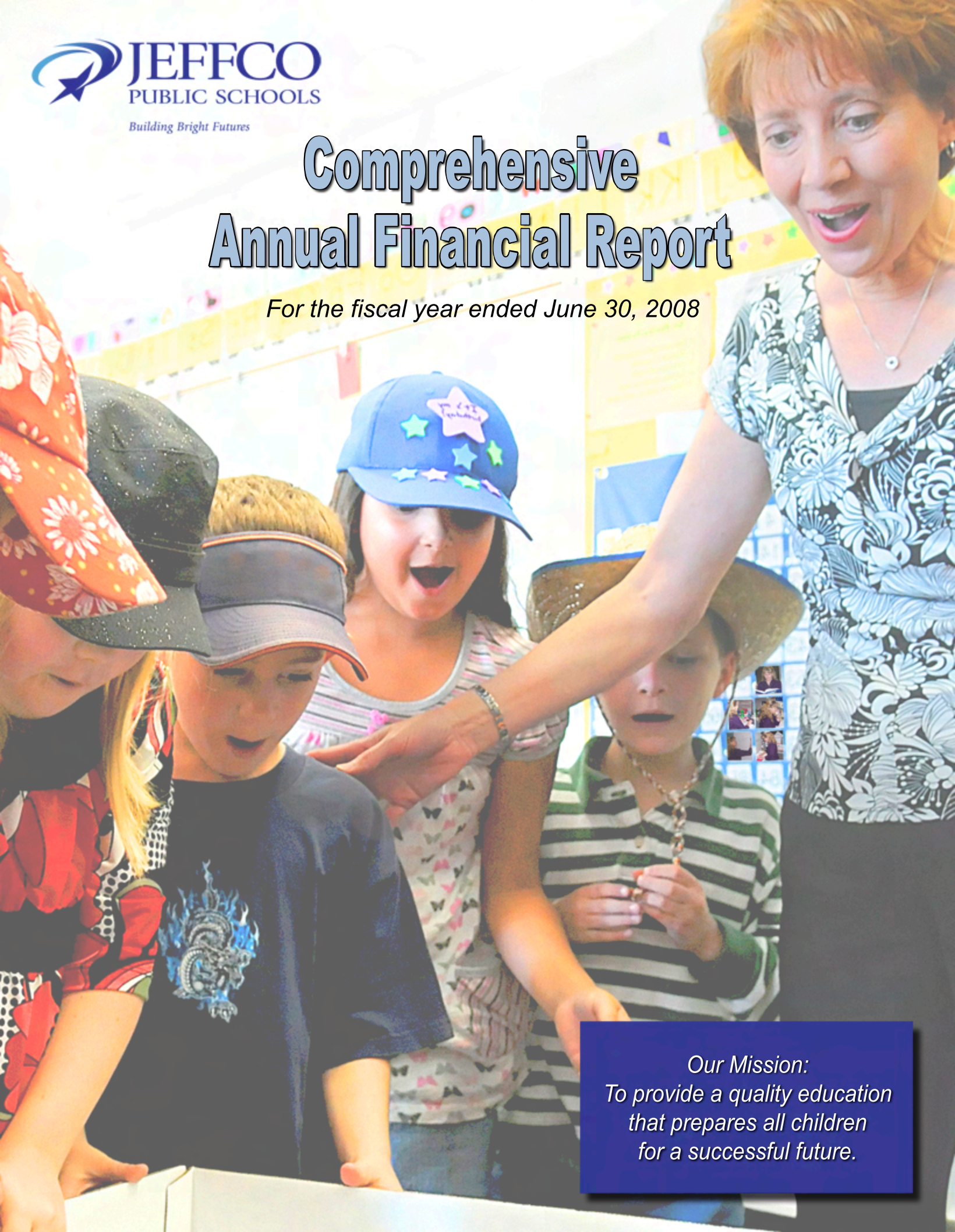


Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2008



*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, 2008

Presented to the Board of Education

Board Members

Scott Benefield, President

Jane Barnes, First Vice President

Dave Thomas, Second Vice President

Sue Marinelli, Secretary

Rick Rush, Treasurer

Superintendent

Cynthia Stevenson

Prepared by the Financial Services Division
Lorie Gillis, Chief Financial Officer
Kathleen Askelson, Director of Accounting

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

June 30, 2008

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Introductory Section



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November 19, 2008

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, 2008, 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 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. Clifton Gunderson LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2008. 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, 2008 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 16-27 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, 2008 have been included.

The District's profile

The District was formed in 1950 when 39 independent districts were consolidated into a countywide district encompassing the 785 square miles of Jefferson County, 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. The 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 84,900 enrolled students. District programs and services include basic K-12 education in elementary, middle, high schools, option schools, special education, vocational education and numerous other programs. There are thirteen 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 October 15th. 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

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

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.

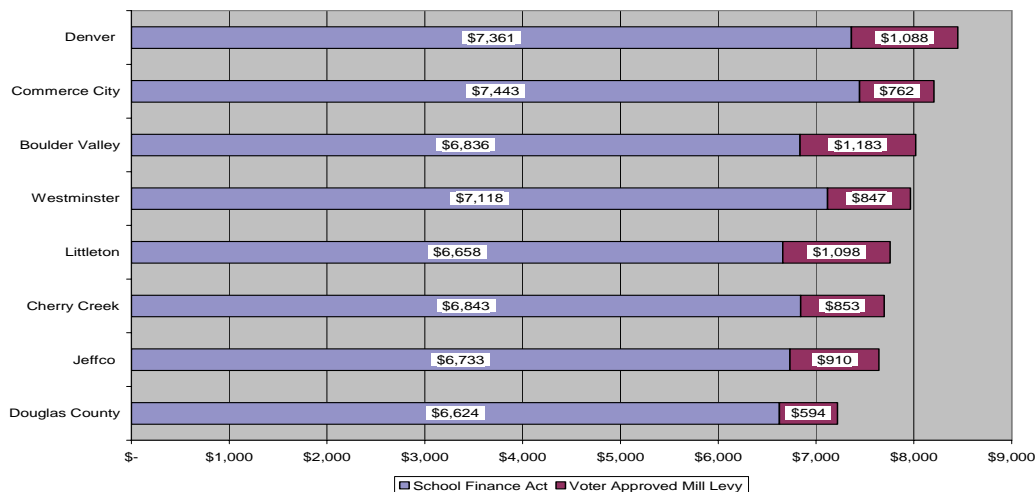
Assessment of the District’s Economic Condition

As Colorado’s economy has historically lagged behind the nation, the economic uncertainty at the national level is cause for concern and the risks to forecasting remain skewed to the downside. A November 2008 Economic forecast prepared by Development Research Partners with data from the U.S. Department of Labor and Colorado Department of Labor and Employment shows Colorado’s statistics stronger than the national averages. Employment growth for Colorado is at 1 percent versus the nation at 0 percent, the unemployment rate at 5.2 percent versus 6.1 percent, retail trade sales at .2 percent versus 1.5 percent, home appreciation rates at 1.5 percent versus .5 percent and personal income at 2.5 percent growth versus 2 percent. Governmental entities do face challenges around declining tax revenues, property tax values and collections, increased difficulty with debt financing and lower investment earnings. Jefferson County added 3,900 new jobs last year due to the aerospace and renewable energy fields. The Orion project to replace the space shuttle is based at the Lockheed Martin site in Jefferson County created many of these jobs.

Investing in public education in Colorado continues to fall behind the national averages. As noted in Education Weekly’s Quality Counts, 2008, the state average per pupil expenditures is \$7,939, lower than the national average of \$8,973. Comparing to neighboring states such as Kansas \$8,862, Nebraska \$9,930, New Mexico \$8,431 and Wyoming \$11,126, Colorado expenditures per pupil are low. As noted in the Believe in a Better Colorado website, the Colorado School Finance Project forecasts that Colorado will need an additional \$2.9 billion annually to adequately invest in our public schools. Almost 800,000 students are enrolled in Colorado public schools. Various calculations place the state between 37th and 49th in investing in public education. The District educates 11 percent of the children in Colorado. On November 4, 2008, Jefferson County voters did not pass the Districts 3A and 3B ballot measures. 3A called for a mill levy override to help maintain and improve small class sizes, well trained teachers, outstanding leaders, guaranteed and viable curricula, textbooks and materials, transportation, safety and security, high school graduation requirements and technology for our 21st century students. 3B asked for approval to issue bonds to finance building improvements for our schools to ensure classrooms support the 21st century learning needs. As a result of these measures not passing, the District will continue as planned in the 2008/2009 adopted budget to make cuts. In 2009/2010 a minimum of \$7 million in budget reductions will be required. The following subsequent years will require additional cuts of \$12 million in 2010/2011, \$16 million in 2011/2012, for a total of more than \$35 million in three years. Additionally, the District will be strategically spending down the previous year’s savings from the 2004 mill levy override. Based on current projections, by 2011/2012, the District’s unreserved fund balance on a budget basis will have decreased to \$28 million from \$118 million, creating a negative unreserved fund balance on an accrual basis when factoring in salary accruals.

The District will be completing the 2005/2010 bond program. The capital reserve fund is then planned to spend \$13 million each year for capital improvements to schools. The amount, while seemingly large, becomes small when put in the perspective of supporting 94 elementary schools, 20 middle schools, 17 high schools, 17 option/special schools, 4 stadiums, and 29 preschools and support facilities. Averaging roughly \$72,000 per site, a minimal amount compared to the size of the buildings.

Sample of Colorado per pupil funding comparisons by district for fiscal year 2008

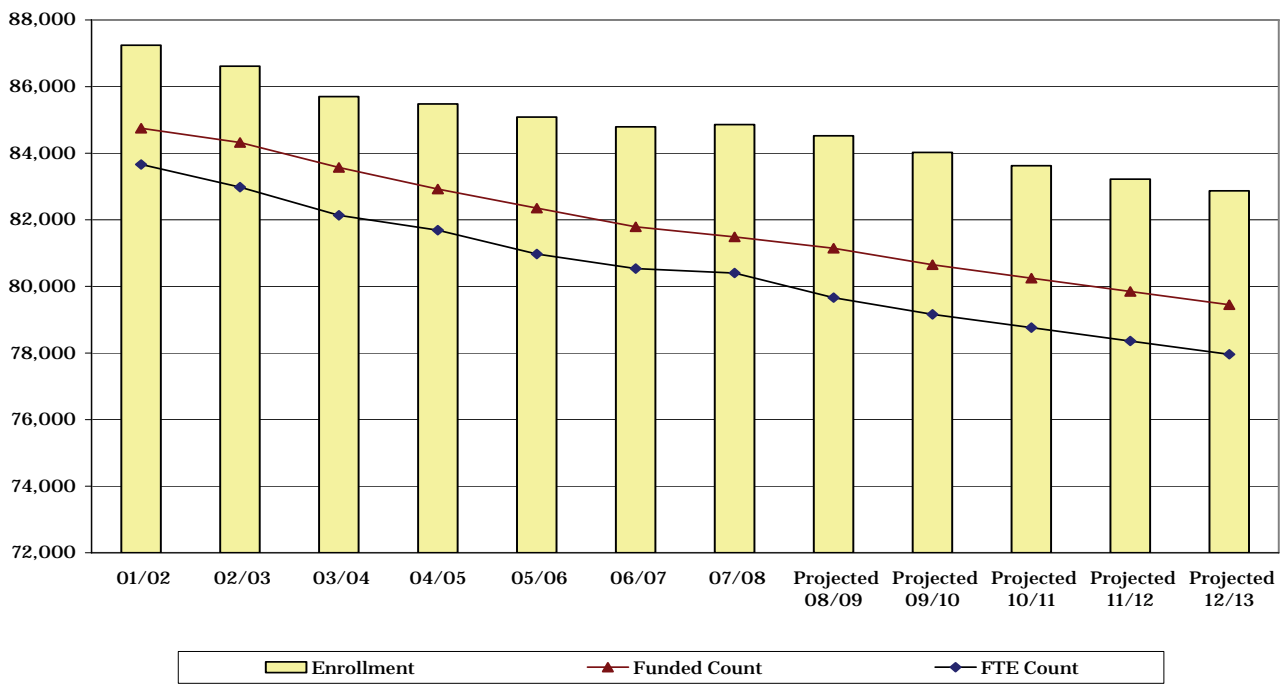


Source: Colorado Department of Education 8/18/2008

Jefferson County continues to age in population with a corresponding decrease in the school aged population. As enrollment declines, some variable costs are avoided (approximately 40 percent). Although fewer students can mean fewer classrooms and fewer teachers, some fixed costs cannot be reduced such as buildings, utilities, maintenance and insurance. As declining enrollment is spread throughout areas of the District, there are certain geographic areas that are growing causing a need for increased building capacities.

The District has been experiencing declining enrollment since the school year 2000/2001. This declining enrollment continues to challenge the District to provide services and keep a balanced budget while building up necessary reserves. Funded pupil count is projected to decline by approximately 340 students in fiscal 2008/2009 from the prior year. The decrease in enrollment will result in a decrease in funding of approximately \$2 million. Based on current county demographics, declining enrollment will continue for the next four years. The student count is conducted on October 1 of each year. Per state statute, the budget may be adjusted until October 15 of each year to take into account the October count.

	Actual							Projected					
School Year	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	
Enrollment	87,240	86,613	85,700	85,478	85,083	84,790	84,861	84,521	84,021	83,621	83,221	82,871	
FTE Count	83,660	82,981	82,134	81,688	80,969	80,534	80,401	79,661	79,161	78,761	78,361	77,961	
Funded Count	84,747	84,321	83,572	82,922	82,348	81,789	81,487	81,147	80,647	80,247	79,847	79,447	
				(650)	(574)	(559)	(302)	(340)	(500)	(400)	(400)	(400)	



(a) In fiscal year 2003/2004, the calculation for averaging of funded students changed. Preschool pupils had been included in the average in prior years. Beginning in 2003/2004, preschool pupils are not included in the FTE counts therefore lowering the average for funded counts for future years.

Notes:

Total Enrollment – Total students receiving services.

FTE Count – Calculation of total students with kindergartner and part-time students counted as one-half pupil.

Funded Count – Calculation of the FTE count based upon the higher of actual FTE count or the averages of two, three or four years.

Source: Jeffco Public School District 2008/2009 Adopted Budget

Major initiatives

Strategic plan

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

With two goals;

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

The strategic plan is divided up into the district's business groups with their respective goals, objectives, indicators and targets identified that support the two overarching goals.

Fiscal management and strategic policies

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

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

Budget development process

The 2007/2008 budget development process continues the incorporation of Budgeting for Results. The Budgeting for Results approach focuses on realignment of resources to improve performance and results. The District had historically taken the prior year budget and cut a flat percentage to achieve a current year balanced budget. The past process, over time, harmed and dismantled necessary programs. The Budgeting for Results approach encourages communication and leverage between organizational units within the entire District and focuses attention on District goals such as student achievement. The District anticipates that this process is a long term initiative with results of being evident in future years and measured by increased student achievement. Please refer to the 2008/2009 Adopted Budget for details on the budget process. Because of projected budget shortfall and required reductions, the District will likely modify the Budgeting for Results process to include reduction evaluation and prioritization in an open community forum.

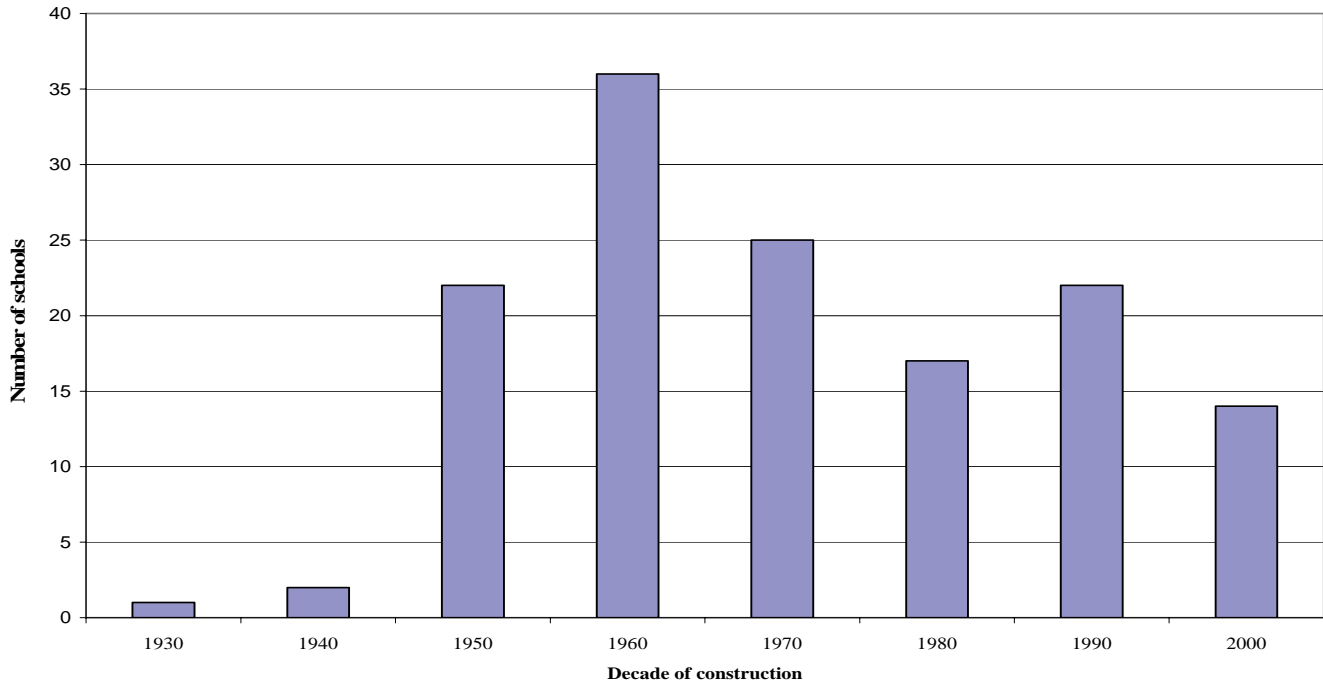
Student achievement

The District's focus on student achievement includes meeting the goals defined within three different accountability systems. The State Accreditation system is administered by the Colorado Department of Education. The accreditation process is a comprehensive system which reviews many performance indicators in schools, including academic achievement for all students in all curriculum areas. The School Accountability Report (SAR) is also administered by the Colorado Department of Education. The SARs provide single rating of schools based on student performance from the Colorado Student Assessment Program (CSAP) test scores. Each school receives a rating of "Excellent", "High", "Average", "Low" or "Unsatisfactory". The Federal Government mandated the No Child Left Behind (NCLB) act which requires states to set student achievement target goals for all public schools, also known as Adequate Yearly Progress. The goal is for 100 percent student proficiency in reading and math by the year 2013/2014. Colorado utilizes CSAP math and reading scores and participation to measure the progress of subgroups toward the targets.

21st Century learning environments – Capital improvements

The physical infrastructure is integral to the core mission of Jeffco Public Schools. The capital improvement program includes funding cycles, planning, design, construction and operation of assets. This process extends over multiple years to multiple decades and is measured in the context of long-term life-cycle management. The process of identifying, planning, designing, and constructing a new school requires approximately six years. Once constructed, a facility has a serviceable life of at least 40 years. The chart below shows the original construction date by decade of the District’s schools (this does not include charter schools).

Original/Replacement school construction by decade



Since 1992, the District’s policy for capital improvement funding has been that all capital improvement projects with an estimated useful life in excess of 20 years are financed through the use of general obligation bonds. Those projects include construction of new facilities, additions to existing facilities, major renovations, replacement of heating/ventilating, electrical and plumbing systems. All capital improvements with an estimated useful life of less than 20 years are financed from the capital reserve fund. Projects in this category include improvement or replacement of roofs, floor coverings, parking lots, site work and minor remodeling. This process was successfully used for the 1992-1997 capital improvement program. In November 1997, voters approved a \$265 million bond issue to construct and improve district facilities accounting for over 1,000 projects. At the end of 2002/2003 the bond proceeds were expended. With the successful passage of the voter-approved bond election on November 2, 2004, the District has finished its fourth year of the 2005-2010 capital construction program. Cycle eight of a total of 12 cycles began on July 1, 2008. The construction program is reviewed by the Capital Improvement Oversight Committee. The Capital Improvement Program Oversight Committee is made up of independent citizens with experience in the construction industry. The committee provides guidance and advice to the District and the Board of Education on the management of the program.

Renewed instructional and business technology systems

In 2007/2008, the District established a Technology Plan. Jeffco Schools has developed this Technology Plan to guide the district through the next three years. The plan objectives, expectations, indicators, targets and action plans will be updated and/or expanded on an annual basis to accommodate the changing dynamics associated with technology and education. The Plan is designed to be a living document with annual updates for technology changes and/or funding challenges to allow for the most agility. This Technology Plan articulates a common District vision. The Plan identifies the 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 the 21st century. Funding has been approved in 2008/2009 to continue the process of equalizing technology at all schools, investing in school wireless technology, hardware upgrades, graduation requirement system changes, data warehousing and bandwidth expansion. The District is also providing additional technology support staff at schools.

