289,340,251	293,763,172	307,102,545	321,046,426
Earnings on investments	13,237,589	16,617,507	14,824,519	6,230,214	3,045,378
Special Item	-	(36,049,258)	(2,620,742)	-	-
Transfers (a)	<u>(2,333,020)</u>	<u>(2,717,145)</u>	<u>(2,830,012)</u>	<u>(3,667,041)</u>	<u>(4,268,518)</u>
Total governmental activities	<u>644,572,258</u>	<u>620,210,677</u>	<u>683,295,336</u>	<u>685,303,012</u>	<u>696,145,651</u>
Business-type activities:					
Earnings on investments	184,004	322,944	386,920	223,967	48,286
Transfers	<u>2,333,020</u>	<u>2,717,145</u>	<u>2,830,012</u>	<u>3,667,041</u>	<u>4,268,518</u>
Total business-type activities	<u>2,517,024</u>	<u>3,040,089</u>	<u>3,216,932</u>	<u>3,891,008</u>	<u>4,316,804</u>
Total primary government	<u>\$ 647,089,282</u>	<u>\$ 623,250,766</u>	<u>\$ 686,512,268</u>	<u>\$ 689,194,020</u>	<u>\$ 700,462,455</u>
Change in net assets/net position					
Governmental activities	\$ 47,092,174	\$ 14,201,179	\$ 70,191,207	\$ 6,643,067	\$ 5,913,141
Business-type activities	<u>2,581,516</u>	<u>1,970,746</u>	<u>2,261,141</u>	<u>625,113</u>	<u>(1,819,453)</u>
Total primary government	<u>\$ 49,673,690</u>	<u>\$ 16,171,925</u>	<u>\$ 72,452,348</u>	<u>\$ 7,268,180</u>	<u>\$ 4,093,688</u>

Fiscal Year

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	350,455,667	\$ 339,051,527	\$ 345,921,281	\$ 349,115,550	\$ 355,606,853
	23,665,288	23,537,666	25,006,758	27,486,392	28,916,207
	278,313,571	279,036,998	276,148,509	284,144,134	296,285,316
	841,952	1,159,227	37,569	873,530	504,048
	2,000,000	-	-	-	-
	<u>(4,084,448)</u>	<u>(4,040,569)</u>	<u>(4,065,067)</u>	<u>(5,399,639)</u>	<u>200,000</u>
	<u>651,192,030</u>	<u>638,744,849</u>	<u>643,049,050</u>	<u>656,219,967</u>	<u>681,512,424</u>
	18,170	-	-	49,668	14,684
	<u>4,084,448</u>	<u>4,040,569</u>	<u>4,065,067</u>	<u>5,399,639</u>	<u>(200,000)</u>
	<u>4,102,618</u>	<u>4,040,569</u>	<u>4,065,067</u>	<u>5,449,307</u>	<u>(185,316)</u>
\$	<u>655,294,648</u>	<u>\$ 642,785,418</u>	<u>\$ 647,114,117</u>	<u>\$ 661,669,274</u>	<u>\$ 681,327,108</u>
\$	(9,037,613)	\$ (3,290,435)	\$ 8,891,998	\$ 14,646,563	\$ (38,162,874)
	<u>(125,281)</u>	<u>1,884,175</u>	<u>1,057,491</u>	<u>415,365</u>	<u>1,384,515</u>
\$	<u>(9,162,894)</u>	<u>\$ (1,406,260)</u>	<u>\$ 9,949,489</u>	<u>\$ 15,061,928</u>	<u>\$ (36,778,359)</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 1,859,185
Restricted	-	-	-	16,943,784
Committed	-	-	-	15,700,000
Assigned	-	-	-	6,476,265
Unassigned	-	-	-	56,787,350
Reserved	21,464,542	22,281,498	24,531,395	-
Unreserved	50,631,896	83,291,265	85,945,926	-
Total general fund	<u>\$ 72,096,438</u>	<u>\$ 105,572,763</u>	<u>\$ 110,477,321</u>	<u>\$ 97,766,584</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 374,986
Restricted	-	-	-	133,186,115
Committed	-	-	-	-
Assigned	-	-	-	8,128,793
Reserved	297,538,614	270,407,102	194,021,205	-
Unreserved, reported in:				
Special revenue funds	6,730,727	6,881,402	6,574,094	-
Total all other governmental funds	<u>\$ 304,269,341</u>	<u>\$ 277,288,504</u>	<u>\$ 200,595,299</u>	<u>\$ 141,689,894</u>