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, 2007. This was the twenty-fifth consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Lorie Gillis
Chief Financial Officer



Kathleen Askelson
Director of Accounting

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, 2007

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



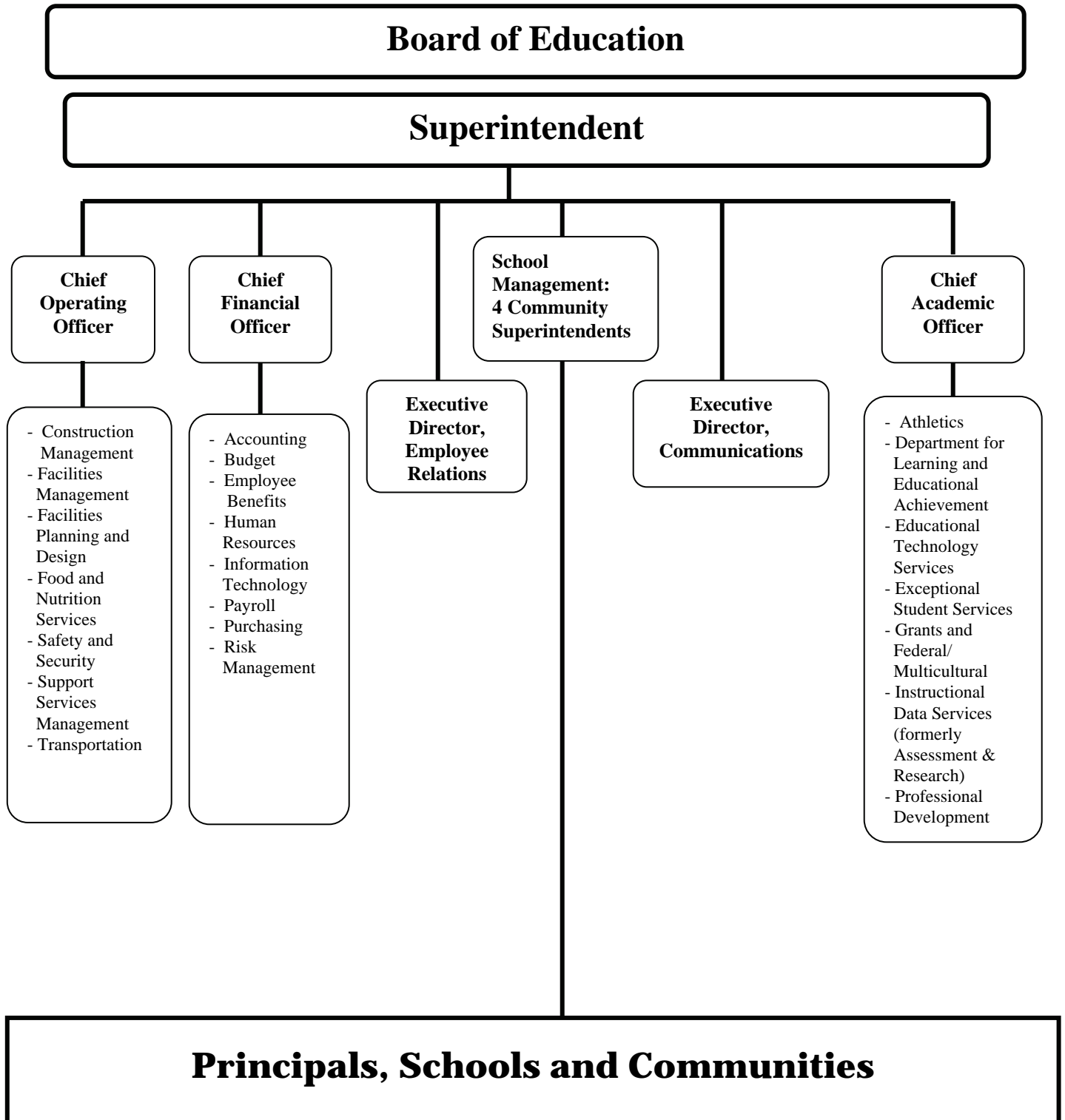
Charles S. Cox

President

Jeffrey R. Emery

Executive Director

Jeffco Leadership



Superintendent's Cabinet

Cynthia Stevenson Superintendent

Helen Neal Manager

Debbie Backus Chief Academic Officer

Lorie Gillis Chief Financial Officer

Bob Smith..... Chief Operating Officer

Lynn Setzer Executive Director – Communications

Holly Anderson Community Superintendent

Irene Griego Community Superintendent

Peg Kastberg Community Superintendent

Rick Myles Community Superintendent

Jim Jelinek..... President, JCAA

Allen Taggart Attorney



Financial Section

Independent Auditor's Report

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

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 as of and for the year ended June 30, 2008, which collectively comprise Jefferson County School District No. R-1's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jefferson County School District No. R-1's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County School District No. R-1 as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2008 on our consideration of Jefferson County School District No. R-1'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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 16 through 27 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jefferson County School District No. R-1's basic financial statements. The combining and individual fund financial statements and schedules, and the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures report, listed in the table of contents are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

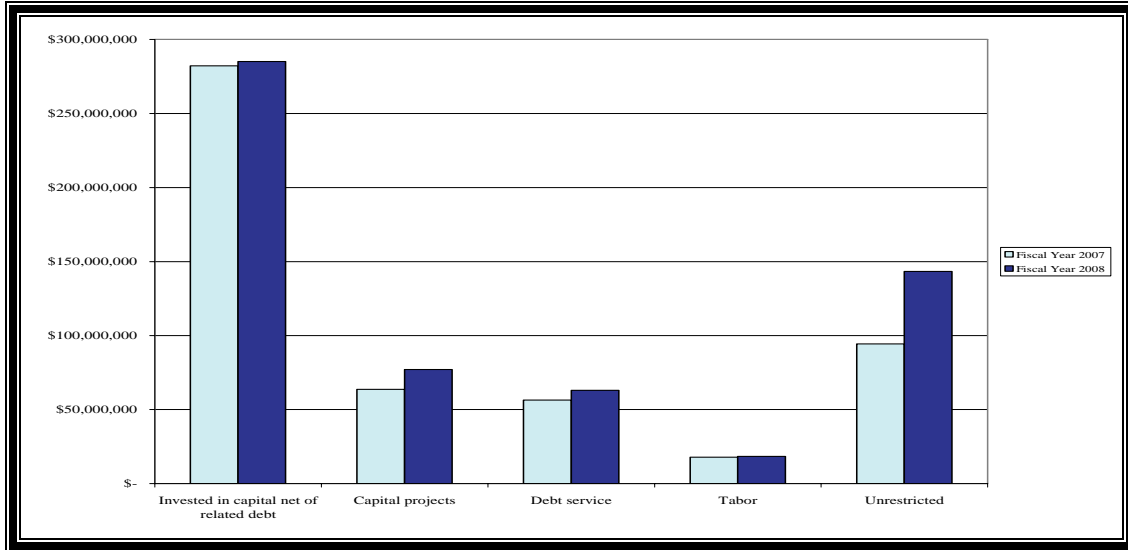
The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Henderson LLP

Greenwood Village, Colorado
November 20, 2008

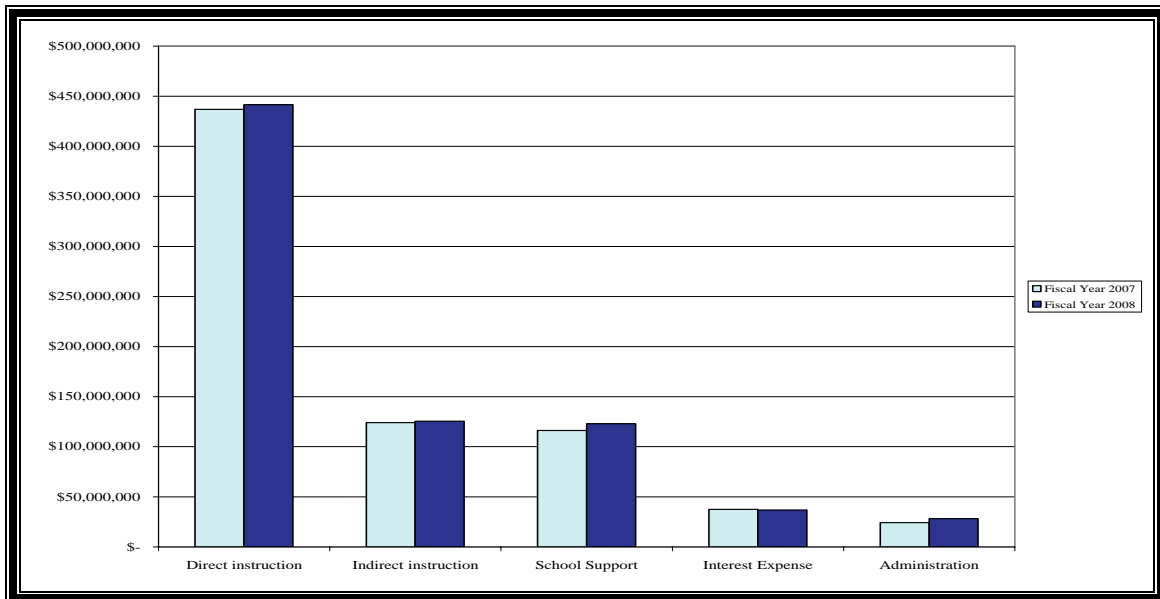
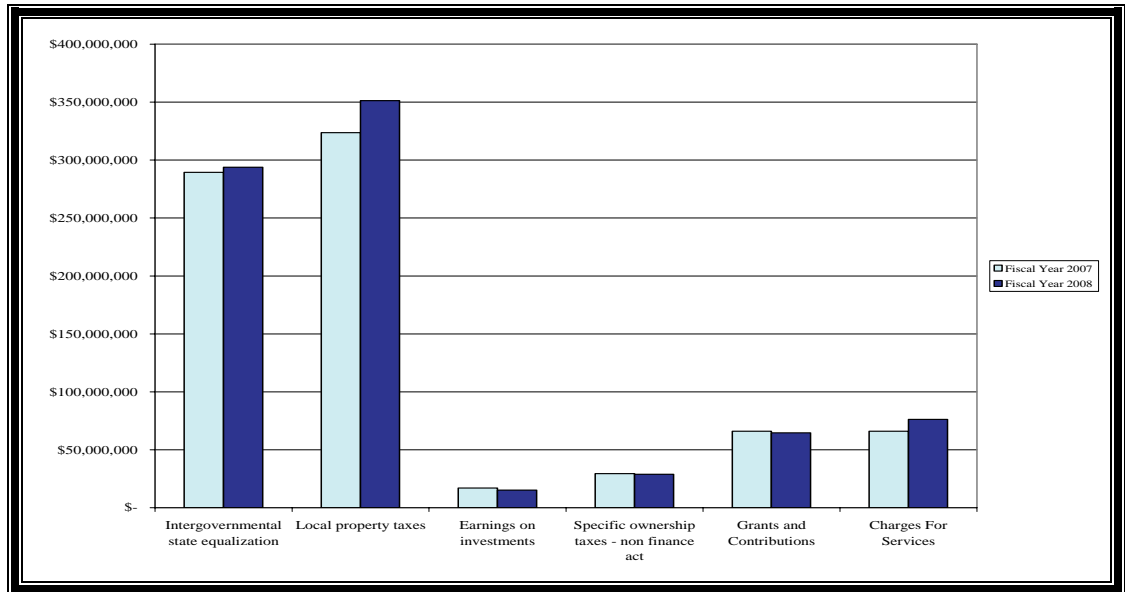
Management's Discussion and Analysis

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2008**



Primary Government Government-wide Net Assets:
Increased \$72 million over prior year.

Primary Government Government-wide Revenues:
Increased \$39 million over prior year.



Primary Government Government-wide Expenses:
Increased \$16 million over prior year.

Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2008

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, 2008. 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 1-6.

Financial highlights

- Government-wide total net assets increased \$72 million in 2008. \$143 million (24 percent) of the total \$587 million is unrestricted and available to meet ongoing obligations. The net pension asset addition for 2008 accounts for 47 percent of the increase.
- Government-wide current assets decreased \$58 million. The Building Fund Capital Projects continue to spend down the cash balances from the 2005 bond issuance proceeds. Conversely, government-wide capital assets, net of depreciation increased \$54 million with the asset additions from the Building Fund Capital Projects.
- Government-wide noncurrent liabilities decreased \$47 million due to payments and amortization of discounts of general obligation and certificate of participation (COP) outstanding debt.
- Government-wide revenues increased \$39 million (5 percent) over the prior year. State funding provided by property tax and state equalization was 83 percent of this increase. Government-wide expenses increased \$16 million (2 percent) from the prior year.
- The general fund increased total fund balance by \$5 million. \$86 million (78 percent) of the total \$110 million is unreserved and undesignated. Total fund balance for all governmental funds decreased \$72 million with the continued spend down of the building fund capital projects fund balance.
- The District's financial position remained positive during fiscal 2008 as reflected by Standard & Poor's rating of A- with a stable outlook and Moody's rating of Aa3. The Standard & Poor's rating was reaffirmed in October 2007 with the latest general obligation bond refunding.

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 30-70 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves on pages 74-97.

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 assets and the statement of activities. The statement of net assets presents information about all of the District's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time changes in net assets 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 assets of the District changed during the current fiscal year. Changes in net assets 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, capital reserve capital projects fund, building fund capital projects and special revenue funds with internal services funds including the

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2008**

employee benefits fund, the central services fund, the risk management 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, 2008, and therefore has no financial impact on the District. Financial information for the Charter Schools is presented separately from the primary government because the Charter Schools are considered discrete component units of the District.

The government-wide financial statements can be found on pages 30-31. The financial statements for the Charter School component units can be found on pages 90-97.

Fund financial statements

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

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

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

The District maintains six different governmental funds. The major funds are the general fund, the capital reserve capital projects fund, the building fund capital projects and the bond redemption debt service 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 other supplemental information in this document.

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information.

The basic governmental fund financial statements can be found on pages 32-39.

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 supplemental 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 40-45.

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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 48-70 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also contains other supplemental information concerning the District's non-major governmental and internal service funds. Combining and individual fund statements and schedules can be found on pages 74-87 of this report.

Government-wide financial analysis

Government-wide net assets

The assets of the District are classified as current assets, capital assets and noncurrent assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. Cash and investments account for 93 percent of the current assets. Receivables are due in large part as a result of the property tax collection process and federal grants reimbursements. The District receives almost 61 percent of the annual property tax assessment between April 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.

The net pension asset is classified as a non current asset as it is not a current resource. The pension asset is in association with the District's supplemental retirement plan. Additional funding provided by the issuance of COP's in 2007 increased the pension asset by \$34 million in 2008.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenue, interest payable, estimates for claims and premiums, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal 2009. Long-term liabilities such as long-term debt obligations, early retirement benefits and compensated absences will be liquidated from resources that will become available after fiscal 2009.

The assets of the primary government activities exceed liabilities by \$587 million with an unrestricted net asset balance of \$143 million.

A net investment of \$285 million in land, buildings, equipment, and vehicles, net of debt, to provide the services to the District's 84,900 public school students represents 49 percent of the District's net assets. The capital projects net assets of \$77 million are restricted for construction projects. Debt service net assets of \$63 million have been accumulated due to voter approved bonded debt mill levy assessments that have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments. The legally required TABOR reserve has also been restricted.

The \$74 million of accrued salaries as of June 30, 2008 includes \$65 million of earned but unpaid salaries associated with teacher contracts for the 2008 school year requiring resources from fiscal 2009 to liquidate.

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Comparative Summary of Net Assets

As of June 30, 2007 and 2008

	<u>June 30, 2007</u>			<u>June 30, 2008</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Government Wide</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Government Wide</u>
Assets:						
Total current assets	\$ 530,538,380	\$ 12,678,202	\$ 543,216,582	\$ 470,046,861	\$ 15,341,231	\$ 485,388,092
Capital assets, net of depreciation:	857,838,882	2,524,690	860,363,572	911,973,986	2,399,710	914,373,696
Total noncurrent assets	<u>14,981,755</u>	<u>-</u>	<u>14,981,755</u>	<u>49,368,571</u>	<u>-</u>	<u>49,368,571</u>
Total assets	<u>\$1,403,359,017</u>	<u>\$ 15,202,892</u>	<u>\$ 1,418,561,909</u>	<u>\$ 1,431,389,418</u>	<u>\$ 17,740,941</u>	<u>\$ 1,449,130,359</u>
Liabilities:						
Total current liabilities	\$ 177,560,842	\$ 1,694,281	\$ 179,255,123	\$ 182,664,112	\$ 1,997,227	\$ 184,661,339
Total noncurrent liabilities	<u>724,576,673</u>	<u>140,117</u>	<u>724,716,790</u>	<u>677,312,597</u>	<u>114,079</u>	<u>677,426,676</u>
Total liabilities	<u>902,137,515</u>	<u>1,834,398</u>	<u>903,971,913</u>	<u>859,976,709</u>	<u>2,111,306</u>	<u>862,088,015</u>
Net assets:						
Invested in capital net of related debt	279,690,380	2,524,688	282,215,068	282,779,947	2,399,710	285,179,657
Restricted for:						
Capital projects	63,691,349	-	63,691,349	77,091,459	-	77,091,459
Debt service	56,474,238	-	56,474,238	63,022,587	-	63,022,587
TABOR	17,057,105	758,429	17,815,534	17,567,744	799,858	18,367,602
Unrestricted	<u>84,308,430</u>	<u>10,085,377</u>	<u>94,393,807</u>	<u>130,950,972</u>	<u>12,430,067</u>	<u>143,381,039</u>
Total net assets	<u>501,221,502</u>	<u>13,368,494</u>	<u>514,589,996</u>	<u>571,412,709</u>	<u>15,629,635</u>	<u>587,042,344</u>
Total liabilities and net assets	<u>1,403,359,017</u>	<u>\$ 15,202,892</u>	<u>\$ 1,418,561,909</u>	<u>\$ 1,431,389,418</u>	<u>\$ 17,740,941</u>	<u>\$ 1,449,130,359</u>

Investments in capital assets net of related debt for the District's governmental and business-type activities is computed as follows:

**Comparative Schedule of Capital Assets Net of Related Debt
As of June 30**

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital assets, net of accumulated depreciation	\$ 857,838,882	\$ 2,524,690	\$ 911,973,986	\$ 2,399,710
Less: General obligation bonds	715,084,297	-	672,901,212	-
Certificates of participation (bus only)	7,392,753	-	6,252,247	-
Capital leases	156,530	-	-	-
Add: Unspent proceeds from 2004 bonds	<u>144,485,078</u>	<u>-</u>	<u>49,959,420</u>	<u>-</u>
Invested in capital net of related debt	<u>\$ 279,690,380</u>	<u>\$ 2,524,690</u>	<u>\$ 282,779,947</u>	<u>\$ 2,399,710</u>

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Government-wide activities

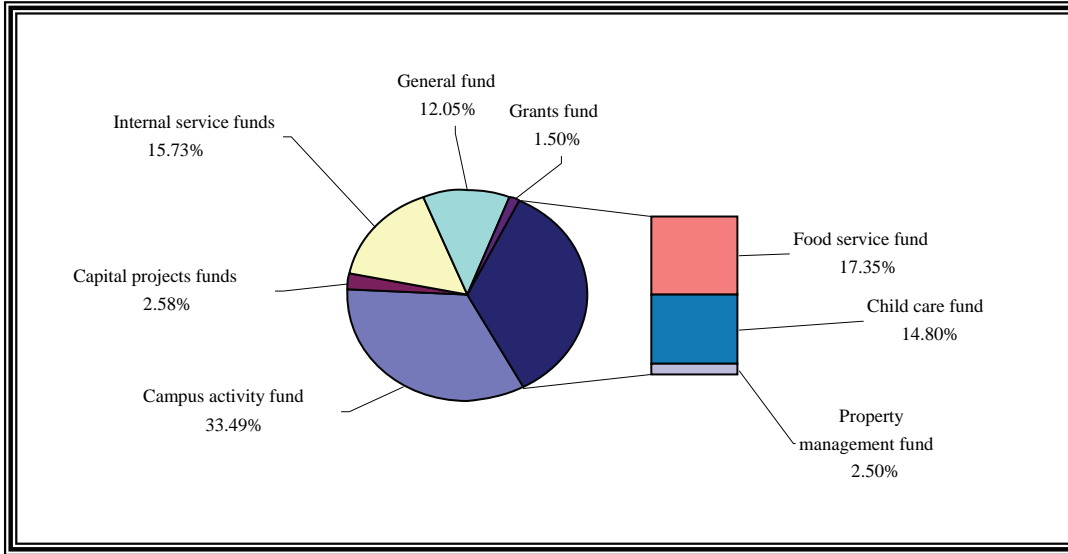
Government-wide activities increased the net assets of the District by \$72 million during the year ended June 30, 2008. The following schedules, charts and analysis focus on this increase.

**Comparative Schedule of Changes in Net Assets
For the fiscal years ended June 30, 2007 and 2008**

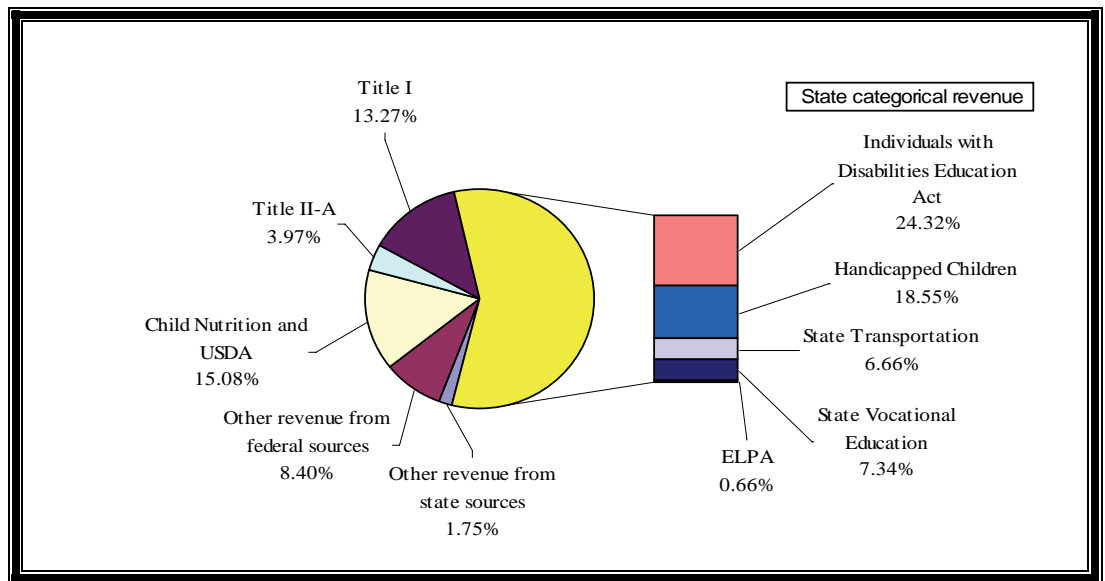
	<u>Fiscal Year 2007</u>			<u>Fiscal Year 2008</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Government Wide</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Government Wide</u>
Revenues						
Program revenues:						
Charges for services	\$ 41,064,532	\$ 24,907,928	\$ 65,972,260	\$ 49,833,464	\$ 26,441,316	\$ 76,274,780
Operating grants and contributions	57,323,332	7,414,794	64,738,126	54,867,476	7,758,304	62,625,780
Capital grants and contributions	-	1,281,906	1,281,906	-	1,981,771	1,981,771
General revenues:						
Taxes:						
Local property taxes	323,604,561	-	323,604,561	351,299,729	-	351,299,729
Automotive ownership taxes	29,414,761	-	29,414,761	28,858,670	-	28,858,670
Intergovernmental state equalization	289,340,251	-	289,340,251	293,763,172	-	293,763,172
Earnings on investments	<u>16,617,507</u>	<u>322,944</u>	<u>16,940,451</u>	<u>14,824,519</u>	<u>386,920</u>	<u>15,211,439</u>
Total revenues	<u>757,364,944</u>	<u>33,927,572</u>	<u>791,292,516</u>	<u>793,447,030</u>	<u>36,568,311</u>	<u>830,015,341</u>
Expenses						
Governmental activities:						
Direct instruction	436,859,865	-	436,859,865	441,488,697	-	441,488,697
Indirect instruction	124,087,808	-	124,087,808	125,534,158	-	125,534,158
Transportation	19,993,110	-	19,993,110	20,201,331	-	20,201,331
Custodial services	25,002,154	-	25,002,154	26,277,156	-	26,277,156
Field services	20,441,219	-	20,441,219	21,725,526	-	21,725,526
Telecommunications, networking and utilities	17,523,410	-	17,523,410	18,945,386	-	18,945,386
Support services	18,212,328	-	18,212,328	21,950,387	-	21,950,387
General administration	3,127,500	-	3,127,500	2,575,859	-	2,575,859
District-wide	1,624,570	-	1,624,570	2,296,287	-	2,296,287
Interest expense, unallocated	37,525,398	-	37,525,398	36,810,282	-	36,810,282
Food services	-	21,215,750	21,215,750	-	22,169,060	22,169,060
Child care	-	12,138,653	12,138,653	-	13,611,593	13,611,593
Property management	<u>-</u>	<u>1,319,568</u>	<u>1,319,568</u>	<u>-</u>	<u>1,356,529</u>	<u>1,356,529</u>
Total expenses	<u>704,397,362</u>	<u>34,673,971</u>	<u>739,071,333</u>	<u>717,805,069</u>	<u>37,137,182</u>	<u>754,942,251</u>
Increase (decrease) in net assets before transfers	<u>52,967,582</u>	<u>(746,399)</u>	<u>52,221,183</u>	<u>75,641,961</u>	<u>(568,871)</u>	<u>75,073,090</u>
Special items	(36,049,258)	-	(36,049,258)	(2,620,742)	-	(2,620,742)
Transfers	<u>(2,717,145)</u>	<u>2,717,145</u>	<u>-</u>	<u>(2,830,012)</u>	<u>2,830,012</u>	<u>-</u>
Increase in net assets	14,201,179	1,970,746	16,171,925	70,191,207	2,261,141	72,452,348
Net assets, July 1	<u>474,490,092</u>	<u>11,397,748</u>	<u>485,887,840</u>	<u>501,221,502</u>	<u>13,368,494</u>	<u>514,589,996</u>
Prior period adjustment	12,530,231	-	12,530,231	-	-	-
Net assets, June 30	<u>\$ 501,221,502</u>	<u>\$ 13,368,494</u>	<u>\$ 514,589,996</u>	<u>\$ 571,412,709</u>	<u>\$ 15,629,635</u>	<u>\$ 587,042,344</u>

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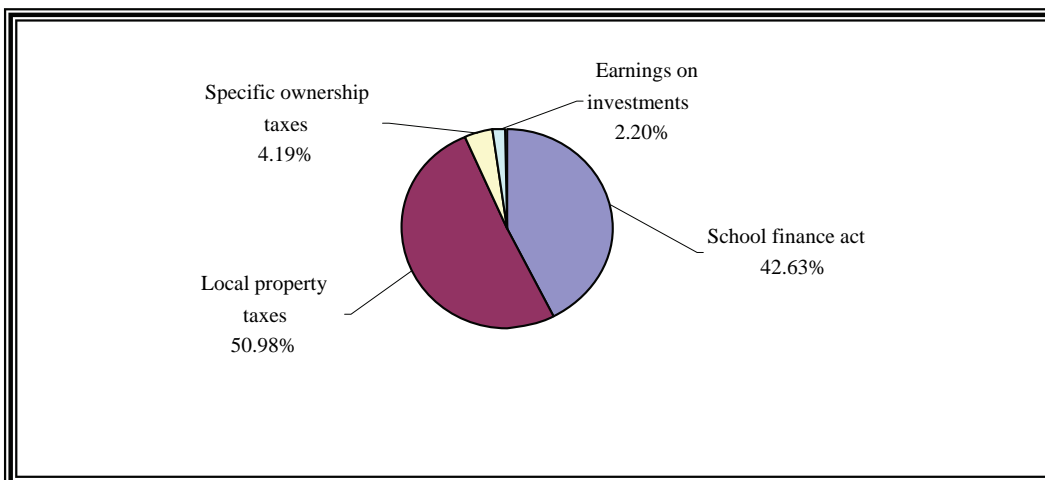
Analysis of Revenues



Government-wide
Charges for Services
totals
\$76 million



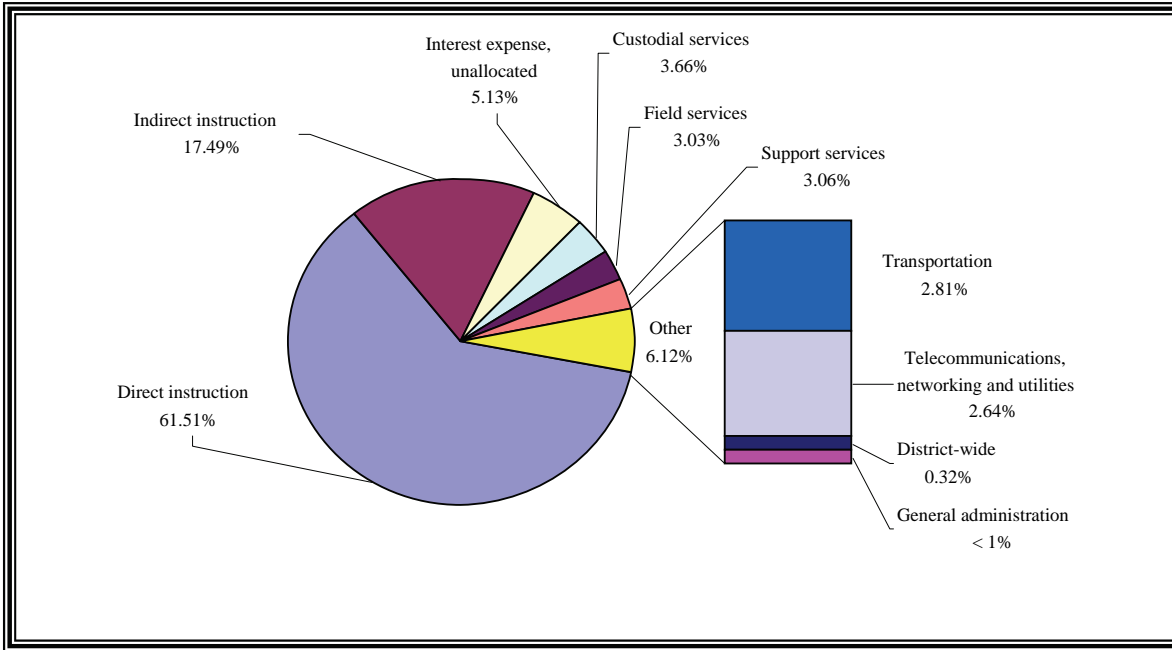
Government-wide
Operating Grants and
Contributions (includes
Capital grants and
contributions) totals \$65
million



Total general
revenues of
\$689 million

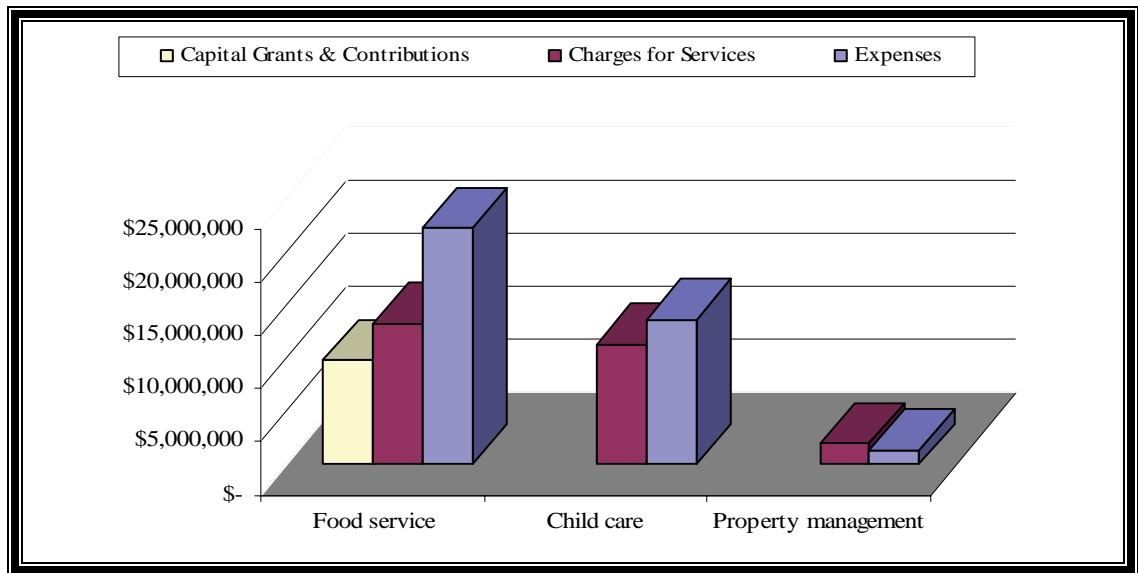
**Jefferson County School District, No. R-1
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Analysis of Expenditures



Governmental activities
Expenses total \$718 million

Business-type activities
Expenses and Program revenue



*Does not include transfer revenue.

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Government-wide revenues

Government-wide revenues increased \$39 million over the prior year. Intergovernmental state equalization and local property taxes provide school funding per the 1994 Colorado School Finance Act. The annual approved increases combined with the mill levy stabilization act increased funding by \$32 million. Charges for services increased \$10 million over the prior year, the majority of which was from additional external revenue from insurance recoveries relating to two fires in the insurance reserve fund. Grants revenue from the federal programs for IDEA and Read to Achieve decreased \$2.8 million. Interest revenues decreased with spending down the 2005 construction proceeds.

Government-wide expenses

Government-wide expenses increased \$16 million from the prior year. The net pension asset for the supplemental retirement program increased \$34 million, creating a credit to the expense lines. Without this entry, expenses would be increased \$50 million over the prior year. Direct instruction increased over the prior year in salary and benefit expenses. Support services expenses increased from the additional technology expenses in the internal service fund. The special item was the final spending of the COP proceeds for funding the supplemental retirement program.

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 82-87 of this report. Following are highlights of activity in the District's internal service funds for fiscal year 2008.

- Central services net income decreased by 48 percent from the prior year. The Audio Video Repair department increased revenue and expenses from taking over the Smartboard install management. Unbilled expenses were incurred for the implementation of additional software, using net assets.
- The employee benefits fund accounts for the self insurance activities for dental, vision and group life insurance available to employees. Favorable claim expenses resulted in higher net income.
- The insurance reserve has been impacted by the insurance recoveries and expenses for two school fires. Weber Elementary and Bear Creek High schools were affected by the fires. Over \$9 million in claim expenses were processed in 2008. The incurred but not reported estimate for 2008 was \$.9 million lower than the prior year.
- The technology fund increased spending in 2008 as planned. The planned spend down of reserves was not quite achieved due to timing of projects and improved receipt of Erate revenue. Expenditures did increase over the prior year by \$3.4 million, supporting key initiatives for school technology.

The District's business-type activities increased net assets by \$2,261,141. Key elements that highlight the activities in fiscal year 2008 are as follows. The basic proprietary fund financial statements are presented on pages 40-45.

- The food services fund revenues were flat compared to the prior year. Expenses increased by \$.9 million due to salary, purchased food and commodities. This increase was offset with additional revenues from commodity donations and free and reduced meal reimbursements. Net income increased over the prior year by \$130,017.
- The child care fund had \$826,482 in net income, higher than the prior year by about \$400,000. The fund includes programs for all day kindergarten, preschool and school age child care. School age child care and preschool had respective net incomes of \$318,773 and \$347,075. Increased tuition and careful management of the programs account for the net income in these programs.
- The property management accounts for revenues and expenditures related to the public use of District property. A \$200,000 transfer from built up reserves was made to the school's campus activity funds to distribute additional funds to the school level.

Financial analysis of the District's governmental funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with 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. Unreserved fund balance, in particular, measures the District's net resources available for spending at the end of the fiscal year.

Unreserved, undesignated fund balance for the District at the end of the fiscal year is comprised of the general fund balance of \$85,945,926.

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The general fund is the primary operating fund of the District with the majority of funding based on School Finance Act per pupil revenue. Student funded enrollment decreased by 302 students during the fiscal year. This reduction amounts to approximately \$2 million in decreases from the state's School Finance Act funding. The immediate effect of this decrease is softened by the four-year average calculation used by the Colorado Department of Education.

The District's general fund had a net increase in fund balance of \$5 million at year end. The prior year's net increase was \$33 million. The following factors are key points in the \$28 million decrease from the prior year:

- Salaries and benefits account for 87 percent of the general fund expenditures. Salaries and benefits increased 6 percent (or \$28 million) over the prior year.
- Increased salary and benefits accrual \$4 million.
- Increased technology spending for specified projects of \$1.6 million.
- Utilities increased \$2 million over the prior year.
- District wide radio purchases \$2.3 million.
- Fuel costs increased \$721,000
- Instructional material cost increased \$698,000.
- \$3 million additional transfers to capital reserve, insurance reserve and child care (Colorado preschool funding).
- Funding of supplemental retirement program with remaining proceeds from COP's \$2.6 million

These additional costs were partially offset by the additional state funding revenue of \$18 million.

The bond redemption debt service fund has adequate resources accumulated to make the December 2008 principal and interest payments. The mill levy to accumulate resources for the June 2009 principal and interest payments will be certified in December 2008. On November 14, 2007, the District refunded a portion of the 1997 bonds to achieve a \$2 million present value economic gain. 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 has built reserves that will be used in the latter part of the 2005-2010 capital improvement program. The building fund capital projects fund was started in fiscal year 2005 with the issuance of the 2004 general obligation bond proceeds. This fund will be used to account for resources from the 2004 voter approved bond for the capital improvement program. The fund balance is planned to be depleted in fiscal 2009 and final projects will (as planned) begin using the reserves in the capital reserve fund to finish the program.

The grants and campus activity special revenue fund both spent down fund balances during the fiscal year. The grants fund spent the remaining carryover for IDEA. Campus activity funds maintained at the schools for student activities also spent down program balances.

General fund budgetary highlights

The final budget of the general fund increased the anticipated excess of revenues over expenditures by \$5.5 million in comparison to the original budget. The major adjustments to the budget are as follows:

- Decrease to salary and benefit expense to align closer with staffing \$6.5 million.
- Decreased salary and benefits for the school wide grant reimbursements \$5.2 million.
- Increased expenditures to allow spending of carry over budget from the prior year \$3.6 million
- Increased mandatory transfers to capital reserve and insurance reserve \$2.5 million.

The unreserved, undesignated fund balance for the general fund at the end of the fiscal year is \$85,945,926. For budgetary purposes, however, the current available resources for the general fund can be computed as follows:

Fund balance-GAAP basis	\$ 110,477,321
Add: Effect of salaries earned but unpaid	<u>64,917,528</u>
Total fund balance (Budgetary basis)	\$175,394,849
Less reserved for: TABOR	16,658,292
Board of education contingency	24,945,000
School carry forward	9,250,000
Maintenance operations	4,000,000
School operations	<u>3,000,000</u>
Unreserved fund balance (Budgetary basis)	<u>\$ 117,541,557</u>

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As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total fund expenditures. Actual budget basis expenditures of the general fund including other financing uses - transfers out amounted to \$621,001,709. Unreserved fund balance (budgetary basis) represents 19 percent of expenditures while total fund balance (budgetary basis) represents 28 percent of budget based expenditures. This is a percentage decrease from the prior year of 1 percent for each. The increased fund balance reflect the Districts planned build up of reserves.

Capital assets and debt administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2008 increased to \$914,373,696 (net of accumulated depreciation). The majority of increases are due to the capital improvement program with new buildings as well as major renovations creating additions to construction in progress, land and buildings. 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 \$101,493,077 which include: Bear Creek HS replacement, Golden HS replacement, Arvada West HS Replacement, Wheat Ridge HS addition, Dakota Ridge HS addition and Evergreen MS addition.
- Depreciation of \$55,617,093 for governmental activities and \$426,850 for business-type activities.
- Major transfers from construction in progress to buildings include: Lakewood HS addition, Chatfield HS addition, Bear Creek ES replacement, Hackberry Hill ES partial replacement and Ralston Valley HS addition.

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Non-depreciable assets:				-
Land	\$ 56,510,989	-	\$ 56,510,989	-
Construction in progress	<u>152,343,023</u>	-	<u>133,060,491</u>	-
Total non-depreciable assets	208,854,012	-	189,571,480	-
Depreciable assets:				
Buildings and site improvements	614,784,991	-	692,079,140	-
Equipment and vehicles	<u>34,199,879</u>	<u>\$ 2,524,690</u>	<u>30,323,366</u>	<u>\$ 2,399,710</u>
Total depreciable assets	<u>648,984,870</u>	<u>2,524,690</u>	<u>722,402,506</u>	<u>2,399,710</u>
Total capital assets:	<u>\$ 857,838,882</u>	<u>\$ 2,524,690</u>	<u>\$ 911,973,986</u>	<u>\$ 2,399,710</u>

Additional information on the District's capital assets can be found in note 7 on pages 59-61 of this report.

At June 30, 2008, the District had total bonded debt outstanding of \$651,955,000 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 \$43,335,000 for governmental activities still outstanding at the end of the current fiscal year.

**Jefferson County Public Schools
General Obligation Bonds, Capital Leases and Certificates of Participation**

	<u>Fiscal Year 2007</u>			<u>Fiscal Year 2008</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	\$ 693,618,979	-	\$ 693,618,979	\$ 651,955,000	-	\$ 651,955,000
Certificates of participation	45,670,000	-	45,670,000	43,335,000	-	43,335,000
Capital leases	<u>156,530</u>	-	<u>156,530</u>	-	-	-
Total outstanding long-term debt	<u>\$ 739,445,509</u>	-	<u>\$ 739,445,509</u>	<u>\$ 695,290,000</u>	-	<u>\$ 695,290,000</u>

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The certificates of participation were issued to fund bus purchases and the supplemental retirement program. The District maintains an "Aa3" rating from Moody's and an "A- stable" with 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 \$1,453,903,886 and the legal debt margin was \$844,025,261.

Additional information on the District's long-term obligations can be found in notes 10 and 11 on pages 62-66.

General budgetary highlights and economic factors

For the 2008-2009 budget, the Board of Education established parameters to be met by the budget process. They determined that the budget would:

- Properly allocate monetary resources that will provide the most benefit to our students.
- Balance with available resources including revenues and reserves exceeding expenditures.
- Communicate any planned spend down of reserves.
- Identify evidenced-based results that increase student achievement.
- Comply with all state, federal, and local statutes and regulations.
- Support necessary capital improvements and maintain existing capital investments.
- Comply with relevant Executive Limitations.
- Be aware of public perception and expectations.
- Identify major resource reallocations.
- Identify all changes from the current year's budget.
- Help meet performance and financial objectives.
- Consider reserve balances at the fund level and set appropriations to ensure positive reserves.
- Include adequate funding for internal controls and management of District assets.

Several factors impact the Districts Adopted Budget and are considered when making budget assumptions; public school finance act increases, student funded counts declining, salary and benefit costs increases, roll out of full day kindergarten programs with the school finance act and fuel cost increases. For the 2008/2009 adopted budget, \$13.1 million net revenue is projected with \$30.2 million in net expenditure increases. These changes result in the planned incremental utilization of voter-approved mill levy dollars (previously reserved) of \$17.1 million.

The budget cycle begins in July and ends in June with the Board adopting the budget. The cycle includes review of all program and department budgets to help establish the budget assumptions. Economic conditions are factored in with the demographic changes for the District. Budget workgroups that involve the community provide significant and valuable input to the process. An in depth perspective of the budget process is available in the adopted budget.