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

Fiscal Year

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 1,533,697	\$ 1,533,815	\$ 1,159,891	\$ 982,570	\$ 942,951	\$ 1,023,267
17,249,094	15,932,358	15,839,341	15,756,129	16,494,681	17,041,991
2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	220,000
12,700,000	13,300,000	13,860,000	11,500,000	9,600,000	10,000,000
45,977,675	21,994,915	3,195,321	19,727,866	32,260,251	43,475,863
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 79,460,466</u>	<u>\$ 54,761,088</u>	<u>\$ 36,054,553</u>	<u>\$ 49,966,565</u>	<u>\$ 61,297,883</u>	<u>\$ 71,761,121</u>
\$ 377,613	\$ 410,265	\$ 895,860	\$ 1,058,751	\$ 909,314	\$ 1,000,168
107,254,805	108,862,085	106,895,470	169,532,657	147,439,129	98,783,448
-	-	-	20,833,322	16,731,273	36,503,429
9,024,564	9,760,257	9,426,449	9,344,242	9,620,670	9,458,866
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 116,656,982</u>	<u>\$ 119,032,607</u>	<u>\$ 117,217,779</u>	<u>\$ 200,768,972</u>	<u>\$ 174,700,386</u>	<u>\$ 145,745,911</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			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 352,032,843	\$ 356,019,175	\$ 376,039,826	\$ 375,892,943
Intergovernmental	333,560,257	346,663,583	348,630,647	360,064,341
Interest	13,237,590	16,617,508	14,824,519	6,230,214
Other	46,436,068	41,217,685	43,162,248	41,339,653
Total revenues	<u>745,266,758</u>	<u>760,517,951</u>	<u>782,657,240</u>	<u>783,527,151</u>
Expenditures				
School administration	-	-	-	-
General instruction	-	-	-	-
Special education instruction	-	-	-	-
Instructional support	-	-	-	-
Operation and maintenance	-	-	-	-
Direct instruction	377,762,106	392,101,766	410,321,635	421,454,600
Indirect instruction	120,459,541	119,231,799	128,922,159	136,721,737
Transportation	18,502,815	18,898,149	21,046,842	21,630,426
Custodial services	23,956,510	24,942,750	27,375,447	26,858,804
Field services	17,608,414	18,584,068	19,260,767	21,002,692
Telecommunications, networking and utilities	19,606,348	17,218,062	19,441,113	19,036,775
Support services	17,482,207	17,755,527	19,506,311	22,895,006
General administration	2,716,752	3,135,039	2,666,852	3,348,044
Districtwide	662,017	735,878	1,380,883	980,999
Capital outlay	91,940,532	129,343,041	109,400,964	87,808,282
Debt service				
Principal	37,935,000	39,885,000	42,600,000	44,810,000
Interest	36,890,523	37,562,972	38,479,744	35,439,587
Total expenditures	<u>765,522,765</u>	<u>819,394,051</u>	<u>840,402,717</u>	<u>841,986,952</u>
Excess of revenues over (under) expenditures	(20,256,007)	(58,876,100)	(57,745,477)	(58,459,801)
Other financing sources (uses)				
Certificates of participation proceeds	-	38,670,000	-	-
Payments to refunded certificates of participation escrow agent	-	-	-	-
Arbitrage expenses	-	-	-	-
General obligation bond proceeds	-	66,800,000	35,890,000	-
Payment to refunded escrow agent	-	-	(37,762,766)	-
Premium from bonds	-	7,030,291	2,139,650	-
Transfers out	(30,898,320)	(30,287,445)	(33,097,312)	(35,484,341)
Transfers in	18,708,000	19,208,000	21,408,000	22,328,000
Total other financing sources (uses)	<u>(12,190,320)</u>	<u>101,420,846</u>	<u>(11,422,428)</u>	<u>(13,156,341)</u>
Special Item: Supplemental Retirement Contribution	-	(36,049,258)	(2,620,742)	-
Net change in fund balances	<u>\$ (32,446,327)</u>	<u>\$ 6,495,488</u>	<u>\$ (71,788,647)</u>	<u>\$ (71,616,142)</u>
Debt service as a percentage of noncapital expenditures	11.1%	11.1%	11.1%	10.6%