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, Director of Accounting
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 Assets
June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Current assets:				
Cash	\$ 69,262,334	\$ 4,319	\$ 69,266,653	\$ 55,091
Restricted cash	260,381	-	260,381	4,288,321
Restricted cash TABOR	-	-	-	1,140,489
Cash held by county treasurer	3,716,161	-	3,716,161	-
Equity in pooled cash and investments	302,241,593	11,965,035	314,206,628	5,578,053
Investments	61,534,261	-	61,534,261	-
Property taxes receivable	13,909,896	-	13,909,896	-
Accounts receivable	8,033,787	235,037	8,268,824	159,950
Intergovernmental receivable	7,397,534	1,716,692	9,114,226	-
Due from component units	238,252	-	238,252	-
Inventories	2,078,793	1,370,974	3,449,767	-
Prepaid expenses	1,373,869	49,174	1,423,043	9,185
Total current assets	<u>470,046,861</u>	<u>15,341,231</u>	<u>485,388,092</u>	<u>11,231,089</u>
Capital assets:				
Land and construction in progress	189,571,480	-	189,571,480	6,962,478
Depreciable assets	1,272,526,577	6,722,670	1,279,249,247	31,324,764
Accumulated depreciation	(550,124,071)	(4,322,960)	(554,447,031)	(5,040,582)
Capital assets, net of depreciation	<u>911,973,986</u>	<u>2,399,710</u>	<u>914,373,696</u>	<u>33,246,660</u>
Noncurrent asset:				
Net pension asset	<u>49,368,571</u>	<u>-</u>	<u>49,368,571</u>	<u>-</u>
Total assets	<u>\$ 1,431,389,418</u>	<u>\$ 17,740,941</u>	<u>\$ 1,449,130,359</u>	<u>\$ 44,477,749</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 30,267,668	\$ 182,550	\$ 30,450,218	\$ 319,528
Accrued salaries and benefits	72,500,158	1,029,704	73,529,862	1,480,557
Payroll withholding	20,582,228	-	20,582,228	-
Due to primary government	-	-	-	238,252
Unearned revenue	7,519,047	784,973	8,304,020	282,087
Liability claims/premiums	5,475,288	-	5,475,288	-
Interest payable	1,509,723	-	1,509,723	398,183
General obligation bonds	42,385,000	-	42,385,000	-
Certificates of participation	2,425,000	-	2,425,000	-
Capital leases and promissory notes	-	-	-	4,042,056
Total current liabilities	<u>182,664,112</u>	<u>1,997,227</u>	<u>184,661,339</u>	<u>6,760,663</u>
Noncurrent liabilities:				
General obligation bonds	630,516,212	-	630,516,212	-
Certificates of participation	40,157,500	-	40,157,500	-
Capital leases	-	-	-	35,853,878
Early retirement	3,802,500	-	3,802,500	-
Compensated absences	2,836,385	114,079	2,950,464	-
Total noncurrent liabilities	<u>677,312,597</u>	<u>114,079</u>	<u>677,426,676</u>	<u>35,853,878</u>
Total liabilities	<u>859,976,709</u>	<u>2,111,306</u>	<u>862,088,015</u>	<u>42,614,541</u>
Net assets				
Invested in capital assets, net of related debt	282,779,947	2,399,710	285,179,657	(6,631,704)
Restricted for:				
Capital projects	77,091,459	-	77,091,459	344,305
Debt service	63,022,587	-	63,022,587	4,265,657
TABOR	17,567,744	799,858	18,367,602	1,140,489
Unrestricted	130,950,972	12,430,067	143,381,039	2,744,461
Total net assets	<u>571,412,709</u>	<u>15,629,635</u>	<u>587,042,344</u>	<u>1,863,208</u>
Total liabilities and net assets	<u>\$ 1,431,389,418</u>	<u>\$ 17,740,941</u>	<u>\$ 1,449,130,359</u>	<u>\$ 44,477,749</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Activities
Fiscal year ended June 30, 2008

	Net (Expenses) Revenue and Changes in Net Assets						
	Program Revenues				Primary Government		Component Units
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	TOTAL	Charter Schools
Functions/Programs	Expenses						
Primary government:							
Governmental activities:							
Direct instruction	\$ 441,488,697	\$ 4,149,185	\$ 43,214,748	\$ (394,124,764)	-	\$ (394,124,764)	-
Indirect instruction	125,534,158	31,273,508	7,350,301	(86,910,349)	-	(86,910,349)	-
Transportation	20,201,331	446,566	4,302,427	(15,452,338)	-	(15,452,338)	-
Custodial services	26,277,156	-	-	(26,277,156)	-	(26,277,156)	-
Field services	21,725,526	11,994,896	-	(9,730,630)	-	(9,730,630)	-
Telecommunications, networking and utilities	18,945,386	-	-	(18,945,386)	-	(18,945,386)	-
Support services	21,950,387	-	-	(21,950,387)	-	(21,950,387)	-
General administration	2,575,859	-	-	(2,575,859)	-	(2,575,859)	-
District-wide	2,296,287	1,969,309	-	(326,978)	-	(326,978)	-
Interest expense, unallocated	36,810,282	-	-	(36,810,282)	-	(36,810,282)	-
Total governmental activities	717,805,069	49,833,464	54,867,476	(613,104,129)	-	(613,104,129)	-
Business-type Activities:							
Food services	22,169,060	13,233,844	7,758,304	-	\$ 804,859	804,859	-
Child care	13,611,593	11,285,473	-	-	(2,326,120)	(2,326,120)	-
Property management	1,356,529	1,921,999	-	-	565,470	565,470	-
Total business-type activities	37,137,182	26,441,316	7,758,304	-	(955,791)	(955,791)	-
Total primary government	\$ 754,942,251	\$ 76,274,780	\$ 62,625,780	\$ (613,104,129)	\$ (955,791)	\$ (614,059,920)	-
Component units-Charter schools	\$ 35,124,173	\$ 5,432,470				\$ (29,691,703)	
General revenues							
Taxes:							
Local property taxes				351,299,729	-	351,299,729	-
Automotive ownership taxes				28,858,670	-	28,858,670	-
Unrestricted intergovernmental state equalization				293,763,172	-	293,763,172	30,114,454
Unrestricted investment income				14,824,519	386,920	15,211,439	-
Special item				(2,620,742)	-	(2,620,742)	-
Transfers				(2,830,012)	2,830,012	-	-
Total general revenues, special items and transfers				683,295,336	3,216,932	686,512,268	30,114,454
Change in net assets				70,191,207	2,261,141	72,452,348	422,751
Net assets July 1, 2007				501,221,502	13,368,494	514,589,996	1,440,457
Net assets June 30, 2008				\$ 571,412,709	\$ 15,629,635	\$ 587,042,344	\$ 1,863,208

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, 2008

	General	Bond Redemption Debt Service
Assets	<u>General</u>	<u>Service</u>
Cash	\$ 3,125	\$ -
Restricted Cash	1	-
Cash held by county treasurer	3,407,925	308,236
Equity in pooled cash and investments	170,893,832	-
Investments	-	61,534,261
Property taxes receivable, net of allowance for doubtful collections of \$6,995,895	10,644,578	3,265,318
Accounts, notes, contracts, and interest receivable	3,130,163	-
Intergovernmental receivables	-	-
Due from other funds	3,792,500	-
Due from component units	238,252	-
Inventories	1,517,092	-
Prepaid items	309,048	-
Total assets	<u>\$ 193,936,516</u>	<u>\$ 65,107,815</u>
Liabilities and Fund Balances (Deficit)		
Liabilities:		
Accounts and retainages payable	\$ 3,657,716	\$ -
Accrued salaries, benefits, and compensated absences	66,598,334	-
Due to other funds	-	33,116
Unearned property tax revenues	6,678,678	2,052,112
Other unearned revenues	6,524,467	-
Total liabilities	<u>83,459,195</u>	<u>2,085,228</u>
Fund balances:		
Reserved for:		
TABOR	16,658,292	-
Grants	-	-
Inventory	1,517,092	-
Prepaid items	309,048	-
Debt service	-	63,022,587
Construction	-	-
Unreserved, designated for, reported in:		
Encumbrances, general and special revenue funds	6,046,963	-
Special revenue funds	-	-
Unreserved, undesignated reported in:		
General fund	85,945,926	-
Total fund balances	<u>110,477,321</u>	<u>63,022,587</u>
Total liabilities and fund balances	<u>\$ 193,936,516</u>	<u>\$ 65,107,815</u>

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

Capital Reserve Capital Projects	Building Fund Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 300	\$ 69,158,279	\$ 100,330	\$ 69,262,034
194,160	66,220	-	260,381
-	-	-	3,716,161
80,671,429	-	8,992,119	260,557,380
-	-	-	61,534,261
-	-	-	13,909,896
142,089	-	125,786	3,398,038
-	-	7,397,534	7,397,534
-	-	-	3,792,500
-	-	-	238,252
-	-	423,031	1,940,123
-	-	-	309,048
<u>\$ 81,007,978</u>	<u>\$ 69,224,499</u>	<u>\$ 17,038,800</u>	<u>\$ 426,315,608</u>

\$ 3,622,752	\$ 19,253,259	\$ 534,803	\$ 27,068,530
166,358	-	2,272,889	69,037,581
-	11,820	3,638,802	3,683,738
-	-	-	8,730,790
-	-	197,882	6,722,349
<u>3,789,110</u>	<u>19,265,079</u>	<u>6,644,376</u>	<u>115,242,988</u>

127,409	-	711,386	17,497,087
-	-	1,357,569	1,357,569
-	-	423,031	1,940,123
-	-	-	309,048
-	-	-	63,022,587
77,091,459	49,959,420	-	127,050,879
-	-	1,328,344	7,375,307
-	-	6,574,094	6,574,094
-	-	-	85,945,926
<u>77,218,868</u>	<u>49,959,420</u>	<u>10,394,424</u>	<u>311,072,620</u>
<u>\$ 81,007,978</u>	<u>\$ 69,224,499</u>	<u>\$ 17,038,800</u>	<u>\$ 426,315,608</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of governmental funds balance sheet to statement of net assets
 June 30, 2008

Governmental funds total fund balances	\$	311,072,620
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.		8,730,790
Capital assets used in governmental funds are not considered current financial resources and, therefore, not reported in the governmental funds.		1,436,533,210
Net pension assets are not considered current financial resources, therefore, not reported in the governmental funds. The net pension asset is recorded in the noncurrent asset section.		49,368,571
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net assets of the internal service funds are included in the governmental activities statement of net assets.		25,062,818
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.		536,221,967
Long-term liabilities for general obligation debt, net of discounts and premiums (\$672,901,212), certificates of participation net of discounts and premiums (\$42,582,500), early retirement estimate (\$3,802,500), and compensated absences (\$2,337,398) are not due and payable in the current period and, therefore, not reported in the funds.		721,623,610
Interest payable on certificates of participation and general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.		1,509,723
Governmental activities net assets	<u>\$</u>	<u>571,412,709</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, 2008

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Revenues:			
Taxes	\$ 294,889,698	\$ 81,150,128	\$ -
Intergovernmental	315,220,190	-	-
Investment income	8,286,204	-	2,277,663
Other	14,511,020	-	1,969,309
Total revenues	<u>632,907,112</u>	<u>81,150,128</u>	<u>4,246,972</u>
Expenditures:			
Current:			
Direct instruction	382,834,539	-	-
Indirect instruction	95,571,630	-	-
Transportation	21,046,842	-	-
Custodial services	27,375,447	-	-
Field services	19,260,767	-	-
Telecommunications, networking and utilities	19,441,113	-	-
Support services	19,506,311	-	-
General administration	2,666,852	-	-
District-wide	1,380,883	-	-
Capital outlay	-	-	10,633,009
Debt Service:			
Principal retirements	1,165,000	40,265,000	1,170,000
Interest and fiscal charges	2,035,116	36,212,575	232,053
Total expenditures	<u>592,284,500</u>	<u>76,477,575</u>	<u>12,035,062</u>
Excess (deficiency) of revenues over (under) expenditures	40,622,612	4,672,553	(7,788,090)
Other Financing Sources (Uses):			
General obligation bond issuance	-	35,890,000	-
Payment to refunded bond escrow agent	-	(37,762,766)	-
Premium from bond issuance	-	2,139,650	-
Transfers out	(33,097,312)	-	-
Transfers in	-	-	21,208,000
Total other financing sources (uses)	<u>(33,097,312)</u>	<u>266,884</u>	<u>21,208,000</u>
Special Item:			
Supplemental Retirement Contribution	(2,620,742)	-	-
Net change in fund balances	4,904,558	4,939,437	13,419,910
Fund balances - July 1, 2007	105,572,763	58,083,150	63,798,958
Fund balances - June 30, 2008	<u>\$ 110,477,321</u>	<u>\$ 63,022,587</u>	<u>\$ 77,218,868</u>

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

Building Fund Capital Projects	Other Governmental Funds	Total Governmental Funds
\$	\$ -	\$ 376,039,826
	33,410,457	348,630,647
4,242,297	18,355	14,824,519
-	26,681,919	43,162,248
<u>4,242,297</u>	<u>60,110,731</u>	<u>782,657,240</u>
-	27,487,096	410,321,635
-	33,350,529	128,922,159
-	-	21,046,842
-	-	27,375,447
-	-	19,260,767
-	-	19,441,113
-	-	19,506,311
-	-	2,666,852
-	-	1,380,883
98,767,955	-	109,400,964
-	-	42,600,000
-	-	38,479,744
<u>98,767,955</u>	<u>60,837,625</u>	<u>840,402,717</u>
(94,525,658)	(726,894)	(57,745,477)
-	-	35,890,000
-	-	(37,762,766)
-	-	2,139,650
-	-	(33,097,312)
-	200,000	21,408,000
-	200,000	(11,422,428)
-	-	(2,620,742)
(94,525,658)	(526,894)	(71,788,647)
144,485,078	10,921,318	382,861,267
<u>\$ 49,959,420</u>	<u>\$ 10,394,424</u>	<u>\$ 311,072,620</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, 2008

Governmental funds changes in fund balances	\$ (71,788,647)
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.	8,730,790
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.	81,041,961
Reverse the prior year interest payable accrued to offset current year expenditures.	1,608,918
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.	4,477,050
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 less construction in progress transfers \$109,377,378) exceeded depreciation (governmental additions \$52,117,265) in the current period.	57,260,113
Governmental funds report pension funding in excess of the annual required contribution as expenditures. However, in the statement of activities the cost of pension funding in excess of the annual required contribution should be reported as an asset.	34,386,816
Reduction in the amount of long term compensated absences accrued for the current year.	344,062
Less:	
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net assets.	3,150,541
Unearned property taxes of the prior year: Property taxes unearned in the prior year and received in the current year are recognized in the prior year net assets on the statement of activities.	4,612,216
Interest payable on certificates of participation and general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.	1,509,723
New issues for debt and related issuance costs, discounts and premiums are recognized in the fund statement but restated as liabilities and offsets for the government-wide.	36,586,876
Decrease in the early retirement long term liability	10,500
Governmental activities change in net assets	\$ 70,191,207

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 (Budget Basis)
General Fund
Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 255,412,800	\$ 265,366,000	\$ 266,031,028	\$ 665,028
Automotive ownership taxes	30,500,000	29,266,600	28,858,670	(407,930)
Total Taxes	<u>285,912,800</u>	<u>294,632,600</u>	<u>294,889,698</u>	<u>257,098</u>
State of Colorado:				
State equalization	301,066,900	291,612,500	293,763,172	2,150,672
Education of handicapped	12,772,000	12,772,000	11,983,938	(788,062)
Transportation	4,100,000	4,100,000	4,302,427	202,427
Vocational education	4,200,000	4,200,000	4,743,363	543,363
Other	350,000	350,000	427,290	77,290
Total State of Colorado	<u>322,488,900</u>	<u>313,034,500</u>	<u>315,220,190</u>	<u>2,185,690</u>
Investment income	1,000,000	6,663,600	8,286,204	1,622,604
Other	18,078,800	13,236,400	14,511,020	1,274,620
Total revenues	<u>627,480,500</u>	<u>627,567,100</u>	<u>632,907,112</u>	<u>5,340,012</u>
Expenditures:				
Current:				
Direct instruction	386,991,525	377,541,678	379,570,753	(2,029,075)
Indirect instruction	97,386,730	96,242,897	94,795,961	1,446,936
Transportation	20,819,054	20,871,830	20,926,866	(55,036)
Custodial services	26,488,871	28,103,871	27,305,768	798,103
Field services and property management	19,541,497	19,000,297	19,183,158	(182,861)
Telecommunications, network and utilities	21,109,200	20,027,100	19,441,113	585,987
Support services	18,907,989	20,336,199	19,458,542	877,657
General administration	3,987,882	2,979,976	2,660,032	319,944
District-wide	1,022,852	1,150,552	1,362,088	(211,536)
Debt Service:				
Principal retirements	1,165,000	1,165,000	1,165,000	-
Interest and fiscal charges	2,033,000	2,033,000	2,035,116	(2,116)
Total expenditures	<u>599,453,600</u>	<u>589,452,400</u>	<u>587,904,397</u>	<u>1,548,003</u>
Excess of revenues over expenditures	28,026,900	38,114,700	45,002,715	6,888,015
Other financing sources (uses) -				
Transfers out	(30,505,500)	(33,097,300)	(33,097,312)	(12)
Total other financing uses	<u>(30,505,500)</u>	<u>(33,097,300)</u>	<u>(33,097,312)</u>	<u>(12)</u>
Special item:				
Supplemental Retirement Contribution	(1,000,000)	(3,009,424)	(2,620,742)	388,682
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (3,478,600)</u>	<u>\$ 2,007,976</u>	<u>9,284,661</u>	<u>\$ 7,276,685</u>
Salaries, benefits, and compensated absences earned but unpaid: July 1, 2007			60,537,425	
June 30, 2008			(64,917,528)	
Fund balance - July 1, 2007			<u>105,572,763</u>	
Fund balance - June 30, 2008			<u>\$ 110,477,321</u>	

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Statement of Net Assets

Proprietary Funds

June 30, 2008

Assets	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Current assets:		
Cash	\$ 1,645	\$ 2,674
Equity in pooled cash and investments	4,546,218	4,020,078
Accounts and other receivable	75,643	22,983
Intergovernmental receivables	1,716,692	-
Inventories	1,370,974	-
Prepaid items	49,174	-
Total current assets	<u>7,760,346</u>	<u>4,045,735</u>
Noncurrent assets:		
Capital assets:		
Vehicles and equipment	5,364,909	429,047
Less accumulated depreciation	(3,637,712)	(334,385)
Total capital assets, net of accumulated depreciation	<u>1,727,197</u>	<u>94,662</u>
Total assets	<u>\$ 9,487,543</u>	<u>\$ 4,140,397</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 111,471	\$ 66,046
Accrued salaries, benefits, and compensated absences	714,773	307,118
Payroll withholding	-	-
Due to other funds	-	-
Other unearned revenues	381,908	403,065
Estimated liability for premiums and claims	-	-
Total current liabilities	<u>1,208,152</u>	<u>776,229</u>
Non-current liabilities:		
Compensated absences	<u>58,847</u>	<u>51,303</u>
Total noncurrent liabilities	<u>58,847</u>	<u>51,303</u>
Total liabilities	<u>1,266,999</u>	<u>827,532</u>
Net assets:		
Invested in capital assets	1,727,197	94,662
Restricted for:		
TABOR	403,139	342,174
Unrestricted	6,090,208	2,876,029
Total net assets	<u>8,220,544</u>	<u>3,312,865</u>
Total liabilities and net assets	<u>\$ 9,487,543</u>	<u>\$ 4,140,397</u>

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

Business-Type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Property Management Fund	Totals	Funds
\$ -	\$ 4,319	\$ 300
3,398,739	11,965,035	41,684,213
136,411	235,037	4,635,749
-	1,716,692	-
-	1,370,974	138,670
-	49,174	1,064,821
<u>3,535,150</u>	<u>15,341,231</u>	<u>47,523,753</u>
928,714	6,722,670	25,564,847
(350,863)	(4,322,960)	(13,902,104)
<u>577,851</u>	<u>2,399,710</u>	<u>11,662,743</u>
<u>\$ 4,113,001</u>	<u>\$ 17,740,941</u>	<u>\$ 59,186,496</u>
\$ 5,033	\$ 182,550	\$ 3,199,138
7,813	1,029,704	3,462,577
-	-	20,582,228
-	-	108,762
-	784,973	796,698
-	-	5,475,288
<u>12,846</u>	<u>1,997,227</u>	<u>33,624,691</u>
3,929	114,079	498,987
<u>3,929</u>	<u>114,079</u>	<u>498,987</u>
16,775	2,111,306	34,123,678
577,851	2,399,710	11,662,743
54,545	799,858	70,657
3,463,830	12,430,067	13,329,418
<u>4,096,226</u>	<u>15,629,635</u>	<u>25,062,818</u>
<u>\$ 4,113,001</u>	<u>\$ 17,740,941</u>	<u>\$ 59,186,496</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2008

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Operating Revenues:		
Food sales	\$ 12,972,700	\$ -
Insurance premiums	-	-
Service contracts	261,144	1,336,380
Tuition	-	9,949,093
Total operating revenues	13,233,844	11,285,473
Operating Expenses:		
Purchased food	7,965,955	-
USDA commodities	1,770,751	-
Salaries and employee benefits	9,777,954	10,705,505
Administration services	573,534	1,210,305
Utilities	322,123	6,044
Supplies	1,100,690	730,904
Repairs and maintenance	30,760	12,535
Rent	-	905,148
Depreciation	358,302	15,030
Other	268,584	23,861
Claim losses	-	-
Premiums paid	-	-
Total operating expenses	22,168,653	13,609,332
Income (loss) from operations	(8,934,809)	(2,323,859)
Non-operating revenues (expenses):		
USDA commodities	1,936,122	-
Reimbursement from government sponsored programs	7,758,304	-
Investment income	158,870	122,590
Interest expense	-	-
Loss on sale of capital assets	(407)	(2,261)
Total non-operating revenues (expenses)	9,852,889	120,329
Income (loss) before transfers and capital contributions	918,080	(2,203,530)
Capital Contributions	45,649	-
Transfers out to other funds	-	-
Transfers in from other funds	-	3,030,012
Change in net assets	963,729	826,482
Total net assets - July 1, 2007	7,256,815	2,486,383
Total net assets - June 30, 2008	\$ 8,220,544	\$ 3,312,865

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
\$ -	\$ 12,972,700	\$ -
-	-	17,851,396
1,921,999	3,519,523	18,786,007
-	9,949,093	-
<u>1,921,999</u>	<u>26,441,316</u>	<u>36,637,403</u>
-	7,965,955	-
-	1,770,751	-
905,025	21,388,484	11,995,778
143,041	1,926,880	3,923,509
195,108	523,275	46,313
33,362	1,864,956	1,823,780
125	43,420	2,100,350
-	905,148	-
53,518	426,850	3,499,828
17,043	309,488	30,421
-	-	16,715,393
-	-	1,471,326
<u>1,347,222</u>	<u>37,125,207</u>	<u>41,606,698</u>
<u>574,777</u>	<u>(10,683,891)</u>	<u>(4,969,295)</u>
-	1,936,122	-
-	7,758,304	-
105,460	386,920	640,168
-	-	(38,883)
<u>(9,307)</u>	<u>(11,975)</u>	<u>(14,240)</u>
<u>96,153</u>	<u>10,069,371</u>	<u>587,045</u>
670,930	(614,520)	(4,382,250)
-	45,649	-
(200,000)	(200,000)	-
-	3,030,012	8,859,300
<u>470,930</u>	<u>2,261,141</u>	<u>4,477,050</u>
3,625,296	13,368,494	20,585,768
<u>\$ 4,096,226</u>	<u>\$ 15,629,635</u>	<u>\$ 25,062,818</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended June 30, 2008

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Cash flows from operating activities:		
Receipts from customers	\$ 13,213,372	\$ 11,328,872
Payments to employees	(9,723,519)	(10,675,481)
Payments to vendors	(12,360,790)	(2,864,422)
Net cash provided by (used for) operating activities	<u>(8,870,937)</u>	<u>(2,211,031)</u>
Cash flows from noncapital financing activities:		
Transfers received	-	3,030,012
Transfers out	-	-
Federal reimbursements	8,884,013	-
Net cash provided by noncapital financing activities	<u>8,884,013</u>	<u>3,030,012</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(121,010)	-
Proceeds on sale of capital assets	-	-
Principal payments	-	-
Interest payments	-	-
Net cash used for capital and related financing activities	<u>(121,010)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received	158,870	122,590
Net cash provided by noncapital financing activities	<u>158,870</u>	<u>122,590</u>
Net increase in cash and cash equivalents	50,936	941,571
Cash and cash equivalents - July 1, 2007	4,496,927	3,081,181
Cash and cash equivalents - June 30, 2008	<u>\$ 4,547,863</u>	<u>\$ 4,022,752</u>
Reconciliation of cash flows from operating activities:		
Operating Income (Loss)	\$ (8,934,809)	\$ (2,323,859)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	358,302	15,030
(Increase) decrease intergovernmental and other receivables	(60,289)	(21,034)
Decrease in prepaid items	-	-
Decrease in USDA commodities inventories	(181,791)	-
(Increase) in purchased food and supplies inventories	(202,258)	-
(Increase) decrease in other inventories	-	-
Increase (decrease) in accounts payable	55,656	24,376
Increase (decrease) in accrued salaries, benefits, and compensated absences	54,435	30,024
Increase in payroll withholding	-	-
Increase (decrease) in due to other funds	-	-
Increase (decrease) in unearned revenues	39,817	64,432
Increase in estimated liability for premiums and claims	-	-
Net cash provided by (used for) operating activities	<u>\$ (8,870,937)</u>	<u>\$ (2,211,031)</u>
Noncash investing, capital, and financing activities:		
Donated commodities acquired and used from USDA	\$ 1,770,751	\$ -
Disposal and write off of capital assets	407	2,261
Capital contributions	45,649	-

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
\$ 1,927,649	\$ 26,469,893	\$ 33,423,944
(899,584)	(21,298,584)	(11,615,618)
(385,953)	(15,611,165)	(24,668,611)
<u>642,112</u>	<u>(10,439,856)</u>	<u>(2,860,285)</u>
-	3,030,012	8,859,300
(200,000)	(200,000)	-
-	8,884,013	-
<u>(200,000)</u>	<u>11,714,025</u>	<u>8,859,300</u>
(147,186)	(268,196)	(3,545,600)
-	-	6,000
-	-	(156,530)
-	-	(38,883)
<u>(147,186)</u>	<u>(268,196)</u>	<u>(3,735,013)</u>
105,460	386,920	640,168
<u>105,460</u>	<u>386,920</u>	<u>640,168</u>
400,386	1,392,893	2,904,170
2,998,353	10,576,461	38,780,343
<u>\$ 3,398,739</u>	<u>\$ 11,969,354</u>	<u>\$ 41,684,513</u>
\$ 574,777	\$ (10,683,891)	\$ (4,969,295)
53,518	426,850	3,499,828
5,649	(75,674)	(3,089,464)
-	-	500,574
-	(181,791)	-
-	(202,258)	-
-	-	(16,413)
2,727	82,759	593,733
-	-	-
5,441	89,900	537,591
-	-	1,153,412
-	-	(253,540)
-	104,249	(123,997)
-	-	(692,714)
<u>\$ 642,112</u>	<u>\$ (10,439,856)</u>	<u>\$ (2,860,285)</u>
\$ -	\$ 1,770,751	\$ -
9,307	11,975	20,240
-	45,649	-



Notes to Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

June 30, 2008

1. Summary of significant accounting policies

The 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 785 square miles of Jefferson County, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 84,900 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) 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. As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity as required by the Colorado Department of Education. None of the component units are considered to be a major fund.

Discretely presented component units - charter schools

The State of Colorado Legislature in 1993 enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101." This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter schools are financed from state school finance act revenues, property taxes and from revenues generated by the charter school, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the Jefferson County School District's Board of Education must approve all Charter School applications and budgets. The Charter Schools are discretely presented component units as required by the Colorado Department of Education. Charter schools have the option to issue separate financial statements. Compass Montessori - Wheatridge, Lincoln Academy, Mountain Phoenix, Rocky Mountain Academy of Evergreen and Rocky Mountain Deaf Schools did not issue separate statements for fiscal year 2007.

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) GASB statement No. 20

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", all business-type and enterprise funds continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, business-type and enterprise funds have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements (unless they conflict with GASB guidance). The District has chosen not to apply future FASB standards for all of its business-type and enterprise funds.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

C) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all 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 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 instead 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 Fund and Building Fund – Capital Projects) and individual enterprise funds (Food Services Fund, Child Care Fund and Property Management Fund) are reported as separate columns in the fund financial statements.

D) 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 unreserved 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. Revenues are considered to be available if collected within 60 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.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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 assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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.

E) Fund accounting

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

- **Major governmental funds**

1. General fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond redemption debt service fund - used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
3. Capital reserve capital projects - 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 2004 voter approved bond for a six-year capital improvement program.

- **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.

Notes to Basic Financial Statements

F) 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 anticipated 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.

G) Restricted cash

Certain assets of the General Fund, Capital Reserve Capital Projects, Building Fund – Capital Projects and Component Units are classified as restricted because their use is restricted to liabilities relating to deposits, capital leases and certificates of participation.

H) Receivables

Property taxes levied in 2007 but not yet collected in 2008 are identified as property taxes receivable and unearned revenues at June 30, 2008, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$9,114,226 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, 2008, the District had \$9,079,417 and \$34,809 due from the Federal and State government, respectively, reflected as intergovernmental receivables in the accompanying basic financial statements.

I) 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 reserved for the inventory balances as follows: General Fund - \$1,517,092 and Special Revenue Funds - \$423,031.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The General Fund balance is reserved for prepaid items of \$309,048.

J) 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.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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 7 years
Equipment, built-in	8 to 20 years
Equipment, movable	3 to 20 years
Buildings and improvements	30 to 40 years

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 assets. The District records long-term debt of governmental funds at the face value. Currently, the District has no zero coupon bonds. The District's general obligation bonds are serviced from property taxes of the Debt Service Fund. Certificates of participation are serviced from school finance act, property taxes and other revenues of the General Fund and Capital Reserve Fund. Capital leases are funded from school finance act and other revenue of the component units. The capital lease in the technology program is funded from internal and external billings for services. The long-term accumulated unpaid vacation, accrued sick and personal leave, and estimated liability for insurance claims (note 13) are serviced from property taxes and other revenues by the respective fund type from future appropriations.

L) Constitutional amendment

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

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish 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 reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2008, for budgetary purposes the District reserved \$19,508,091 (\$16,658,292 in the General Fund, \$127,409 in the Capital Reserve Fund, \$711,386 in the Campus Activity Special Revenue Fund, \$403,139 in the Food Service Enterprise Fund, \$342,174 in the Child Care Enterprise Fund, \$54,545 in the Property Management Enterprise Fund and \$70,657 in Internal Service Funds), \$1,140,489 was reserved in the Component Units Charter Schools for this purpose.

M) Property taxes

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

Levy date	December 21
Lien date	January 1
Tax bills mailed	January 1
First installment due	February 28/29
Second installment due	June 15
If paid in full, due	April 30

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

N) Accumulated sick and personal leave and vacation

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

As of June 30, 2008, accumulated unused benefits are as follows:

Fund Types	Accumulated Vacation		
	Current (Due within one year)	Long-term	Total
<i>Governmental:</i>			
General	\$ 1,081,878	\$ 2,164,082	\$ 3,245,960
Special revenue	16,306	32,615	48,921
Capital projects	70,339	140,701	211,040
Internal service	<u>249,456</u>	<u>498,987</u>	<u>748,443</u>
	<u>1,417,979</u>	<u>2,836,385</u>	<u>4,254,364</u>
<i>Proprietary:</i>			
Enterprise	<u>57,035</u>	<u>114,079</u>	<u>171,114</u>
Total	<u>\$1,475,014</u>	<u>\$ 2,950,464</u>	<u>\$ 4,425,478</u>

A summary of changes in accumulated long-term vacation is as follows:

Fund	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
General	\$ 2,518,345	\$ 311,408	\$ (665,671)	\$ 2,164,082
Special revenue	47,702	10,782	(25,869)	32,615
Capital projects	115,413	31,748	(6,460)	140,701
Enterprise	140,117	24,956	(50,994)	114,079
Internal service	<u>528,394</u>	<u>103,273</u>	<u>(132,680)</u>	<u>498,987</u>
	<u>\$ 3,349,971</u>	<u>\$ 482,167</u>	<u>\$ (881,674)</u>	<u>\$ 2,950,464</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 long-term portion is included in the District's long-term liabilities in the government-wide financial statements.

O) Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic 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 assets – governmental activities* as reported in the government-wide statement of net assets. 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 assets of governmental activities* as reported in the government-wide statement of activities.

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

Due to the general fund from other funds – fund statements	\$ 4,030,752
Elimination of governmental and internal service interfund activity	<u>(3,792,500)</u>
Due to the general fund from component units – governmental activities	<u>\$ 238,252</u>

3. Budgetary information

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

1. Within the third 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.

Budgets are adopted on a basis consistent with generally accepted accounting principles except that expenditures for budgetary purposes exclude amounts for salaries and benefits earned but unpaid and the accrual for compensated absences for the Governmental Fund types except for the Grants Fund (see note 4).

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Individual amendments in the General Fund varied slightly in relation to the original appropriation. 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 and Internal Service Funds at June 30, 2008 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Food services fund	\$ 22,558,100	\$22,169,060	\$389,040
Child care fund	13,880,300	13,611,593	268,707
Property management fund	1,863,600	1,356,529	507,071
Central services fund	3,869,900	3,549,310	320,590
Employee benefits fund	7,643,000	6,711,264	931,736
Insurance reserve fund	15,744,400	14,246,863	1,497,537
Technology fund	18,188,400	17,152,384	1,036,016
Component Units	40,000,000	37,797,815	2,202,185

4. Budget/GAAP reporting differences

The accompanying statement of revenues, expenditures, and changes in fund balance (deficit) for the general fund budget and actual has been prepared on a legally prescribed basis of accounting, which differs from GAAP. The following Expenditure (excluding other financing uses) and Fund Balance Schedules identify these differences for the governmental activities, business-type activities and component units:

<u>Governmental Fund Type</u>	<u>Expenditures Reported on a GAAP Basis</u>	<u>Effect of: Salaries and Benefits Earned but Unpaid</u>	<u>Compensated Absences</u>	<u>Expenditures Reported on a Budget Basis</u>
General fund	\$ 592,284,500	\$ (4,557,200)	\$ 177,097	\$ 587,904,397
Capital reserve fund	\$ 12,035,062	\$ (94,066)	\$ (12,642)	\$ 11,928,354
Component units (charter schools):				
Collegiate Academy of Colorado	\$ 3,768,124	\$ 9,701	-	\$ 3,777,825
Compass Montessori-Wheatridge	2,023,002	(20,142)	-	2,002,860
Compass Montessori-Golden	3,170,240	(23,045)	-	3,147,195
Excel	4,318,313	(11,005)	-	4,307,308
Free Horizon	1,886,853	(28,602)	-	1,858,251
Jefferson	5,566,263	(60,671)	-	5,505,592
Lincoln Academy	3,418,707	5,783	-	3,424,490
Montessori Peaks	3,161,014	(15,077)	-	3,145,937
Mountain Phoenix	288,089	-	-	288,089
New America	1,374,666	(18,182)	-	1,356,484
Rocky Mtn. Academy	4,637,989	(15,686)	-	4,622,303
Rocky Mtn. Deaf School	979,104	(7,663)	-	971,441
Woodrow Wilson	3,205,451	(6,709)	-	3,198,742
Total component units	\$ 37,797,815	\$ (191,298)	\$ -	\$ 37,606,517

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Governmental Fund Type	Fund Balance (Deficit) Reported on a GAAP Basis	Plus effect of accrued salaries, benefits and compensated absences earned but unpaid	Fund Balance on a Budgetary Basis
General fund	\$ 110,477,321	\$ 64,917,528	\$ 175,394,849
Capital reserve/Building capital projects funds	<u>77,218,868</u>	<u>166,358</u>	<u>77,385,226</u>
Total governmental funds	<u>\$ 187,696,189</u>	<u>\$ 65,083,886</u>	<u>\$ 252,780,075</u>

Governmental Fund Type	Fund Balance (deficit) Reported on a GAAP Basis	Plus effect of accrued salaries, benefits and compensated absences earned but unpaid	Fund Balance on a Budgetary Basis
Component units:			
Collegiate Academy of Colorado	\$ 1,045,361	\$ 155,304	\$ 1,200,665
Compass Montessori – Wheatridge	(184,206)	179,726	(4,480)
Compass Montessori - Golden	593,052	151,804	744,856
Excel	2,157,340	127,485	2,284,825
Free Horizon	130,001	83,637	213,638
Jefferson	635,435	260,984	896,419
Lincoln Academy	1,442,982	134,408	1,577,390
Montessori Peaks	1,316,187	123,099	1,439,286
Mountain Phoenix	12,307	-	12,307
New America	233,821	58,991	292,812
Rocky Mtn. Academy	126,910	99,877	226,787
Rocky Mtn. Deaf School	(105,520)	45,337	(60,183)
Woodrow Wilson	<u>1,506,995</u>	<u>59,905</u>	<u>1,566,900</u>
Total component units	<u>\$ 8,910,665</u>	<u>\$ 1,480,557</u>	<u>\$10,391,222</u>

Salaries of teachers and certain other employees are paid over a 12-month period ending August 31; however, most salaries are earned over the traditional school year of September through May. For financial reporting purposes, these salaries have been recorded as expenditures of the District in the year earned rather than the year paid.

Salaries and benefits earned but unpaid at June 30, 2008, including accrued vacation pay, are not required to be funded by Colorado State law. Accordingly, for budgetary purposes, the District considers accrued salaries, benefits and compensated absences amounting to \$64,917,528 to be permanently deferred and therefore available for budgetary purposes.

5. Excess expenditures over appropriations and deficit fund equity

As of June 30, 2008, two Component Unit Charter Schools had accumulated deficits of \$289,726. The charter schools review their budgets with management and are monitored closely.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

6. Deposits and investments

Deposits:

	Government-wide Statement of Net Assets		
	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash	\$ 69,266,653	\$ 55,091	\$ 69,321,744
Restricted cash and cash held by third parties	3,976,542	5,428,810	9,405,352
Equity in pooled cash and investments	314,206,628	5,578,053	319,784,681
Investments	<u>61,534,261</u>	<u>-</u>	<u>61,534,261</u>
Total cash and investments	<u>\$ 448,984,084</u>	<u>\$ 11,061,954</u>	<u>\$ 460,046,038</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$6,973,689.

The District investment policies are approved by the Board of Education and governed by Colorado statute. The discretely presented component unit's 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. The District and the discretely presented component units do not have a deposit policy for custodial credit risk. As of June 30, 2008, \$913,947 of the District and the discretely presented component unit's bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$913,947 are collateralized with securities held by the pledging financial institution through PDPA.

Cash held in trust:

As of June 30, 2008 the District had \$3,716,161 held in trust. Jefferson County collects the property taxes for the District and holds the funds in trust until sent to the District monthly.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Investments:

As of June 30, 2008, the District had the following investments.

<u>Investment Type</u>	<u>Fair Market Value</u>	<u>Weighted Average Maturities (yrs)</u>	<u>Ratings</u>	
			<u>S&P</u>	<u>Moody's</u>
Colorado Surplus Asset Fund Trust	\$ 105,968,289	Under 60 days	AAAm	
Colorado Local Government Liquid Asset Trust	241,550,754	Less than 1 year	AAAm	Aaa
FFCB	7,580,816	1.73	AAA	Aaa
FNMA	4,989,270	1.51	AAA	Aaa
FHLMC	4,862,269	1.26	AAA	Aaa
FHLB	4,371,807	2	AAA	Aaa
Ranger Funding CP	1,987,020	0.22	A-1+	P-1
UBS Finance CP	1,999,260	0.02	A-1+	P-1
GE Capital CP	1,995,220	0.17	A-1+	P-1
JP Morgan Chase CP	1,994,720	0.1	A-1+	P-1
Forward delivery agreement (U.S. Instrumentality)	61,534,261	0.46	N/A	N/A
Repurchase agreement	<u>14,238,664</u>	Overnight Sweep	N/A	N/A
	<u>\$ 453,072,349</u>			

Interest rate risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. 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.

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 deferred 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.

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

Concentration of Credit Risk – The District has no single investments greater than 5 percent of the total portfolio.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

7. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>June 30, 2007</u>	Additions	Deletions	Balance <u>June 30, 2008</u>
Non-depreciable assets:				
Land	\$ 56,510,989	\$ -	\$ -	\$ 56,510,989
Construction in progress	<u>152,343,023</u>	<u>101,493,077</u>	<u>(120,775,609)</u>	<u>133,060,491</u>
Total Non-depreciable assets	<u>\$ 208,854,012</u>	<u>\$101,493,077</u>	<u>\$(120,775,609)</u>	<u>\$ 189,571,480</u>
Depreciable assets:				
Buildings and site improvements	\$1,063,530,047	\$127,352,598	\$ (8,957,353)	\$1,181,925,292
Equipment and vehicles – Internal service funds	22,787,629	3,545,600	(768,382)	25,564,847
Equipment and vehicles	<u>71,947,045</u>	<u>1,307,312</u>	<u>(8,217,919)</u>	<u>65,036,438</u>
Total Depreciable assets	<u>\$1,158,264,721</u>	<u>\$132,205,510</u>	<u>\$(17,943,654)</u>	<u>\$1,272,526,577</u>
Less accumulated depreciation for:	Balance <u>June 30, 2007</u>	Additions	Deletions	Balance <u>June 30, 2008</u>
Building and site improvements	\$ (448,745,056)	\$ (47,682,525)	\$ 6,581,429	\$ (489,846,152)
Equipment and vehicles – Internal service funds	(11,150,418)	(3,499,828)	748,142	(13,902,104)
Equipment and vehicles	<u>(49,384,377)</u>	<u>(4,434,740)</u>	<u>7,443,302</u>	<u>(46,375,815)</u>
Total Accumulated depreciation	<u>\$ (509,279,851)</u>	<u>\$ (55,617,093)</u>	<u>\$ 14,772,873</u>	<u>\$ (550,124,071)</u>
Total capital assets, net	<u>\$ 857,838,882</u>	<u>\$178,081,494</u>	<u>\$(123,946,390)</u>	<u>\$ 911,973,986</u>

Note: In the reconciliation of governmental funds balance sheet to statement of net assets on page 34, 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 <u>June 30, 2007</u>	Additions	Deletions	Balance <u>June 30, 2008</u>
Equipment	\$ 6,201,105	\$ 166,659	\$ (1,002,855)	\$ 5,364,909
Accumulated depreciation	<u>(4,281,858)</u>	<u>(358,302)</u>	<u>1,002,448</u>	<u>(3,637,712)</u>
Total	<u>\$ 1,919,247</u>	<u>\$ (191,643)</u>	<u>\$ (407)</u>	<u>\$ 1,727,197</u>

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

	Balance <u>June 30, 2007</u>	Additions	Deletions	Balance <u>June 30, 2008</u>
Equipment	\$ 496,786	\$ -	\$ (67,739)	\$ 429,047
Accumulated depreciation	<u>(384,833)</u>	<u>(15,030)</u>	<u>65,478</u>	<u>(334,385)</u>
Total	<u>\$ 111,953</u>	<u>\$ (15,030)</u>	<u>\$ (2,261)</u>	<u>\$ 94,662</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

	Balance <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2008</u>
Equipment	\$ 818,491	\$ 147,186	\$ (36,963)	\$ 928,714
Accumulated depreciation	<u>(325,001)</u>	<u>(53,518)</u>	<u>27,656</u>	<u>(350,863)</u>
Total	<u>\$ 493,490</u>	<u>\$ 93,668</u>	<u>\$ (9,307)</u>	<u>\$ 577,851</u>

Total capital assets being depreciated, business-type activities	\$ 6,722,670
Accumulated depreciation	<u>(4,322,960)</u>
Business-type activities capital assets, net	<u>\$ 2,399,710</u>

Discretely presented component units

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

	Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2008</u>
Non-depreciable assets:				
Land	\$ 4,215,011	\$ -	\$ -	\$ 4,215,011
Construction in progress	<u>2,192,468</u>	<u>2,217,499</u>	<u>(1,662,500)</u>	<u>2,747,467</u>
Total Non-depreciable assets:	<u>\$ 6,407,479</u>	<u>\$ 2,217,499</u>	<u>\$(1,662,500)</u>	<u>\$ 6,962,478</u>
Depreciable assets:				
Buildings and equipment	\$ 29,040,055	\$ 2,411,646	\$ (126,937)	\$ 31,324,764
Accumulated depreciation	<u>(3,957,289)</u>	<u>(1,189,419)</u>	<u>106,126</u>	<u>(5,040,582)</u>
Total	<u>\$ 31,490,245</u>	<u>\$ 3,439,726</u>	<u>\$(1,683,311)</u>	<u>\$ 33,246,660</u>

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

Governmental activities:

Direct instruction	\$ 39,172,536
Indirect instruction	7,893,686
Field services	3,489,746
Support services	23,876
General administration	4,344
District-wide (Non-departmental)	1,533,077
Capital assets held by the District's internal service funds	<u>3,499,828</u>
Total depreciation expense – governmental activities	<u>\$ 55,617,093</u>

Business-type activities:

Food services	\$ 358,302
Child care	15,030
Property management	<u>53,518</u>
Total depreciation expense – business-type activities	<u>\$ 426,850</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Construction commitments

The District has active construction projects as of June 30, 2008. 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, 2008 are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Bear Creek HS Replacement	\$21,571,720	\$20,190,201
Alameda HS Remodel	2,101,264	6,766,999
Creighton MS Addition/Renovation	586,773	6,766,900
Evergreen MS Addition/Renovation	3,801,012	6,004,659
Dakota Ridge HS Addition	5,270,087	4,030,192
Sierra ES Partial Replacement	663,594	3,705,016
Golden HS Replacement	34,037,528	2,307,715
District Wide Energy Improvements	1,231,848	1,248,431
Arvada West HS Replacement	28,311,391	1,136,398
Wheat Ridge HS Addition	11,781,349	907,298

8. Interfund receivables and payables

The following identifies amounts due to and from individual funds at June 30, 2008:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General fund	\$ 3,792,500	\$ -
Governmental fund:		
Bond Redemption Debt Service	-	33,116
Capital Reserve Capital Projects	-	-
Building Fund Capital Projects	-	11,820
Nonmajor Governmental Funds	-	3,638,802
Internal Service Funds	-	108,762
	<u>\$3,792,500</u>	<u>\$3,792,500</u>

Internal services internal balances with the general government are not included in the total for the statement of net assets (see note 2). Interfund balances are used to account for the pooled cash investing of the District.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

9. Transfers

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. At June 30, 2008 the detail for these transfers is as follows:

Capital reserve fund	<u>\$ 21,208,000</u>
Net transfers within the governmental funds	<u>21,208,000</u>
Child care fund	3,030,012
Internal service funds	<u>8,859,300</u>
Net transfers into the proprietary funds	<u>11,889,312</u>
Total transfers out from the General fund	<u>\$ 33,097,312</u>
Property management fund transfer out	<u>\$ 200,000</u>
Non-major governmental fund transfer in	<u>\$ 200,000</u>

10. Capital leases and certificates of participation

The 2006A and 2006B COP's were issued to apply towards the Supplemental Retirement Plan unfunded actuarial accrued liability. The security for the COP's consists of nine schools, the net book value as of June 30, 2008 was \$20,493,441.

The 2003 COP's were issued to purchased new school buses for the District. The buses were used as collateral in the COPs Series 2003 which are also included in the District's capital assets. The net book value at June 30, 2008 was \$8,337,565.