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 374,594,521	\$ 375,134,147	\$ 360,296,394	\$ 374,687,742	\$ 378,048,173	\$ 380,599,789
385,147,930	365,766,889	345,156,765	340,256,614	358,175,604	372,350,762
3,045,377	841,952	1,156,276	37,569	776,697	478,408
39,671,470	41,292,003	42,070,227	44,315,203	48,291,123	47,781,409
<u>802,459,298</u>	<u>783,034,991</u>	<u>748,679,662</u>	<u>759,297,128</u>	<u>785,291,597</u>	<u>801,210,368</u>
-	-	47,311,834	46,137,612	47,722,016	47,559,947
-	-	354,467,295	356,803,464	360,680,650	355,751,698
-	-	65,517,724	68,713,508	70,387,243	68,085,954
-	-	68,187,899	64,140,368	68,286,176	84,015,992
-	-	66,662,982	64,358,499	73,348,304	73,709,330
435,488,836	431,750,029	-	-	-	-
139,563,450	142,607,586	-	-	-	-
20,801,433	20,483,317	20,812,436	21,786,813	22,286,274	24,282,575
27,170,968	26,426,741	-	-	-	-
19,400,040	16,980,978	-	-	-	-
20,786,072	21,461,102	-	-	-	-
22,814,261	19,468,562	-	-	-	-
4,119,005	3,828,233	28,525,989	28,427,746	29,420,652	23,813,835
827,863	785,525	-	-	-	-
50,355,185	29,121,654	27,359,625	34,662,226	55,002,104	73,515,424
51,600,000	52,285,000	51,505,000	52,955,000	28,395,000	29,495,000
30,498,774	28,832,069	25,778,672	24,156,542	24,704,907	22,788,423
<u>823,425,887</u>	<u>794,030,796</u>	<u>756,129,456</u>	<u>762,141,778</u>	<u>780,233,326</u>	<u>803,018,178</u>
(20,966,589)	(10,995,805)	(7,449,794)	(2,844,650)	5,058,271	(1,807,810)
-	-	-	-	-	29,180,000
-	-	-	-	-	(30,485,732)
-	-	-	-	-	-
233,400,000	-	-	168,540,000	-	40,345,000
(278,158,016)	-	-	(83,415,163)	-	(40,937,195)
35,855,493	-	-	31,296,785	-	-
(43,179,718)	(37,165,333)	(46,468,984)	(51,448,042)	(55,823,437)	(69,854,455)
29,709,800	23,837,385	33,397,415	35,334,275	36,027,898	55,068,955
<u>(22,372,441)</u>	<u>(13,327,948)</u>	<u>(13,071,569)</u>	<u>100,307,855</u>	<u>(19,795,539)</u>	<u>(16,683,427)</u>
-	2,000,000	-	-	-	-
<u>\$ (43,339,030)</u>	<u>\$ (22,323,753)</u>	<u>\$ (20,521,363)</u>	<u>\$ 97,463,205</u>	<u>\$ (14,737,268)</u>	<u>\$ (18,491,237)</u>
10.6%	10.6%	10.6%	10.6%	7.3%	7.0%

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)
2006	3,935,613	1,970,232	502,297	25,275	7,971
2007	3,989,081	1,953,258	502,370	26,349	8,503
2008	4,270,101	2,174,353	564,280	30,685	8,986
2009	4,308,594	2,178,628	586,701	31,576	6,701
2010	4,238,350	2,249,807	606,931	33,911	5,255
2011	4,251,217	2,191,182	598,493	31,958	2,429
2012	4,088,469	2,025,114	554,366	32,869	3,328
2013	4,105,825	1,985,242	561,340	33,785	3,660
2014	4,123,082	2,024,122	554,163	33,948	4,281
2015	4,155,617	2,030,792	558,960	34,535	5,317

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>
223,203	6,664,591	49.05	57,874,509	11.52
230,513	6,710,074	49.03	58,481,141	11.48
242,326	7,290,731	48.12	62,853,282	11.60
244,200	7,356,400	48.28	63,428,368	11.60
271,355	7,405,609	48.15	63,105,199	11.74
277,320	7,352,599	48.21	63,080,682	11.66
293,460	6,997,606	48.72	60,998,376	11.47
297,197	6,987,049	50.62	60,780,934	11.50
316,639	7,056,234	50.37	61,043,655	11.56
325,732	7,110,953	50.17	61,468,510	11.57

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
2006	37.80	11.25	49.05	24.35	27.24
2007	37.78	11.25	49.03	24.35	27.23
2008	36.87	11.25	48.12	24.35	27.23
2009	37.03	11.25	48.28	24.35	27.23
2010	36.90	11.25	48.15	24.35	27.23
2011	36.96	11.25	48.21	24.35	27.23
2012	37.47	11.25	48.72	24.35	26.72
2013	43.13	7.49	50.62	24.35	26.72
2014	42.88	7.49	50.37	25.85	26.72
2015	42.68	7.49	50.17	25.85	26.72