Certificates of participation terms are ten to twenty years with interest ranging from 2 percent to 5.45 percent. Certificates of participation and capital lease obligations for the fiscal year ended June 30, 2008, are comprised of the following:

	Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	Outstanding <u>June 30, 2008</u>	<u>Current Portion</u>
<u>Governmental activities</u>					
Bus – 2003 COP's	\$ 7,555,000	\$ -	\$ (1,170,000)	\$ 6,385,000	\$ 1,200,000
Supplemental Retirement 2006A COP's	25,075,000	-	(760,000)	24,315,000	805,000
Supplemental Retirement 2006B COP's	13,040,000	-	(405,000)	12,635,000	420,000
Less deferred amounts:					
For issuance costs	<u>(815,500)</u>	<u>\$ -</u>	<u>63,000</u>	<u>(752,500)</u>	<u>-</u>
Total COP's	<u>\$ 44,854,500</u>	<u>-</u>	<u>\$ (2,272,000)</u>	<u>\$ 42,582,500</u>	<u>\$ 2,425,000</u>
Internal service funds – capital leases:					
Computers	<u>\$ 156,530</u>	<u>\$ -</u>	<u>\$ (156,530)</u>	<u>\$ -</u>	<u>\$ -</u>
Subtotal - Internal service funds	<u>156,530</u>	<u>-</u>	<u>(156,530)</u>	<u>-</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 45,011,030</u>	<u>\$ -</u>	<u>\$ (2,428,530)</u>	<u>\$ 42,582,500</u>	<u>\$ 2,425,000</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Component unit activities:

Component units – Buildings/Capital leases	\$ 40,730,000	\$ -	\$ (810,000)	\$ 39,920,000	\$ 835,000
Less deferred amounts:					
For issuance costs and refunding	<u>(3,509,393)</u>	<u>-</u>	<u>128,242</u>	<u>(3,381,151)</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 37,220,607</u>	<u>\$ -</u>	<u>\$ (681,758)</u>	<u>\$ 36,538,849</u>	<u>\$ 835,000</u>
Component Units - Promissory notes	<u>\$ 875,769</u>	<u>\$ 2,791,578</u>	<u>\$ (310,262)</u>	<u>\$ 3,357,085</u>	<u>\$ 3,207,056</u>

For financial reporting purposes, the District follows the requirements of FASB Statement No. 13; i.e., under certain circumstances, for capital leases, the present value of future minimum lease payments should be shown as a liability and related assets should be 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.

Certificates of Participation (COPs) and capital leases have the following minimum annual lease payments:

Capital leases

Fiscal Year Ending June 30	Governmental Activities		Component Units	
	<u>COP'S</u>		<u>Charter Schools</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 2,425,000	\$ 2,173,322	\$ 835,000	\$ 2,074,103
2010	2,530,000	2,074,581	875,000	2,041,366
2011	2,630,000	1,967,548	905,000	2,003,128
2012	2,740,000	1,852,374	930,000	1,963,194
2013	2,855,000	1,730,428	970,000	1,921,858
2014-2018	8,735,000	7,271,257	5,470,000	8,887,078
2019-2023	11,390,000	4,616,188	6,480,000	7,372,412
2024-2028	10,030,000	1,153,704	9,705,000	5,281,942
2029-2033	-	-	9,800,000	2,559,913
2034-2036	-	-	3,950,000	360,338
Total	<u>\$43,335,000</u>	<u>\$22,839,402</u>	<u>\$39,920,000</u>	<u>\$34,465,332</u>

Promissory note

Fiscal Year Ending June 30	Component Units	
	<u>Charter Schools</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 3,207,056	\$ 102,664
2010	52,026	10,758
2011	39,855	6,948
2012	43,533	3,270
2013	<u>14,615</u>	<u>499</u>
Total	<u>\$ 3,357,085</u>	<u>\$ 124,139</u>

The District has appropriated amounts from 2009 revenues in the General Fund and Capital Reserve Fund to meet the lease payments for the COP principal and interest which is due in 2009.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

11. 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, 2008 are comprised of the following:

\$66,800,000 2007 Series bonds due in semi-annual installments with annual payments of \$1,753,500 to \$35,154,194 through December 15, 2026. Interest rate: 5.25%.	\$ 66,800,000
\$39,595,000 2005 Series A Refunding Bonds due in semi-annual installments with annual payments of \$499,625 to \$20,484,625 through December 15, 2017. Interest rate: 3.00% to 5.00%.	39,020,000
\$257,000,000 2004 Series Bonds due in semi-annual installments with annual payments of \$936,125 to \$38,601,125 through December 15, 2024. Interest rate: 3.50% to 5.00%.	257,000,000
\$63,440,000 2004 Series A Refunding Bonds due in semi-annual installments with annual payments of \$456,375 to \$18,711,375 through December 15, 2015. Interest rate: 2.00% to 5.25%.	62,680,000
\$48,315,000 2003 Series Refunding Bonds due in semi-annual installments with annual payments of \$430,000 to \$18,130,000 through December 15, 2014. Interest rate: 3.00% to 5.00%.	48,315,000
\$2,230,000 in registered coupons for 2003 due in semi-annual installments of \$110,000 to \$235,000 through December 15, 2009.	345,000
\$200,000,000 1998 Series A Bonds due in semi-annual installments with annual payments of \$449,925 to \$13,304,925 through December 15, 2008. Interest rate: 4.20% to 7.00%. \$48,310,000 of these bonds were refunded and defeased with the 2003 series refunding bonds, and \$103,035,000 were refunded and defeased with the 2004 and 2005 series refunding bonds. (See note 12).	12,855,000
\$309,885,000 1997 Series Refunding Bonds due in semi-annual installments with annual payments of \$1,145,300 to \$36,385,300 through December 15, 2011. Interest rate: 4.30% to 6.50%. \$37,525,000 of these bonds were refunded and defeased with the 2007 series refunding bonds. (See note 12).	129,050,000
\$35,890,000 2007 Series Refunding Bonds due in semi-annual installments with annual payments of \$857,800 to \$36,747,800 through December 15, 2012. Interest rate: 4.00% to 5.00%	<u>35,890,000</u>

Total	<u>\$ 651,955,000</u>
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JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

	Balance July 1, <u>2007</u>	New and Refunding <u>Issues</u>	Payments & Amortization <u>of Discount</u>	Balance June 30, <u>2008</u>	Current <u>Portion</u>
<u>General obligation bonds:</u>					
Refunding - 2007	\$ -	\$ 35,890,000	\$ -	\$ 35,890,000	\$ -
Construction – 2006	66,800,000	-	-	66,800,000	-
Refunding - 2005	39,020,000	-	-	39,020,000	-
Construction - 2005	257,000,000	-	-	257,000,000	-
Refunding - 2004	62,680,000	-	-	62,680,000	-
Refunding – 2003	48,315,000	-	-	48,315,000	-
Registered coupons 2003	460,000	-	(115,000)	345,000	110,000
Construction - 1998A	24,870,000	-	(12,015,000)	12,855,000	12,855,000
Refunding - 1997	187,040,000	-	(57,990,000)	129,050,000	29,420,000
Capital appreciation - 1992	7,433,979	-	(7,433,979)	-	-
Less deferred amounts:					
On refunding discounts, premiums and issue costs	<u>21,465,318</u>	<u>696,876</u>	<u>(1,215,982)</u>	<u>20,946,212</u>	<u>-</u>
	<u>\$ 715,084,297</u>	<u>\$ 36,586,876</u>	<u>\$ (78,769,961)</u>	<u>\$ 672,901,212</u>	<u>\$ 42,385,000</u>

Future year's general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 42,385,000	\$ 33,262,513
2010	45,120,000	30,575,775
2011	47,270,000	27,828,438
2012	50,080,000	24,882,588
2013	51,465,000	22,100,394
2014-2018	119,985,000	90,100,575
2019-2023	155,310,000	56,035,750
2024-2027	<u>140,340,000</u>	<u>14,271,138</u>
Total	<u>\$ 651,955,000</u>	<u>\$ 299,057,171</u>

The Series 2003 Registered Coupons were issued June 1, 2003 in the amount of \$2,230,000. The Coupons do not constitute a general obligation or other indebtedness of the District under Colorado statute, but have been reflected as long-term debt under generally accepted accounting principles in the financial statements.

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.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Payment of principal and interest for general obligation bonds is made from the Bond Redemption Fund. The legal debt limit and debt margin as of June 30, 2008, are \$1,453,903,886 and \$844,025,261, respectively. The District is in compliance with the legal debt limit.

On November 14, 2007, \$35,890,000 in general obligation bonds with an average interest rate of 4.5 percent were issued to advance refund \$37,525,000 of outstanding bonds with an average interest rate of 5 percent. The net proceeds of \$37,762,766 (after payment of \$266,884 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next four years by \$1,352,393 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,950,685.

12. Defeased debt

In prior years, the District has issued bonds for the purpose of refunding portions of the 1998A 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, 2008 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>
2003	\$48,310,000	December, 2008	\$49,798,637	\$48,310,000
2004	64,450,000	December, 2008	65,613,435	64,450,000
2005	40,325,000	December, 2008	40,962,189	40,325,000

13. Risk management

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

The District retains the first \$100,000 of any property loss, except for losses caused by fire where the District retains the first \$250,000, the first \$500,000 of auto and general liability losses, the first \$500,000 of workers' compensation losses, and the first \$500,000 of errors and omissions claims. In order to minimize expenditures for self-insured losses and for excess premiums, the District adjusts its own workers' compensation claims and manages the handling of all other claims.

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

The cost of Insurance Reserve Fund claims and premiums are recorded when incurred. Estimates for unsettled and incurred but not reported claims in the amount of \$4,094,135 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2008. 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 the Oliver Wyman Actuarial Consulting firm at the request of the District. It is contained in the Unpaid Loss and Allocated Loss Adjustment Expense Reserve Review as of June 30, 2008 for Jefferson County School District.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

Balance July 1, 2007	\$ 5,018,826
Increase (Decrease) in estimated claims:	
Estimated property claims	(130,537)
Errors and omissions claims	(375,627)
Automobile claims	(47,464)
General liability claims	(56,975)
Workers' compensation claims	<u>(314,088)</u>
Balance June 30, 2008	<u>\$ 4,094,135</u>

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

	<u>2007</u>	<u>2008</u>
Amount of claims liabilities at July 1	\$ 6,143,810	\$ 5,018,826
Incurred claims and change in reserve	3,390,567	10,805,588
Payments on claims	<u>(4,515,551)</u>	<u>(11,730,279)</u>
Amount of claims liabilities at June 30	<u>\$ 5,018,826</u>	<u>\$ 4,094,135</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. On January 1, 1995, the self-insured medical plan was replaced with a third-party insured medical plan, no claims are outstanding on the old self-insured medical plan as of June 30, 2008. 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 \$685,138 and \$135,952 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2008, related to the District's self-insured dental and vision plans respectively and \$560,063 for medical insurance and other benefit premiums.

	<u>2007</u>	<u>2008</u>
Amount of claims liabilities at July 1	\$ 828,800	\$ 813,700
Incurred claims and change in reserve	6,120,785	5,909,805
Payments on claims	<u>(6,135,885)</u>	<u>(5,902,415)</u>
Amount of claims liabilities at June 30	<u>\$ 813,700</u>	<u>\$ 821,090</u>

14. 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.

15. Pension plan

All District full-time employees are members of the Public Employees' Retirement Association of Colorado (PERA). The District contributes to the Combined State and School Division Trust Fund (CSSDTF) within PERA. PERA administers this cost-sharing multiple-employer defined benefit plan (the Plan). Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the CSSDTF. That report may be obtained by writing to Colorado PERA, 1300 Logan Street, Denver Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Plan members and the District are required to contribute to the CSSDTF at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 percent and for the District it is 12.05 percent. Also, a portion of the District's contribution (1.02 percent of covered salary) is allocated for the Health Care Trust Fund (see below). The District's contributions to CSSDTF for the years ending June 30, 2006, 2007 and 2008 were \$45,816,817 and \$50,266,991, and \$56,029,057 respectively, equal to their required contributions for each year.

The District also contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The Health Fund provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. The District is required to contribute at a rate of 1.02 percent of covered salary for all PERA members as set by statute. No member contributions are required. The contributions requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to HCTF for the years ending June 30, 2006, 2007 and 2008 were \$4,419,565, \$4,620,655, and \$4,842,225 respectively, equal to their required contributions for each year.

Additionally, Trust members for the District may voluntarily contribute to the Voluntary Investment Program (VIP), an internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from others made to PERA. Statutes have assigned the State Legislature the authority to establish VIP plan provisions. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$15,000 in 2006, \$15,500 in 2007, and \$15,500 in 2008).

16. Early, supplemental and post retirement benefits

Plan Description - On October 15, 1998, the District obtained approval from the Board of Education (the Board) to revise its early retirement plan. Subsequently, the Board adopted the Supplemental Retirement Plan effective August 31, 1999 and amended and restated the plan effective December 9, 1999 and adopted an amendment on June 15, 2007. The supplemental retirement plan is a single employer defined benefit plan qualified under Section 401(a) of the Internal Revenue Service Code. Covered employees are those that were actively employed in full-time or approved job-share positions by the District on August 31, 1999, and certain employees who were on an authorized unpaid leave of absence on August 31, 1999 which leave did not exceed 39 months for certified employees and administrators and 36 months for classified and other employees as of August 31, 1999. A participant reaches normal retirement date when he or she has attained 55 years of age and has completed 20 years of service. An employee may elect early retirement if he or she has have attained 20 years of service and is age 50. The monthly-accrued benefit that an employee may receive is .257 percent of monthly 1999 base salary multiplied by years of service as of August 31, 1999 up to a maximum of 20 years. The monthly benefit is payable as a life annuity with three optional forms of payment: 100 percent Joint and Survivor Annuity, 50 percent Joint and Survivor Annuity, 10-Year Certain Payment Only. The Life Annuity, the 100 percent Joint and Survivor Annuity and the 50 percent Joint and Survivor Annuity will not be available to employees who elect to retire after the January 16, 2007 application deadline. In 2007, the plan was amended to allow a fourth optional form of payment, available to individuals retiring in that year. The Board approves funding of the plan each year with the budget adoption. The plan financials are available from Key Bank. To obtain a copy, contact Key Bank at 1674 Broadway, Suite 300, Denver, Colorado 80202, or telephone 720-904-4321.

Funding Policy – The Plan and each obligation of the District hereunder are subject to and contingent upon funds being budgeted and appropriated for such purpose prior to the beginning of each applicable fiscal year of the District in accordance with the requirements of Article X, Section 20 of the Colorado State Constitution and any other existing or future constitutional or statutory provision that may apply.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

Annual required contributions (ARC)	\$ 697,026
Actual annual contribution for fiscal year 2008	(697,026)
Additional contribution from Certificates of Participation	<u>(34,302,974)</u>
Increase in net pension obligation (Asset)	(34,302,974)
Interest on net pension obligation	(1,161,086)
Adjustment on annual required contribution	1,077,244
Net pension asset, beginning of year	<u>(14,981,755)</u>
Net pension asset, end of year	<u>\$ (49,368,571)</u>

The annual required contribution for the current year was determined as part of the September 1, 2007 actuarial valuation prepared by Mercer, using the traditional unit credit actuarial cost method and a level dollar amortization method for a 30 year open period (40 year period prior to fiscal year 2007). The actuarial assumptions include (a) 6.50 percent investment rate of return for August 31, 2007 and later, 7.75 percent investment rate of return before August 31, 2007, and 8.75 percent before August 31, 2005, (b) inflation at 2.5 percent after August 31, 2005, 4.50 percent before August 31, 2005 and no projected salary or cost of living increases. The actuarial value of assets was equal to market value. The net pension asset is recorded as prepaid expense in the government-wide statements.

Trend information –

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contributions	Percentage of APC Contributed	Net Pension Obligation (Asset)
August 31, 2005	\$3,438,824	\$3,856,788	112.2%	\$ (12,248,581)
August 31, 2006	3,266,826	6,000,000	183.7	(14,981,755)
August 31, 2007	613,184	697,026	113.7	(49,368,571)

Schedule of funding progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
August 31, 2005	\$19,754,373	\$66,985,446	\$47,231,073	29.5%	\$149,593,414	31.6%
August 31, 2006	17,567,821	60,976,202	43,408,381	28.8	143,149,193	30.3
August 31, 2007	12,172,850	21,866,736	9,693,886	55.67	138,394,263	7.0

Payment of unused sick and personal leave in the amount of \$2,374,544 was paid to 288 early retirees in fiscal year 2007. The Board has appropriated \$3,802,500 for its early retirement programs to be paid in Fiscal year 2009. It is anticipated expenditures for health/group life and sick/personal leaves for Fiscal year 2008 will be \$913,227. The remaining \$2,889,273 will be paid to the supplemental retirement program.

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

A special item of \$2,620,742 is reported on the general fund statement of revenues, expenditures and changes in fund balances as well as the statement of activities. Certificates of participation were issued to provide significant, additional funding to the supplemental retirement plan.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

17. Subsequent Events

On July 21, 2008, Rocky Mountain Academy of Evergreen, a discretely presented component unit of the District, entered into a capital lease agreement with the Colorado Educational and Cultural Facilities Authority. Proceeds from the agreement were \$3,900,000 and used to defease \$2,855,227 of existing debt and finance the final costs of construction at their new site. The capital lease matures in January 2036.

Due to the volatility of the financial markets subsequent to June 30, 2008, the District's access to approximately 25 percent of its CSAFE holdings is considered illiquid as of November 4, 2008. This represents \$34,048,641 of its holdings as of the audit date. CSAFE was invested in Reserve Primary Money Market Fund (Fund) and on September 12, 2008 this fund investment value fell below the \$1 per share amount as a result of its holding of Lehman Brothers commercial paper. The fund is in the process of liquidating its remaining assets and as of November 4, 2008, CSAFE has received approximately 51 percent of its investments held in Reserve Primary Money Market Fund. The extent of a loss, if any, to be ultimately incurred by the District is unknown as of the audit report date.

Supplemental 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.

Grants Fund – This fund is used to account for federal, state, or private sector grant programs.

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

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 2004 voter approved bond for a six-year capital improvement program.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2008

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Grants Fund	Campus Activity Fund	
Assets			
Cash	\$ -	\$ 100,330	\$ 100,330
Equity in pooled cash and investments	-	8,992,119	8,992,119
Accounts and interest receivable	75,411	50,375	125,786
Intergovernmental receivables:			
From the federal government	7,362,725	-	7,362,725
From the state government	34,809	-	34,809
Inventories	-	423,031	423,031
Total assets	\$ 7,472,945	\$ 9,565,855	\$ 17,038,800
Liabilities			
Accounts payable	\$ 206,627	\$ 328,176	\$ 534,803
Accrued salaries and benefits	2,269,947	2,942	2,272,889
Due to other funds	3,638,802	-	3,638,802
Unearned revenues	-	197,882	197,882
Total liabilities	6,115,376	529,000	6,644,376
Fund Balance:			
Reserved for TABOR	-	711,386	711,386
Reserved for designated purpose grants	1,357,569	-	1,357,569
Reserved for inventory	-	423,031	423,031
Unreserved, designated for encumbrances	-	1,328,344	1,328,344
Unreserved, designated for subsequent year budget	-	6,574,094	6,574,094
Total fund balance	1,357,569	9,036,855	10,394,424
Total liabilities and fund balances	\$ 7,472,945	\$ 9,565,855	\$ 17,038,800

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, 2008

	Special Revenue Funds		Total
	Grants Fund	Campus Activity Fund	Nonmajor Governmental Funds
Revenues:			
Intergovernmental:			
Federal government	\$ 32,279,112	\$ -	\$ 32,279,112
State of Colorado	1,131,345	-	1,131,345
Other:			
Interest	-	18,355	18,355
Gifts and grants	1,141,200	-	1,141,200
Student activities	-	7,216,469	7,216,469
Fund raising	-	5,092,200	5,092,200
Fees and dues	-	6,391,607	6,391,607
Donations	-	2,046,195	2,046,195
Miscellaneous	-	4,794,248	4,794,248
Total revenues	<u>34,551,657</u>	<u>25,559,074</u>	<u>60,110,731</u>
Expenditures:			
Current:			
Elementary instruction	8,120,490	-	8,120,490
Middle level instruction	788,552	-	788,552
Senior high instruction	1,011,428	-	1,011,428
Athletics and activities	-	25,899,521	25,899,521
Instructional services	7,451,007	-	7,451,007
Intervention services	17,566,627	-	17,566,627
Total expenditures	<u>34,938,104</u>	<u>25,899,521</u>	<u>60,837,625</u>
Excess of revenues over (under) expenditures	(386,447)	(340,447)	(726,894)
Other financing sources			
Transfers in	-	200,000	200,000
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Excess of revenues and other financing sources over (under) expenditures	(386,447)	(140,447)	(526,894)
Fund balances - July 1, 2007	1,744,016	9,177,302	10,921,318
Fund balances - June 30, 2008	<u>\$ 1,357,569</u>	<u>\$ 9,036,855</u>	<u>\$ 10,394,424</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Bond Redemption Debt Service Fund
Fiscal Year Ended June 30, 2008

Debt Service Fund				
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Amounts	Final		
Revenues:				
Taxes:				
Property taxes	\$ 77,400,000	\$ 81,000,000	\$ 81,150,128	\$ 150,128
Interest	-	-	-	-
Total taxes	77,400,000	81,000,000	81,150,128	150,128
Expenditures:				
Debt Service				
Principal retirement	40,265,000	40,265,000	40,265,000	-
Interest and fiscal charges	35,888,100	36,238,100	36,212,575	25,525
Total Expenditures	76,153,100	76,503,100	76,477,575	25,525
Excess of revenues over expenditures	1,246,900	4,496,900	4,672,553	175,653
Other Financing Sources (uses):				
General obligation bond proceeds	-	35,890,000	35,890,000	-
Payment to refunded bond escow agent	-	(37,800,000)	(37,762,766)	37,234
Premium from refunding bonds	-	2,139,700	2,139,650	(50)
Total other financing sources (uses)	-	229,700	266,884	37,184
Excess of revenues and other financing sources over expenditures	\$ 1,246,900	\$ 4,726,600	4,939,437	\$ 212,837
Fund balances - July 1, 2007			58,083,150	
Fund balances - June 30, 2008			\$ 63,022,587	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Capital Reserve Capital Projects Fund
Fiscal Year Ended June 30, 2008