Source: Jefferson County and Broomfield Assessor annual Abstracts of Assessments

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

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

Taxpayer	2014			2005		
	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	\$ 192,964,399	1	2.7 %	\$ 104,848,700	2	1.6 %
MillerCoors LLC/Coors Brewing Company	123,483,199	2	1.7	122,258,300	1	1.8
Qwest Corp	61,684,700	3	0.9	55,571,400	4	0.8
Lockheed Martin Corporation	49,323,482	4	0.7	68,415,350	3	1.0
Colorado Mills Mall Limited Partnership	31,320,000	5	0.4	45,675,000	5	0.7
Martin Marietta Corporation	29,675,410	6	0.4			
TERUMO BCT Inc.	27,943,582	7	0.4			
Ball Metal Beverage Container Corp	26,390,611	8	0.4			
Wal Mart Real Estate Business Trust	19,891,970	9	0.3			
Plains End LLC	18,884,800	10	0.3	13,639,510	10	0.2
Teachers Insurance & Annuity Assoc				39,121,780	6	0.6
Denver West Office				27,021,110	7	0.4
Southwest Plaza Mall				22,263,160	8	0.3
Belmar Mainstreet				17,858,770	9	0.3
Total	<u>\$ 581,562,153</u>		<u>8.2 %</u>	<u>\$ 516,673,080</u>		<u>7.8 %</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
2006	324,930,276	308,601,938	95.0	12,188,005	320,789,943	98.8
2007	328,515,387	314,407,449	95.7	11,733,893	326,141,342	99.3
2008	349,794,736	331,199,301	94.7	15,536,805	346,736,106	99.1
2009	353,658,743	333,495,499	94.3	15,482,126	348,977,625	98.7
2010	354,066,586	332,813,015	94.0	16,555,364	349,368,379	98.7
2011	352,393,439	332,186,581	94.0	18,746,027	350,932,608	99.6
2012	343,143,485	320,929,279	94.0	15,378,979	336,308,258	98.0
2013	351,754,785	333,000,851	94.7	16,290,293	349,291,144	99.3
2014	353,214,798	336,584,984	95.3	13,640,227	350,225,211	99.2
2015	354,248,674	334,475,473	94.4	16,862,479	351,337,952	99.2

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

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

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

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

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

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

Governmental Activities				
Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	Total Primary Government
2006	680,551,786	8,508,250	362,374	689,422,410
2007	715,084,297	44,854,500	156,530	760,095,327
2008	672,901,212	42,582,500	-	715,483,712
2009	630,515,736	40,639,310	-	671,155,046
2010	576,827,793	34,174,778	-	611,002,571
2011	523,928,367	32,830,246	-	556,758,613
2012	471,878,553	31,420,714	-	503,299,267
2013	560,441,507	30,155,000	-	590,596,507
2014	526,628,634	28,580,000	-	555,208,634
2015	492,857,215	29,180,000	-	522,037,215

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

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

<u>Ratio of Net Debt to Assessed Value (a)</u>	<u>Net Debt Per Capita</u>	<u>Population</u>	<u>Percentage of Personal Income</u>
10.34%	1,280	538,556	2.9
11.33%	1,416	536,748	3.0
9.81%	1,329	538,371	2.7
9.12%	1,235	543,278	2.4
8.25%	1,116	547,728	2.1
7.57%	1,042	534,543	1.9
7.11%	936	537,487	2.2
8.45%	1,080	546,653	2.1
7.87%	1,010	549,643	2.1
7.34%	934	558,896	2.1

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General bonded debt outstanding				
General obligation debt	\$664,553,474	\$693,618,979	\$651,955,000	\$609,570,000
Percentage of estimated property value (a)	1.15%	1.19%	1.04%	0.96%
Per capita (b)	1,234	1,292	1,211	1,122
Less: Amounts set aside to repay general debt	<u>(57,623,732)</u>	<u>(58,083,150)</u>	<u>(63,022,587)</u>	<u>(68,924,667)</u>
Total net debt applicable to debt limit	606,929,742	635,535,829	588,932,413	540,645,333
Legal debt limit (c)	1,324,813,065	1,340,113,353	1,453,903,886	1,464,620,756
Legal debt margin (d)	<u>\$717,883,323</u>	<u>\$704,577,524</u>	<u>\$864,971,473</u>	<u>\$923,975,424</u>
Legal debt margin as a percentage of the debt limit	54.19%	52.58%	59.49%	63.09%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$553,715,000	\$502,790,000	\$452,710,000	\$500,785,000	\$473,965,000	\$447,370,000
0.88%	0.80%	0.74%	0.82%	0.78%	0.73%
1,011	941	842	916	862	800
<u>(68,230,744)</u>	<u>(72,341,627)</u>	<u>(76,032,525)</u>	<u>(53,644,274)</u>	<u>(54,882,086)</u>	<u>(57,851,674)</u>
485,484,256	430,448,373	376,677,475	447,140,726	419,082,914	389,518,326
1,470,834,296	1,461,910,139	1,408,606,084	1,389,895,624	1,402,508,676	1,412,333,992
<u>\$985,350,040</u>	<u>\$1,031,461,766</u>	<u>\$1,031,928,609</u>	<u>\$942,754,898</u>	<u>\$984,412,410</u>	<u>1,023,660,242</u>
66.99%	70.56%	73.26%	67.83%	70.19%	72.48%