	Capital Reserve Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budget Basis	Final Budget - Positive (Negative)
Revenues:				
Interest	\$ 1,000,000	\$ 1,500,000	\$ 2,277,663	\$ 777,663
Other	3,135,000	1,950,000	1,969,309	19,309
Total revenues	4,135,000	3,450,000	4,246,972	796,972
Expenditures:				
Capital outlay:				
New buildings and land	4,366,103	12,366,100	1,251,906	11,114,194
School additions and improvements	-	-	6,759,522	(6,759,522)
Grounds improvements	-	-	710,930	(710,930)
Mechanical and electrical improvements	-	-	188,422	(188,422)
Vehicles and large equipment	1,032,842	2,032,800	1,615,521	417,279
Debt Service:				
Principal retirements	1,170,000	1,170,000	1,170,000	-
Interest	232,100	232,100	232,053	47
Total expenditures	6,801,045	15,801,000	11,928,354	3,872,646
Excess of revenues over (under) expenditures	(2,666,045)	(12,351,000)	(7,681,382)	4,669,618
Other Financing Sources:				
Transfers in	19,708,000	21,208,000	21,208,000	-
Total other financing sources	19,708,000	21,208,000	21,208,000	-
Excess of revenues and other financing sources over expenditures	\$ 17,041,955	\$ 8,857,000	13,526,618	\$ 4,669,618
Salaries, benefits, and compensated absences earned but unpaid:				
July 1, 2007			59,650	
June 30, 2008			(166,358)	
Fund balance - July 1, 2007			63,798,958	
Fund balance - June 30, 2008			\$ 77,218,868	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Building Fund - Capital Projects
Fiscal Year Ended June 30, 2008

Building Fund - Capital Projects				
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 1,200,000	\$ 4,200,000	\$ 4,242,297	\$ 42,297
Carryforward	-	-	-	-
Total revenues	1,200,000	4,200,000	4,242,297	42,297
Expenditures:				
Capital outlay:				
New buildings and land	90,747,580	129,747,600	42,199,191	87,548,409
School additions and improvements	-	-	54,367,465	(54,367,465)
Grounds improvements	-	-	1,549,552	(1,549,552)
Mechanical and electrical improvements	-	-	624,146	(624,146)
Roof replacement	-	-	27,601	(27,601)
Total expenditures	90,747,580	129,747,600	98,767,955	30,979,645
Excess of revenues over (under) expenditures	\$ (89,547,580)	\$ (125,547,600)	(94,525,658)	\$ 31,021,942
Fund balance - July 1, 2007			144,485,078	
Fund balance - June 30, 2008			\$ 49,959,420	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedules of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Grants Special Revenue Fund
Fiscal Year Ended June 30, 2008

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Budget Basis	
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government	\$ 28,480,000	\$ 32,891,772	\$ 32,279,112	\$ (612,660)
State of Colorado	2,430,000	2,573,243	1,131,345	(1,441,898)
Other:				
Gifts and grants	1,240,000	390,348	1,141,200	750,852
Total revenues	32,150,000	35,855,363	34,551,657	(1,303,706)
Expenditures:				
Current:				
Elementary instruction	7,020,000	9,422,070	8,120,490	1,301,580
Middle level instruction	980,000	1,001,000	788,552	212,448
Senior high instruction	790,000	554,134	1,011,428	(457,294)
Instructional services	7,090,000	7,478,603	7,451,007	27,596
Intervention services	16,070,000	17,399,556	17,566,627	(167,071)
Total expenditures	31,950,000	35,855,363	34,938,104	917,259
Excess of revenues over (under) expenditures	\$ 200,000	\$ -	(386,447)	\$ (386,447)
Fund balance - July 1, 2007			1,744,016	
Fund balance - June 30, 2008			\$ 1,357,569	

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, 2008

Campus Activity Fund				
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 18,400	\$ 18,400	\$ 18,355	\$ (45)
Student activities	7,600,000	8,600,000	7,216,469	(1,383,531)
Fund raising	5,330,000	5,330,000	5,092,200	(237,800)
Fees and dues	6,500,000	6,500,000	6,391,607	(108,393)
Donations	1,700,000	1,700,000	2,046,195	346,195
Miscellaneous	4,860,000	4,860,000	4,794,248	(65,752)
Total revenues	26,008,400	27,008,400	25,559,074	(1,449,326)
Expenditures:				
Current:				
Athletics and activities	26,000,000	27,250,000	25,899,521	1,350,479
Total expenditures	26,000,000	27,250,000	25,899,521	1,350,479
Excess of revenues over (under) expenditures	8,400	(241,600)	(340,447)	(98,847)
Other Financing Sources:				
Transfers in	-	200,000	200,000	-
Total other financing sources (uses)	-	200,000	200,000	-
Excess of revenues and other financing sources over (under) expenditures	\$ 8,400	\$ (41,600)	(140,447)	\$ (98,847)
Fund balance - July 1, 2007			9,177,302	
Fund balance - June 30, 2008			\$ 9,036,855	

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 manages the current medical plans, and the life and retired life insurance programs.

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 Assets
Internal Service Funds
June 30, 2008

<u>Assets</u>	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Current assets:			
Cash	\$ 300	\$ -	\$ -
Equity in pooled cash and investments	959,633	33,415,758	7,308,822
Accounts and other receivable	29,026	33,860	4,358,682
Inventories	114,210	-	-
Prepaid items	3,891	-	459,844
Total current assets	<u>1,107,060</u>	<u>33,449,618</u>	<u>12,127,348</u>
Capital assets:			
Vehicles and equipment	3,109,408	-	220,167
Less: Accumulated depreciation	(2,233,740)	-	(63,711)
Total capital assets net of accumulated depreciation	<u>875,668</u>	<u>-</u>	<u>156,456</u>
Total assets	<u>\$ 1,982,728</u>	<u>\$ 33,449,618</u>	<u>\$ 12,283,804</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	\$ 81,134	\$ -	\$ 1,985,400
Accrued salaries, benefits, and compensated absences	58,471	2,787,537	119,450
Payroll withholding	-	20,582,228	-
Due to other funds	-	-	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	1,381,153	4,094,135
Total current liabilities	<u>139,605</u>	<u>24,750,918</u>	<u>6,198,985</u>
Non-current liabilities:			
Compensated absences	36,526	684	101,785
Total non-current liabilities	<u>36,526</u>	<u>684</u>	<u>101,785</u>
Total liabilities	<u>176,131</u>	<u>24,751,602</u>	<u>6,300,770</u>
<u>Net Assets</u>			
Invested in capital assets net of related debt	875,668	-	156,456
Restricted for:			
TABOR	2,662	19,114	11,585
Unrestricted	928,267	8,678,902	5,814,993
Total net assets	<u>1,806,597</u>	<u>8,698,016</u>	<u>5,983,034</u>
Total liabilities and net assets (deficit)	<u>\$ 1,982,728</u>	<u>\$ 33,449,618</u>	<u>\$ 12,283,804</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	41,684,213
214,181	4,635,749
24,460	138,670
601,086	1,064,821
<u>839,727</u>	<u>47,523,753</u>
22,235,272	25,564,847
(11,604,653)	(13,902,104)
<u>10,630,619</u>	<u>11,662,743</u>
<u>\$ 11,470,346</u>	<u>\$ 59,186,496</u>

\$ 1,132,604	\$ 3,199,138
497,119	3,462,577
-	20,582,228
108,762	108,762
796,698	796,698
-	5,475,288
<u>2,535,183</u>	<u>33,624,691</u>

<u>359,992</u>	<u>498,987</u>
<u>359,992</u>	<u>498,987</u>
<u>2,895,175</u>	<u>34,123,678</u>

10,630,619	11,662,743
37,296	70,657
(2,092,744)	13,329,418
<u>8,575,171</u>	<u>25,062,818</u>
<u>\$ 11,470,346</u>	<u>\$ 59,186,496</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
Fiscal Year Ended June 30, 2008

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Revenues:			
Insurance premiums	\$ -	\$ 7,500,020	\$ 10,351,376
Service contracts	3,694,084	-	42,539
Total revenues	<u>3,694,084</u>	<u>7,500,020</u>	<u>10,393,915</u>
Expenses:			
Salaries and employee benefits	1,115,050	57,419	1,859,054
Administration services	292,431	453,291	365,692
Utilities	4,109	-	-
Supplies	1,350,268	-	-
Repairs and maintenance	423,920	-	-
Depreciation	362,328	-	21,712
Other	1,204	-	-
Claim losses	-	5,909,805	10,805,588
Premiums paid	-	290,749	1,180,577
Total expenses	<u>3,549,310</u>	<u>6,711,264</u>	<u>14,232,623</u>
Income (loss) from operations	<u>144,774</u>	<u>788,756</u>	<u>(3,838,708)</u>
Non-operating revenues (expenses):			
Interest revenues	21,210	359,696	259,262
Interest expense	-	-	-
Gain (loss) on sale of capital assets	-	-	(14,240)
Total non-operating revenues (expenses)	<u>21,210</u>	<u>359,696</u>	<u>245,022</u>
Income (loss) before transfers	165,984	1,148,452	(3,593,686)
Transfers from the general fund	-	-	6,459,300
Change in net assets	<u>165,984</u>	<u>1,148,452</u>	<u>2,865,614</u>
Net assets - July 1, 2007	1,640,613	7,549,564	3,117,420
Net assets - June 30, 2008	<u>\$ 1,806,597</u>	<u>\$ 8,698,016</u>	<u>\$ 5,983,034</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 17,851,396
15,049,384	18,786,007
<u>15,049,384</u>	<u>36,637,403</u>
8,964,255	11,995,778
2,812,095	3,923,509
42,204	46,313
473,512	1,823,780
1,676,430	2,100,350
3,115,788	3,499,828
29,217	30,421
-	16,715,393
-	1,471,326
<u>17,113,501</u>	<u>41,606,698</u>
<u>(2,064,117)</u>	<u>(4,969,295)</u>
-	640,168
(38,883)	(38,883)
-	(14,240)
<u>(38,883)</u>	<u>587,045</u>
(2,103,000)	(4,382,250)
2,400,000	8,859,300
<u>297,000</u>	<u>4,477,050</u>
8,278,171	20,585,768
<u>\$ 8,575,171</u>	<u>\$ 25,062,818</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2008

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,665,733	\$ 7,476,934	\$ 7,570,070
Cash paid to employees	(1,091,539)	(57,589)	(1,769,031)
Cash paid to vendors	(2,105,974)	(5,111,028)	(12,561,769)
Net cash provided by (used for) in operating activities	<u>468,220</u>	<u>2,308,317</u>	<u>(6,760,730)</u>
Cash flows from noncapital financing activities:			
Transfers in and (out)	-	-	6,459,300
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>6,459,300</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(88,657)	-	(128,448)
Proceeds on sale of capital assets	-	-	6,000
Principal payments	-	-	-
Interest payments	-	-	-
Net cash (used for) in capital and related financing activities	<u>(88,657)</u>	<u>-</u>	<u>(122,448)</u>
Cash flows from investing activities:			
Interest received	21,210	359,696	259,262
Purchase of investments	-	-	-
Net cash provided by noncapital financing activities	<u>21,210</u>	<u>359,696</u>	<u>259,262</u>
Net increase in cash and cash equivalents	400,773	2,668,013	(164,616)
Cash and cash equivalents - July 1, 2007	559,160	30,747,745	7,473,438
Cash and cash equivalents - June 30, 2008	<u>\$ 959,933</u>	<u>\$ 33,415,758</u>	<u>\$ 7,308,822</u>
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ 144,774	\$ 788,756	\$ (3,838,708)
Cash flows from operating activities:			
Depreciation	362,328	-	21,712
(Increase) decrease intergovernmental and other receivables	(28,352)	(23,087)	(2,823,844)
(Increase) decrease in prepaid items	(3,891)	-	581,264
(Increase) decrease in other inventories	(15,005)	-	-
Increase (decrease) in accounts payable	(15,147)	-	133,515
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	23,513	157,259	90,022
Increase in payroll withholding	-	1,153,412	-
Increase (decrease) in due to other funds	-	-	-
Increase in deferred revenues	-	-	-
Increase (decrease) in estimated liability for premiums and claims	-	231,977	(924,691)
Net cash provided by (used for) in operating activities	<u>\$ 468,220</u>	<u>\$ 2,308,317</u>	<u>\$ (6,760,730)</u>
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ -	\$ -	\$ 20,240

Technology Fund	Governmental Activities - Internal Service Funds
\$ 14,711,207	\$ 33,423,944
(8,697,459)	(11,615,618)
(4,889,840)	(24,668,611)
<u>1,123,908</u>	<u>(2,860,285)</u>
2,400,000	8,859,300
<u>2,400,000</u>	<u>8,859,300</u>
(3,328,495)	(3,545,600)
-	6,000
(156,530)	(156,530)
(38,883)	(38,883)
<u>(3,523,908)</u>	<u>(3,735,013)</u>
-	640,168
-	-
-	<u>640,168</u>
-	2,904,170
-	38,780,343
<u>\$ -</u>	<u>\$ 41,684,513</u>
\$ (2,064,117)	\$ (4,969,295)
3,115,788	3,499,828
(214,181)	(3,089,464)
(76,799)	500,574
(1,408)	(16,413)
475,365	593,733
266,797	537,591
-	1,153,412
(253,540)	(253,540)
(123,997)	(123,997)
-	(692,714)
<u>\$ 1,123,908</u>	<u>\$ (2,860,285)</u>
\$ -	\$ 20,240



Component Units

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Net Assets
Component Units
June 30, 2008

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Assets					
Current assets:					
Cash	\$ 300	\$ 100	\$ 50,623	\$ 800	\$ 500
Restricted cash	724,649	17,617	647,372	734,061	
Restricted cash for TABOR	111,657	56,655	91,394	138,598	59,416
Equity in pooled cash and investments	392,203	-	10,481	1,494,805	241,228
Accounts receivable	153	-	225	-	-
Prepaid items	-	9,185	-	-	-
Total current assets:	<u>1,228,962</u>	<u>83,557</u>	<u>800,095</u>	<u>2,368,264</u>	<u>301,144</u>
Noncurrent assets:					
Nondepreciable assets	650,000	32,750	913,509	235,981	-
Depreciable assets	5,156,856	23,026	4,445,878	5,001,484	270,238
Accumulated depreciation	(1,028,530)	(13,395)	(599,638)	(526,804)	(2,898)
Total noncurrent assets:	<u>4,778,326</u>	<u>42,381</u>	<u>4,759,749</u>	<u>4,710,661</u>	<u>267,340</u>
Total assets	<u>\$ 6,007,288</u>	<u>\$ 125,938</u>	<u>\$ 5,559,844</u>	<u>\$ 7,078,925</u>	<u>\$ 568,484</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 27,897	\$ 12,996	\$ 8,851	\$ 83,439	\$ 3,650
Accrued salaries and benefits	155,304	179,726	151,804	127,485	83,637
Due to the general fund	-	1,768	-	-	-
Unearned revenues	400	73,273	46,388	-	83,856
Accrued interest	15,781	140	131,314	31,301	174
Current capital leases and promissory notes	200,000	8,755	203,324	150,000	24,646
Total current liabilities:	<u>399,382</u>	<u>276,658</u>	<u>541,681</u>	<u>392,225</u>	<u>195,963</u>
Noncurrent liabilities:					
Capital Leases and promissory notes	7,110,932	42,245	5,440,303	6,119,339	92,243
Total Noncurrent liabilities:	<u>7,110,932</u>	<u>42,245</u>	<u>5,440,303</u>	<u>6,119,339</u>	<u>92,243</u>
Total liabilities	<u>7,510,314</u>	<u>318,903</u>	<u>5,981,984</u>	<u>6,511,564</u>	<u>288,206</u>
Net Assets					
Invested in capital net of debt	(2,532,606)	8,998	(883,925)	(1,558,678)	150,451
Restricted for:					
Capital projects	-	17,617	47	13,830	-
Debt service	724,649	-	647,325	734,061	-
TABOR	111,657	56,655	91,394	138,598	59,416
Unrestricted	193,274	(276,235)	(276,981)	1,239,550	70,411
Total net assets	<u>(1,503,026)</u>	<u>(192,965)</u>	<u>(422,140)</u>	<u>567,361</u>	<u>280,278</u>
Total liabilities and net assets	<u>\$ 6,007,288</u>	<u>\$ 125,938</u>	<u>\$ 5,559,844</u>	<u>\$ 7,078,925</u>	<u>\$ 568,484</u>

Jefferson Academy	Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Woodrow Wilson Academy	Total Charter Schools
\$ 600	\$ 700	\$ 500	\$ -	\$ 468	\$ -	\$ -	\$ 500	\$ 55,091
403,297	369,535	787,309	-	-	-	-	604,481	4,288,321
164,058	96,760	99,219	9,057	48,454	138,868	25,220	101,133	1,140,489
354,761	1,175,070	594,887	7,225	265,548	160,119	-	881,726	5,578,053
-	-	3,252	-	-	-	156,320	-	159,950
-	-	-	-	-	-	-	-	9,185
<u>922,716</u>	<u>1,642,065</u>	<u>1,485,167</u>	<u>16,282</u>	<u>314,470</u>	<u>298,987</u>	<u>181,540</u>	<u>1,587,840</u>	<u>11,231,089</u>
40,637	394,000	1,099,229	-	-	2,714,718	-	881,654	6,962,478
3,257,769	2,838,679	4,466,593	-	151,070	741,205	6,427	4,965,539	31,324,764
(722,241)	(646,978)	(572,151)	-	-	(663,754)	(4,499)	(259,694)	(5,040,582)
<u>2,576,165</u>	<u>2,585,701</u>	<u>4,993,671</u>	<u>-</u>	<u>151,070</u>	<u>2,792,169</u>	<u>1,928</u>	<u>5,587,499</u>	<u>33,246,660</u>
<u>\$ 3,498,881</u>	<u>\$ 4,227,766</u>	<u>\$ 6,478,838</u>	<u>\$ 16,282</u>	<u>\$ 465,540</u>	<u>\$ 3,091,156</u>	<u>\$ 183,468</u>	<u>\$ 7,175,339</u>	<u>\$ 44,477,749</u>
\$ 26,297	\$ 49,763	\$ 38,681	\$ 3,975	\$ 21,658	\$ 21,738	\$ 5,239	\$ 15,344	\$ 319,528
260,984	134,408	123,099	-	58,991	99,877	45,337	59,905	1,480,557
-	-	-	-	-	-	236,484	-	238,252
-	14,912	7,200	-	-	50,462	-	5,596	282,087
7,210	33,513	67,531	-	139	86,391	-	24,689	398,183
60,000	85,000	120,000	-	90,119	2,980,212	-	120,000	4,042,056
<u>354,491</u>	<u>317,596</u>	<u>356,511</u>	<u>3,975</u>	<u>170,907</u>	<u>3,238,680</u>	<u>287,060</u>	<u>225,534</u>	<u>6,760,663</u>
2,795,756	2,037,453	6,182,402	-	15,541	-	-	6,017,664	35,853,878
<u>2,795,756</u>	<u>2,037,453</u>	<u>6,182,402</u>	<u>-</u>	<u>15,541</u>	<u>-</u>	<u>-</u>	<u>6,017,664</u>	<u>35,853,878</u>
3,150,247	2,355,049	6,538,913	3,975	186,448	3,238,680	287,060	6,243,198	42,614,541
(279,591)	463,248	(1,308,731)	-	45,410	(188,043)	1,928	(550,165)	(6,631,704)
282,939	-	-	-	29,872	-	-	-	344,305
398,297	369,535	787,309	-	-	-	-	604,481	4,265,657
164,058	96,760	99,219	9,057	48,454	138,868	25,220	101,133	1,140,489
(217,069)	943,174	362,128	3,250	155,356	(98,349)	(130,740)	776,692	2,744,461
<u>348,634</u>	<u>1,872,717</u>	<u>(60,075)</u>	<u>12,307</u>	<u>279,092</u>	<u>(147,524)</u>	<u>(103,592)</u>	<u>932,141</u>	<u>1,863,208</u>
<u>\$ 3,498,881</u>	<u>\$ 4,227,766</u>	<u>\$ 6,478,838</u>	<u>\$ 16,282</u>	<u>\$ 465,540</u>	<u>\$ 3,091,156</u>	<u>\$ 183,468</u>	<u>\$ 7,175,339</u>	<u>\$ 44,477,749</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Activities
Component Units
Fiscal year ended June 30, 2008

	Expenses	Charges For Services	Governmental Activities
Schools			
Collegiate Academy of Colorado	\$ 3,767,305	\$ 308,098	\$ (3,459,207)
Compass Montessori - Wheatridge	1,991,979	575,071	(1,416,908)
Compass Montessori - Golden	2,781,429	693,079	(2,088,350)
Excel Charter School	4,374,848	487,085	(3,887,763)
Free Horizon	1,642,548	592,662	(1,049,886)
Jefferson Academy	5,622,816	244,785	(5,378,031)
Lincoln Academy Charter School	3,463,459	160,890	(3,302,569)
Montessori Peaks	3,130,724	882,023	(2,248,701)
Mountain Phoenix	288,089	6,919	(281,170)
New America	1,214,075	1,000	(1,213,075)
Rocky Mountain Academy Evergreen	2,532,384	622,014	(1,910,370)
Rocky Mountain Deaf School	982,793	618,528	(364,265)
Woodrow Wilson Academy	3,331,724	240,316	(3,091,408)
Total Expenditures	<u>35,124,173</u>	<u>5,432,470</u>	<u>(29,691,703)</u>
General Revenues			
School finance act:			
Collegiate Academy of Colorado			3,414,293
Compass Montessori - Wheatridge			1,304,459
Compass Montessori - Golden			2,115,109
Excel Charter School			4,139,277
Free Horizon			1,250,363
Jefferson Academy			5,234,120
Lincoln Academy Charter School			3,082,358
Montessori Peaks			2,461,510
Mountain Phoenix			296,477
New America			1,499,823
Rocky Mountain Academy Evergreen			1,913,101
Rocky Mountain Deaf School			265,197
Woodrow Wilson Academy			3,138,367
Total General Revenues			<u>30,114,454</u>
Change in net assets			422,751
Net Assets Beginning			1,440,457
Net Assets Ending			<u>\$ 1,863,208</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