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2005	538,556	22,547,185	41,866	38	85,083	4.2
2006	536,748	23,445,309	43,680	39	84,790	4.2
2007	538,371	24,810,381	46,084	39	86,200	3.9
2008	543,278	25,471,483	46,885	40	84,796	4.7
2009	547,728	26,617,700	48,597	40	84,948	7.5
2010	534,543	27,695,071	51,811	40	84,618	8.6
2011	537,487	28,941,349	53,846	40	84,329	7.8
2012	546,653	25,459,586	46,496	41	85,542	7.0
2013	549,643	26,574,716	48,349	41	86,009	6.3
2014	558,896	26,709,882	47,790	41	86,574	4.6

Sources: Jefferson County

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

Employer	2015				2006			
	Employees	Rank	Percentage of Total County Employment		Employees	Rank	Percentage of Total County Employment	
Denver Federal Center	6,200	1	2.86	%	6,000	1	2.95	%
Lockheed Martin Space Systems	4,700	2	2.16		5,500	2	2.71	
MillerCoors Brewing Company	2,500	3	1.15		3,000	4	1.48	
Exempla Lutheran Medical Center	2,050	4	0.94		2,500	5	1.23	
Terumo BCT	1,990	5	0.92					
St. Anthony Hospital	1,600	6	0.74					
Ball Corporation	1,220	7	0.56		1,200	7	0.59	
CoorsTek	1,100	8	0.51		1,200	8	0.59	
FirstBank Holding Co. of Colorado	1,100	9	0.51					
National Renewable Energy Laboratory	1,060	10	0.49		950	9	0.47	
Alpine Access Inc.					4,660	3	2.29	
Gambro Companies					1,500	6	0.74	
COBE Cardiovascular					620	10	0.31	

Source: Jefferson Economic Council

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

Operating Information Schedule 13
 Jefferson County School District, No.R-1
 Full-time Equivalent District Employees by Category without Hourly FTE's
 Fiscal Years 2006 to 2009

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

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 r

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

Employee Category	As of June 30					
	2010	2011	2012	2013	2014	2015
Administrative services						
Superintendent	1	1	1	1	0	1
Chief Academic Officer	1	1	1	1	0	0
Chief Operating Officer	2	1	1	1	0	0
Chief Information Officer	1	1	1	1	0	0
Chief Technology Officer	0	1	1	1	1	0
Chief Financial Officer	1	1	1	1	0	0
Chief Officer	0	0	0	0	5	8
Executive Director	19	19	18	19	18	11
Principal	135	142	140	143	142	142
Director/Assistant Director	56	57	49	46	63	69
Assistant Principal	138	128	129	124	131	131
Community Superintendent	4	4	4	4	0	0
Manager/Supervisor	44	47	48	52	63	62
Technical Specialist	83	88	87	84	95	111
Resource Specialist	0	0	0	0	1	1
Coordinator - Administrative	11	11	14	12	10	14
Administrator	7	7	9	15	11	14
Food Service Coordinator	7	7	7	8	8	8
Administrative Assistant	10	10	9	9	9	13
Investigator	2	2	2	2	2	2
Total administrative services	522	528	522	524	559	587
Licensed services						
Dean	0	0	0	0	0	2
Teacher	4,439	4,442	4,360	4401	4372	4341
Counselor	142	143	142	143	143	154
Teacher Librarian	129	135	119	118	116	114
Coordinator	27	27	23	22	17	18
Resource Teachers	92	113	87	70	72	87
Instructional Coach	141	140	129	130	129	130
Physical Therapists	14	12	11	12	12	12
Occupational Therapists	33	32	31	29	29	26
Nurse	35	40	40	41	48	49
Psychologist	69	70	70	67	60	48
Social Worker	60	57	59	64	70	75
Audiologist	4	4	4	5	5	5
Speech Therapist	116	117	118	120	117	115
Certificated - Hourly	26	15	18	17	19	18
Total licensed services	5,327	5,347	5,211	5,239	5,209	5194
Support services						
Director/Assistant Director - Preschool	42	45	47	44	49	50
Supervisor	0	0	0	0	1	1
Technical Specialist/Coordinator Classified	5	7	7	9	8	8
Accountant	3	2	2	2	2	1
Accounts Receivable	0	0	0	0	0	1
Specialist/Technicians - Classified	344	344	332	321	309	312
Buyer/Buyer Assistant	6	6	5	5	5	4
Transportation Trainer	5	5	5	5	5	5
Group Leader	17	16	15	18	14	15
School Secretary	348	336	329	328	331	329
Secretary/Clerk	35	33	26	28	32	30
Paraprofessional/Para-Educator	1,106	1,053	1,087	1125	1098	1127
Special Interpreter/Tutor	82	56	62	67	64	62
Clinic Aides	84	80	80	84	79	83
Trade Technician	184	174	167	166	163	167
Food Equipment Repair Assistant	2	2	2	2	2	2
Bus Driver	225	218	221	235	234	219
Printing Equipment Operator	3	2	2	2	2	2
Custodian	491	450	442	452	456	453
Campus Supervisor	67	63	64	66	66	67
Security Officer/Alarm Monitors	18	18	18	19	17	20
Food Service/Satellite Manager	126	121	118	117	123	119
Food Service Hourly Worker	185	160	165	167	157	150
Warehouse Worker	14	15	14	14	14	15
Classified Hourly	200	202	182	172	181	164
Total Support Services	3,592	3,408	3,392	3448	3412	3406
Grand total	9,441	9,284	9,125	9,211	9180	9187

Source: Jefferson County Schools employee management analysis.
 Note: Staffing information prior to 2010 is not available at this level of detail.

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

Fiscal Year	Expenditures (1)	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff (3)	Pupil Teacher Ratio	Graduation Rate (2)	Percent of Free and Reduced Students in the Lunch Program
2006	571,792,503	80,852	7,072	6.63%	4,524	17.87	75.3	33.35
2007	582,524,925	80,279	7,256	2.60%	4,510	17.80	76.1	35.54
2008	625,381,812	79,931	7,824	7.82%	4,528	17.65	77.1	36.02
2009	654,203,800	79,691	8,209	4.92%	4,564	17.46	81.3	39.85
2010	670,045,146	79,750	8,402	2.35%	4,439	17.97	78.1	42.95
2011	639,282,379	79,067	8,085	-3.77%	4,442	17.80	79.1	45.99
2012	612,608,734	78,210	7,833	-3.12%	4,360	17.94	81.4	50.68
2013	617,955,694	78,534	7,869	0.46%	4,401	17.84	81.5	55.85
2014	633,048,988	78,417	8,073	2.60%	4,372	17.94	82.9	52.00
2015	647,540,353	78,492	8,250	2.19%	4,341	18.08	*	52.00

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

(2) Enrollment data report

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

*Not available

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary/Pre-K campuses	103	104	104	103	103	101	101	99	99	99
Total square feet	4,298,372	4,366,672	4,406,573	4,430,062	4,682,782	4,616,761	4,592,792	4,582,688	4,583,299	4,579,989
Total program capacity	41,880	42,052	43,475	44,330	51,047	50,711	48,670	43,088	43,408	43,408
Enrollment	38,806	39,023	40,532	40,053	40,947	40,874	40,274	40,774	40,670	40,652
Middle school campuses	19	20	20	19	19	19	19	19	19	19
Total square feet	2,001,718	2,125,023	2,150,314	2,176,013	2,037,237	2,037,237	2,037,237	2,037,237	2,037,237	2,037,237
Total program capacity	14,502	15,062	15,626	15,812	16,410	16,410	15,943	15,786	15,786	15,786
Enrollment	12,182	11,811	11,537	11,209	10,770	10,755	10,686	10,720	10,757	10,745
High school campuses	17	17	17	17	17	17	17	17	17	17
Total square feet	3,334,138	3,334,138	3,523,481	3,595,258	3,692,357	3,692,357	3,692,357	3,692,597	3,692,597	3,692,597
Total program capacity	25,455	26,759	27,796	28,680	30,063	30,063	30,019	29,764	29,764	29,764
Enrollment	25,293	25,042	24,623	24,108	23,939	23,384	23,219	22,958	22,959	22,935
Option schools/Districtwide	11	11	11	13	15	15	15	15	15	15
Total square feet	894,106	894,106	894,106	894,106	900,062	900,062	923,062	928,709	930,932	907,020
Total program capacity						5,711	5,817	5,868	5,868	5,868
Enrollment	4,571	4,403	3,239	4,321	4,094	4,054	4,031	3,801	4,031	4,160
Charter schools	11	12	13	13	13	14	14	15	16	16
Enrollment	4,231	4,511	4,865	4,952	5,198	5,551	6,119	7,008	7,592	8,082
Support facilities										
Total square feet	419,518	419,518	419,518	419,518	468,413	534,434	491,806	485,210	493,488	493,488

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

Operating Information Schedule 16
 Jefferson County School District, No.R-1
 Certificated staff Data - Number of certificated staff by salary level with average salaries
 Last Ten Fiscal Years

Fiscal Year	Non-Degree Vocational	Bachelor's Degree	Master's or Higher Level Degree	Salary Ranges	Average Salary
2006	17	2918	2,723	28,542 to 85,106	51,500
2007	17	2926	2,938	31,162 to 87,659	53,100
2008	17	2885	2,925	32,408 to 91,165	55,400
2009	17	2574	3,034	33,283 to 93,626	57,200
2010	18	2446	3,210	33,616 to 94,562	59,000
2011	17	2263	3,289	33,616 to 94,562	60,100
2012	17	2030	3,269	32,608 to 91,725	58,500
2013	16	1986	3,318	32,934 to 92,642	58,100
2014	17	2109	3,173	33,616 to 94,562	57,900
2015	16	1417	3,877	38,000 to 91,787	57,800

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.

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, 2015

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Building Bright Futures

**Schedule of Expenditures
of Federal Awards**

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Schedule of Expenditures of Federal Awards
 Expenditures July 1, 2014 through June 30, 2015

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, 2015	10.555	51 2008008000 4010	1,557,343
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2015	10.553	4553	2,452,394
National school lunch program June 30, 2015	10.555	4555	9,304,927
Summer food service program for children June 30, 2015	10.559	4559	162,009
Child nutrition cluster subtotal			<u>11,919,330</u>
Agency subtotal			<u>13,476,673</u>
Fresh Fruit and Vegetable Program	10.582	4582	207,309
<u>U.S. Department of Transportation</u>			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205	7205	166,798
<u>U. S. Department of Education</u>			
Direct:			
Title VII - Indian education-formula grants to LEA and tribal schools	84.060a	4060	111,119
Title V Part D Teacher Incentive Fund	84.374	5374	<u>7,778,443</u>
Total direct			7,889,562
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B/Increasing Achievement	84.027	4027/5027	14,772,078
Individuals with disabilities education act-preschool services	84.173	4173	<u>327,990</u>
Special education cluster subtotal			15,100,068
Adult education-state administered basic grant program	84.002	5002/6002	159,801
Title I grants to local education agencies	84.010	4010/5010/7010	11,383,593
Twenty-First century community learning	84.287	5287	568,651
McKinney Homeless - education for children and youth	84.196	5196	39,115
Public charter schools start-up	84.282	5282	460,025
Title I-G - Advanced Placement for Disadvantaged Students	84.330	5330	17,100
Colorado Graduation Pathways	84.360	5360	227,432
Title III - English language learners	84.365	4365	381,245
Title II - A - Teacher Quality	84.367	4367	1,886,095
ARRA - Race to the Top	84.413	4413	199,937
Passed through Colorado Community College and Occupational: Educational			
Vocational and applied technology education-basic state grants	84.048a	4048	389,126
Passed through Colorado Department of Human Services:			
Rehabilitation services - vocational rehabilitation grants to states (SWAP)	84.126	5126	<u>661,240</u>
Agency subtotal			39,362,990
<u>U.S. Department of Health and Human Services</u>			
Passed through Jefferson County Human Services			
Temporary Assistance for Needy Families (TANF)	93.558	8558	73,042
<u>Corporation for National and Community Service</u>			
Passed through Colorado Department of Local Affairs:			
AmeriCorp	94.006	7006	87,421
<u>U.S. Department of Homeland Security</u>			
Passed through Colorado Department of Public Safety:			
Disaster Grants Public Assistance (FEMA)	97.036	9036	331,921
Passed through Colorado Division of Homeland Security via Arapahoe County(North/Central Region):			
State Homeland Security Program - DONATED ASSETS	97.067		163,000
Total expenditures of federal awards			<u>\$ 53,869,153</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2015

(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 \$1,653,509 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, 2015.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 53,869,153
Less: USDA *	<u>(13,476,673)</u>
	<u>\$ 40,392,480</u>

Grants Fund

Total expenditures from basic financial statements	\$ 53,624,517
Less: Nonfederal grants expenditures	<u>(13,232,037)</u>
	<u>\$ 40,392,480</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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 9, 2015.

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.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 9, 2015

**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, 2015. 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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be a significant deficiency.

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

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 9, 2015

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2015

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): Yes

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: Yes

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
84.367	Title II – A – Teacher Quality

Dollar threshold used to distinguish between Type A and Type B programs: \$1,616,075

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.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Prior Year Findings and Questioned Costs
Fiscal year ended June 30, 2015

PART III – Federal Award Findings and Questioned Costs

Finding 2015-001

US DEPARTMENT OF AGRICULTURE
Passed through Colorado Department of Education
School Breakfast Program, CFDA # 10.553
National School Lunch Program, CFDA # 10.555
Summer Food Service Program for Children, CFDA # 10.559

Eligibility
Significant Deficiency

Criteria: Per 7 CFR 245.6(c) Determination of eligibility, the local education agency must determine household eligibility for free or reduced price meals either through direct certification or the application process at or about the beginning of the school year.

Condition: During our testing over forty students, we noted one instance in which a student was receiving free and reduced lunch benefits in error. The District determines a child is eligible through direct application for the program or through the Colorado Department of Education's (CDE) Direct Certification match list. A student enrolled at the District had the same name as a student on the CDE match list but a different student identification number. The student enrolled at the District was not eligible to receive benefits.

Cause: Inadequate controls over the eligibility determination process.

Effect: The District was reimbursed for expenditures of an ineligible student that received twenty-eight free and reduced lunches in error.

Questioned Costs: \$85.20

Recommendation: The District should strengthen its controls over the eligibility determination process by verifying the student information, including name and identification number, agrees to the CDE's match list.

Managements
Response:

The District agrees with the finding that 1 sample out a total of 40 student records reviewed resulted in that student erroneously qualifying and receiving free meals. No detail documentation could be provided as to how the student was determined to be directly certified. The district claimed a reimbursement from the Colorado Department of Education in the amount of \$85.20 for those meals in FY 2014-2015. The District had a total of 12,661 students that were directly certified during the year.

In the future the district will implement the following corrective action to eliminate this issue from occurring in future fiscal years:

Prior to uploading the positive results of the CDE Direct Certification match list

- Free/Reduced Specialist will print and review the Match report to determine the total number of students sufficiently "matched" by the CDHS/CDE upload.
- The Match List is downloaded into a spreadsheet list to be uploaded to One Source.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Prior Year Findings and Questioned Costs
Fiscal year ended June 30, 2015

- The Match List spreadsheet will then be reviewed by another Central Office staff member.
- Once both reviews have occurred the list will be uploaded into One Source and the Free/Reduced Specialist and the other staff member will initial the Match Report confirming the number of records “matched” reconciles to the total number of records uploaded into the system (with any discrepancies explained).

The signed Match Report and the upload spreadsheet will be filed with other Direct Certification files

PART V – Prior Year Federal Award Findings and Questioned Costs

None



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



Building Bright Futures

Colorado Department of Education

Auditors Integrity Report

District: 1420 - JEFFERSON COUNTY R-1

Fiscal Year 2014-15

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+		-	=
Governmental				
10 General Fund	61,297,883	618,634,868	608,171,630	71,761,121
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	61,297,883	618,634,868	608,171,630	71,761,121
11 Charter School Fund	15,968,987	88,147,918	75,901,313	28,215,592
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	4,346,213	24,699,624	23,879,587	5,166,249
22 Govt Designated-Purpose Grants Fund	5,986,671	55,098,248	53,624,516	7,460,403
23 Pupil Activity Special Revenue Fund	10,554,730	25,112,606	25,196,955	10,470,382
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	587,816	23,931,788	23,915,193	604,411
31 Bond Redemption Fund	55,868,734	92,844,901	90,017,386	58,696,250
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	84,902,102	169,274	53,095,817	31,975,559
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	16,800,331	40,158,181	20,419,607	36,538,906
Totals	256,313,468	968,797,408	974,222,003	250,888,873
Proprietary				
50 Other Enterprise Funds	10,946,472	19,031,714	18,246,590	11,731,596
64 (63) Risk-Related Activity Fund	7,382,600	5,669,982	5,484,541	7,568,041
60,65-69 Other Internal Service Funds	27,606,204	11,624,037	8,198,031	31,032,210
Totals	45,935,276	36,325,732	31,929,162	50,331,847
Fiduciary				
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
Totals	0	0	0	0

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.