All Component Units

Combining Balance Sheet

June 30, 2008

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Assets					
Assets:					
Cash	\$ 300	\$ 100	\$ 50,623	\$ 800	\$ 500
Restricted Cash	836,306	74,272	738,766	872,659	59,416
Equity in pooled cash and investments	392,203	-	10,481	1,494,805	241,228
Accounts, notes, contracts, and interest receivable	153	-	225	-	-
Prepaid items	-	9,185	-	-	-
Total Assets	<u>\$ 1,228,962</u>	<u>\$ 83,557</u>	<u>\$ 800,095</u>	<u>\$ 2,368,264</u>	<u>\$ 301,144</u>
Liabilities, Equity (Deficit)					
Liabilities:					
Accounts and retainages payable	\$ 27,897	\$ 12,996	\$ 8,851	\$ 83,439	\$ 3,650
Accrued salaries, benefits, and compensated absences	155,304	179,726	151,804	127,485	83,637
Due to primary government	-	1,768	-	-	-
Unearned revenues	400	73,273	46,388	-	83,856
Total Liabilities	<u>183,601</u>	<u>267,763</u>	<u>207,043</u>	<u>210,924</u>	<u>171,143</u>
Equity (Deficit)					
Fund balance reserved for:					
Capital Projects	-	17,617	47	-	13,830
Debt service	724,649	-	647,325	734,061	-
TABOR	111,657	56,655	91,394	138,598	59,416
Fund balance (deficit) unreserved:					
Undesignated fund balance (deficit)	209,055	(258,478)	(145,714)	1,284,681	56,755
Total equity (deficit)	<u>1,045,361</u>	<u>(184,206)</u>	<u>593,052</u>	<u>2,157,340</u>	<u>130,001</u>
Total Liabilities, Equity (Deficit)	<u>\$ 1,228,962</u>	<u>\$ 83,557</u>	<u>\$ 800,095</u>	<u>\$ 2,368,264</u>	<u>\$ 301,144</u>
Amounts reported for component unit activities in the statement of net assets are different because:					
Component units total equity	\$ 1,045,361	\$ (184,206)	\$ 593,052	\$ 2,157,340	\$ 130,001
Add: Capital Assets	5,806,856	55,776	5,359,387	5,237,465	270,238
Less: Accumulated depreciation	(1,028,530)	(13,395)	(599,638)	(526,804)	(2,898)
Long-term liabilities	(7,310,932)	(51,000)	(5,643,627)	(6,269,339)	(116,889)
Accrued interest	(15,781)	(140)	(131,314)	(31,301)	(174)
Net assets of component unit activities	<u>\$(1,503,026)</u>	<u>\$ (192,965)</u>	<u>\$ (422,140)</u>	<u>\$ 567,361</u>	<u>\$ 280,278</u>

Jefferson Academy	Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Woodrow Wilson Academy	Total Charter Schools
\$ 600	\$ 700	\$ 500	\$ -	\$ 468	-	\$ -	\$ 500	\$ 55,091
567,355	466,295	886,528	9,057	48,454	\$ 138,868	25,220	705,614	5,428,810
354,761	1,175,070	594,887	7,225	265,548	160,119	-	881,726	5,578,053
-	-	3,252	-	-	-	156,320	-	159,950
-	-	-	-	-	-	-	-	9,185
<u>\$ 922,716</u>	<u>\$ 1,642,065</u>	<u>\$ 1,485,167</u>	<u>\$ 16,282</u>	<u>\$ 314,470</u>	<u>\$ 298,987</u>	<u>\$ 181,540</u>	<u>\$ 1,587,840</u>	<u>\$ 11,231,089</u>

\$ 26,297	\$ 49,763	\$ 38,681	\$ 3,975	\$ 21,658	\$ 21,738	\$ 5,239	\$ 15,344	\$ 319,528
260,984	134,408	123,099	-	58,991	99,877	45,337	59,905	1,480,557
-	-	-	-	-	-	236,484	-	238,252
-	14,912	7,200	-	-	50,462	-	5,596	282,087
<u>287,281</u>	<u>199,083</u>	<u>168,980</u>	<u>3,975</u>	<u>80,649</u>	<u>172,077</u>	<u>287,060</u>	<u>80,845</u>	<u>2,320,424</u>

282,939	-	-	-	29,872	-	-	-	344,305
398,297	369,535	787,309	-	-	-	-	604,481	4,265,657
164,058	96,760	99,219	9,057	48,454	138,868	25,220	101,133	1,140,489
(209,859)	976,687	429,659	3,250	155,495	(11,958)	(130,740)	801,381	3,160,214
<u>635,435</u>	<u>1,442,982</u>	<u>1,316,187</u>	<u>12,307</u>	<u>233,821</u>	<u>126,910</u>	<u>(105,520)</u>	<u>1,506,995</u>	<u>8,910,665</u>
<u>\$ 922,716</u>	<u>\$ 1,642,065</u>	<u>\$ 1,485,167</u>	<u>\$ 16,282</u>	<u>\$ 314,470</u>	<u>\$ 298,987</u>	<u>\$ 181,540</u>	<u>\$ 1,587,840</u>	<u>\$ 11,231,089</u>

\$ 635,435	\$ 1,442,982	\$ 1,316,187	\$ 12,307	\$ 233,821	\$ 126,910	\$ (105,520)	\$ 1,506,995	\$ 8,910,665
3,298,406	3,232,679	5,565,822	-	151,070	3,455,923	6,427	5,847,193	38,287,242
(722,241)	(646,978)	(572,151)	-	-	(663,754)	(4,499)	(259,694)	(5,040,582)
(2,855,756)	(2,122,453)	(6,302,402)	-	(105,660)	(2,980,212)	-	(6,137,664)	(39,895,934)
(7,210)	(33,513)	(67,531)	-	(139)	(86,391)	-	(24,689)	(398,183)
<u>\$ 348,634</u>	<u>\$ 1,872,717</u>	<u>\$ (60,075)</u>	<u>\$ 12,307</u>	<u>\$ 279,092</u>	<u>\$ (147,524)</u>	<u>\$ (103,592)</u>	<u>\$ 932,141</u>	<u>\$ 1,863,208</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, 2008

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Revenues:					
Intergovernmental	\$ 3,414,293	\$ 1,304,459	\$ 2,115,109	\$ 4,139,277	\$ 1,250,363
Other revenue	308,098	575,071	693,079	487,085	592,662
Total revenues	<u>3,722,391</u>	<u>1,879,530</u>	<u>2,808,188</u>	<u>4,626,362</u>	<u>1,843,025</u>
Expenditures:					
Current:					
Salaries and benefits	2,283,669	1,441,155	1,524,988	2,491,062	1,142,402
Purchased services	696,877	465,688	545,868	1,027,836	541,305
Materials and supplies	210,660	80,117	212,009	269,413	49,173
Capital outlay	-	36,042	267,974	45	122,284
Debt service	576,918	-	619,401	529,957	31,689
Total other instructional programs	<u>3,768,124</u>	<u>2,023,002</u>	<u>3,170,240</u>	<u>4,318,313</u>	<u>1,886,853</u>
Excess of revenues over (under) expenditures	(45,733)	(143,472)	(362,052)	308,049	(43,828)
Other Financing Sources (uses):					
Other financing sources - capital leases	-	51,000	265,000	-	137,500
Total other financing sources (uses)	<u>-</u>	<u>51,000</u>	<u>265,000</u>	<u>-</u>	<u>137,500</u>
Excess of Revenues and other Financing Sources Over (Under) Expenditures	(45,733)	(92,472)	(97,052)	308,049	93,672
Fund balance (deficit) - July 1, 2007	<u>1,091,094</u>	<u>(91,734)</u>	<u>690,104</u>	<u>1,849,291</u>	<u>36,329</u>
Fund balance (deficit) - June 30, 2008	<u>\$ 1,045,361</u>	<u>\$ (184,206)</u>	<u>\$ 593,052</u>	<u>\$ 2,157,340</u>	<u>\$ 130,001</u>
Amounts reported for component unit activities in the statement of activities are different because:					
Excess of Revenues and other Financing Sources Over (Under) Expenditures	\$ (45,733)	\$ (92,472)	\$ (97,052)	\$ 308,049	\$ 93,672
Less: Depreciation expense	(177,281)	(1,587)	(117,874)	(166,531)	(2,898)
Loss on disposal of assets	(1,091)	-	-	-	-
Other sources - debt and amortization of issuance costs	(11,046)	(51,000)	(291,061)	(40,410)	(137,500)
Change in accrued interest	237	(140)	1,544	406	(174)
Add: Net capital outlay asset additions	-	32,750	267,974	-	226,766
Principal payment on long-term liabilities	190,000	-	263,228	150,000	20,611
Change in net assets of component unit activities	<u>\$ (44,914)</u>	<u>\$ (112,449)</u>	<u>\$ 26,759</u>	<u>\$ 251,514</u>	<u>\$ 200,477</u>

Jefferson Academy	Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Woodrow Wilson Academy	Total Charter Schools
\$ 5,234,120	\$ 3,082,358	\$ 2,461,510	\$ 296,477	\$ 1,499,823	\$ 1,913,101	\$ 265,197	\$ 3,138,367	\$ 30,114,454
244,785	160,890	882,023	6,919	1,000	622,014	618,528	240,316	5,432,470
<u>5,478,905</u>	<u>3,243,248</u>	<u>3,343,533</u>	<u>303,396</u>	<u>1,500,823</u>	<u>2,535,115</u>	<u>883,725</u>	<u>3,378,683</u>	<u>35,546,924</u>
3,870,097	2,219,071	1,880,496	181,723	645,962	1,485,920	695,318	1,940,523	21,802,386
1,134,163	796,669	534,342	84,759	522,355	667,719	257,798	623,799	7,899,178
317,348	194,524	126,260	1,488	62,843	97,374	25,988	215,482	1,862,679
7,675	19,928	98,551	20,119	117,153	2,184,749	-	7,433	2,881,953
236,980	188,515	521,365	-	26,353	202,227	-	418,214	3,351,619
<u>5,566,263</u>	<u>3,418,707</u>	<u>3,161,014</u>	<u>288,089</u>	<u>1,374,666</u>	<u>4,637,989</u>	<u>979,104</u>	<u>3,205,451</u>	<u>37,797,815</u>
(87,358)	(175,459)	182,519	15,307	126,157	(2,102,874)	(95,379)	173,232	(2,250,891)
-	-	-	-	115,320	2,222,758	-	-	2,791,578
-	-	-	-	115,320	2,222,758	-	-	2,791,578
(87,358)	(175,459)	182,519	15,307	241,477	119,884	(95,379)	173,232	540,687
722,793	1,618,441	1,133,668	(3,000)	(7,656)	7,026	(10,141)	1,333,763	8,369,978
<u>\$ 635,435</u>	<u>\$ 1,442,982</u>	<u>\$ 1,316,187</u>	<u>\$ 12,307</u>	<u>\$ 233,821</u>	<u>\$ 126,910</u>	<u>\$ (105,520)</u>	<u>\$ 1,506,995</u>	<u>\$ 8,910,665</u>
\$ (87,358)	\$ (175,459)	\$ 182,519	\$ 15,307	\$ 241,477	\$ 119,884	\$ (95,379)	\$ 173,232	\$ 540,687
(111,902)	(125,325)	(112,551)	-	-	(111,917)	(1,858)	(259,694)	(1,189,418)
(5,271)	-	(12,620)	-	-	-	(1,831)	-	(20,813)
(7,170)	(5,419)	(40,271)	-	(115,320)	(2,222,758)	-	2,136	(2,919,819)
115	992	1,030	-	(139)	(78,989)	-	325	(74,793)
7,675	-	84,702	-	151,070	2,184,749	-	10,960	2,966,646
60,000	85,000	110,000	-	9,660	111,762	-	120,000	1,120,261
<u>\$ (143,911)</u>	<u>\$ (220,211)</u>	<u>\$ 212,809</u>	<u>\$ 15,307</u>	<u>\$ 286,748</u>	<u>\$ 2,731</u>	<u>\$ (99,068)</u>	<u>\$ 46,959</u>	<u>\$ 422,751</u>



Statistical Section

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.	100-107
Revenue Capacity These schedules contain information to help the reader assess the District's property tax revenue.	108-113
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.	114-119
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.	120-121
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.	122-127

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB 34 in fiscal year 2001; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 166,108,791	\$ 192,295,707	\$ 228,673,057	\$ 253,475,823
Restricted	160,511,006	117,705,895	116,678,582	103,913,984
Unrestricted	(41,998,453)	(25,682,188)	(36,083,924)	(11,550,151)
Total governmental activities net assets	<u>\$ 284,621,344</u>	<u>\$ 284,319,414</u>	<u>\$ 309,267,715</u>	<u>\$ 345,839,656</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 4,056,887	\$ 3,440,762	\$ 3,258,516	\$ 3,399,394
Restricted	768,540	754,406	707,591	695,777
Unrestricted	(424,161)	1,522,123	3,052,250	3,175,818
Total business-type activities net assets	<u>\$ 4,401,266</u>	<u>\$ 5,717,291</u>	<u>\$ 7,018,357</u>	<u>\$ 7,270,989</u>
Primary government				
Invested in capital assets, net of related debt	\$ 170,165,678	\$ 195,736,469	\$ 231,931,573	\$ 256,875,217
Restricted	161,279,546	118,460,301	117,386,173	104,609,761
Unrestricted	(42,422,614)	(24,160,065)	(33,031,674)	(8,374,333)
Total primary government net assets	<u>\$ 289,022,610</u>	<u>\$ 290,036,705</u>	<u>\$ 316,286,072</u>	<u>\$ 353,110,645</u>

Fiscal Year

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

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

	Fiscal Year			
	2001	2002	2003	2004
Expenses				
Governmental activities:				
Direct instruction	\$ 372,638,289	\$ 383,676,598	\$ 403,856,718	\$ 393,967,062
Indirect instruction	122,685,874	118,481,544	110,773,132	119,072,440
Transportation	16,156,989	15,166,425	16,578,118	16,503,065
Custodial services	19,241,844	20,704,710	22,772,963	22,871,857
Field services	16,317,937	18,778,279	18,656,531	19,278,349
Telecommunications, networking and utilities	15,812,143	14,938,323	15,635,459	15,351,982
Support services	16,041,700	18,002,476	16,671,745	17,279,408
General administration	3,533,062	4,193,120	3,191,935	2,146,565
District-wide	7,714,172	7,178,389	4,191,780	3,659,049
Interest expense, unallocated	33,050,542	33,904,182	29,200,913	28,086,956
Total governmental activities expenses	623,192,552	635,024,046	641,529,294	638,216,733
Business-type activities				
Food services	19,029,962	18,630,611	19,107,187	19,804,428
Child care	9,223,485	9,711,619	9,743,957	9,691,422
Property management	783,619	761,767	738,914	1,307,756
Other enterprise	993,225	1,143,019	1,028,664	-
Total business-type activities expenses	30,030,291	30,247,016	30,618,722	30,803,606
Total primary government expenses	\$ 653,222,843	\$ 665,271,062	\$ 672,148,016	\$ 669,020,339
Program Revenues				
Governmental activities:				
Charges for services:				
Direct instruction	\$ 2,832,015	\$ 2,983,826	\$ 3,446,024	\$ 3,525,071
Indirect instruction	29,520,796	31,103,268	34,940,446	37,296,822
Transportation	2,000,413	2,107,646	1,326,401	1,633,996
Field services	3,277,296	3,452,977	3,889,617	3,685,314
District-wide	5,280,052	5,563,091	5,263,916	3,883,322
Operating grants and contributions:				
Direct instruction	32,773,074	38,961,292	38,735,403	39,949,569
Indirect instruction	2,670,182	2,856,317	5,158,382	5,453,930
Transportation	3,649,259	4,133,412	4,110,010	4,240,861
Total governmental activities program revenues	82,003,087	91,161,829	96,870,199	99,668,885
Business-type activities				
Charges for services:				
Food services	13,920,270	13,445,517	13,413,970	13,063,321
Child care	7,538,808	7,724,631	8,009,184	8,195,872
Property management	1,012,596	1,003,288	994,532	1,836,380
Other enterprise	1,512,918	1,503,601	1,107,821	-
Operating grants and contributions:				
Food services	4,255,026	4,808,590	5,212,753	5,809,925
Capital grants and contributions:				
Food services	356,400	957,594	1,222,500	1,257,672
Other enterprise	-	-	15,000	-
Total business-type activities program revenues	28,596,018	29,443,221	29,975,760	30,163,170
Total primary government program revenues	\$ 110,599,105	\$ 120,605,050	\$ 126,845,959	\$ 129,832,055
Net (Expense)/Revenue				
Governmental activities	\$ (541,189,465)	\$ (543,862,217)	\$ (544,659,095)	\$ (538,547,848)
Business-type activities	(1,434,273)	(803,795)	(642,962)	(640,436)
Total primary government net expense	\$ (542,623,738)	\$ (544,666,012)	\$ (545,302,057)	\$ (539,188,284)
General revenues and other changes in net assets				
Taxes				
Local property taxes	\$ 251,029,568	\$ 262,928,865	\$ 271,609,501	\$ 274,625,109
Automotive ownership taxes	31,070,522	32,091,124	31,043,970	30,794,472
School finance act	247,112,253	244,648,985	262,962,410	268,567,509
Earnings on investments	10,752,832	5,972,439	3,089,821	2,023,751
Special Item	-	-	-	-
Transfers (a)	(14,023,264)	(2,081,126)	(1,934,501)	(891,052)
Total governmental activities	525,941,911	543,560,287	566,771,201	575,119,789
Business-type activities:				
Earnings on investments	-	38,694	9,527	2,016
Transfers	1,663,457	2,081,126	1,934,501	891,052
Total business-type activities	1,663,457	2,119,820	1,944,028	893,068
Total primary government	\$ 527,605,368	\$ 545,680,107	\$ 568,715,229	\$ 576,012,857
Change in Net Assets				
Governmental activities	\$ (15,247,554)	\$ (301,930)	\$ 22,112,106	\$ 36,571,941
Business-type activities	229,184	1,316,025	1,301,066	252,632
Total primary government	\$ (15,018,370)	\$ 1,014,095	\$ 23,413,172	\$ 36,824,573

a. Transfers in 2001 include transfers to component units

Fiscal Year

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	389,330,732	\$ 420,089,848	\$ 436,859,865	\$ 441,488,697
	120,382,252	126,074,406	124,087,808	125,534,158
	17,269,372	18,779,643	19,993,110	20,201,331
	23,354,067	24,209,356	25,002,154	26,277,156
	18,665,080	21,508,695	20,441,219	21,725,526
	16,500,402	19,653,828	17,523,410	18,945,386
	18,753,372	18,789,170	18,212,328	21,950,387
	2,859,645	2,894,361	3,127,500	2,575,859
	2,374,468	1,548,547	1,624,570	2,296,287
	31,651,073	36,819,243	37,525,398	36,810,282
	<u>641,140,463</u>	<u>690,367,097</u>	<u>704,397,362</u>	<u>717,805,069</u>
	19,130,176	19,750,220	21,215,750	22,169,060
	9,899,843	11,039,953	12,138,653	13,611,593
	1,466,991	1,125,385	1,319,568	1,356,529
	-	-	-	-
	<u>30,497,010</u>	<u>31,915,558</u>	<u>34,673,971</u>	<u>37,137,182</u>
\$	<u>671,637,473</u>	<u>722,282,655</u>	<u>739,071,333</u>	<u>754,942,251</u>
\$	4,366,210	\$ 4,329,271	\$ 4,847,435	\$ 4,149,185
	32,540,920	29,837,974	30,532,826	31,273,508
	229,677	502,601	435,245	446,566
	3,258,778	2,292,589	3,255,854	11,994,896
	2,744,283	3,537,713	1,993,172	1,969,309
	37,005,381	41,131,579	45,512,301	43,214,748
	6,038,113	7,020,660	7,729,655	7,350,301
	4,393,792	4,234,626	4,081,376	4,302,427
	<u>90,577,154</u>	<u>92,887,013</u>	<u>98,387,864</u>	<u>104,700,940</u>
	12,705,589	12,906,439	13,222,800	13,233,844
	8,383,059	8,669,515	9,747,943	11,285,473
	1,802,491	1,906,311	1,937,185	1,921,999
	-	-	-	-
	6,360,540	7,092,392	7,414,794	7,758,304
	1,011,907	1,405,393	1,281,906	1,981,771
	-	-	-	-
	<u>30,263,586</u>	<u>31,980,050</u>	<u>33,604,628</u>	<u>36,181,391</u>
\$	<u>120,840,740</u>	<u>124,867,063</u>	<u>131,992,492</u>	<u>140,882,331</u>
\$	(550,563,309)	\$ (597,480,084)	\$ (606,009,498)	\$ (613,104,129)
	(233,424)	64,492	(1,069,343)	(955,791)
\$	<u>(550,796,733)</u>	<u>(597,415,592)</u>	<u>(607,078,841)</u>	<u>(614,059,920)</u>
\$	319,150,542	\$ 321,679,910	\$ 323,604,561	\$ 351,299,729
	30,817,445	30,814,386	29,414,761	28,858,670
	273,963,074	281,173,393	289,340,251	293,763,172
	9,924,454	13,237,589	16,617,507	14,824,519
	-	-	(36,049,258)	(2,620,742)
	(1,733,944)	(2,333,020)	(2,717,145)	(2,830,012)
	<u>632,121,571</u>	<u>644,572,258</u>	<u>620,210,677</u>	<u>683,295,336</u>
	44,723	184,004	322,944	386,920
	1,733,944	2,333,020	2,717,145	2,830,012
	1,778,667	2,517,024	3,040,089	3,216,932
\$	<u>633,900,238</u>	<u>647,089,282</u>	<u>623,250,766</u>	<u>686,512,268</u>
\$	81,558,262	\$ 47,092,174	\$ 14,201,179	\$ 70,191,207
	1,545,243	2,581,516	1,970,746	2,261,141
\$	<u>83,103,505</u>	<u>49,673,690</u>	<u>16,171,925</u>	<u>72,452,348</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)

	Fiscal Year			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General fund				
Reserved	\$ 21,608,077	\$ 15,801,521	\$ 31,643,631	\$ 28,570,597
Unreserved	<u>(47,107,707)</u>	<u>(20,345,026)</u>	<u>(39,309,021)</u>	<u>(30,852,000)</u>
Total general fund	<u>\$ (25,499,630)</u>	<u>\$ (4,543,505)</u>	<u>\$ (7,665,390)</u>	<u>\$ (2,281,403)</u>
All other governmental funds				
Reserved	\$ 321,338,500	\$ 213,775,190	\$ 157,990,772	\$ 113,334,703
Unreserved, reported in:				
Special revenue funds	<u>7,293,290</u>	<u>10,122,621</u>	<u>6,913,002</u>	<u>6,931,972</u>
Total all other governmental funds	<u>\$ 328,631,790</u>	<u>\$ 223,897,811</u>	<u>\$ 164,903,774</u>	<u>\$ 120,266,675</u>

Fiscal Year

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 21,624,045	\$ 17,845,224	\$ 20,017,939	\$ 21,464,542	\$ 22,281,498	\$ 24,531,395
<u>(38,036,687)</u>	<u>(32,447,844)</u>	<u>22,912,895</u>	<u>50,631,896</u>	<u>83,291,265</u>	<u>85,945,926</u>
<u>\$ (16,412,642)</u>	<u>\$ (14,602,620)</u>	<u>\$ 42,930,834</u>	<u>\$ 72,096,438</u>	<u>\$ 105,572,763</u>	<u>\$ 110,477,321</u>
\$ 106,172,193	\$ 92,998,438	\$ 359,255,671	\$ 297,538,614	\$ 270,407,102	\$ 194,021,205
<u>6,367,463</u>	<u>6,005,720</u>	<u>6,625,601</u>	<u>6,730,727</u>	<u>6,881,402</u>	<u>6,574,094</u>
<u>\$ 112,539,656</u>	<u>\$ 99,004,158</u>	<u>\$ 365,881,272</u>	<u>\$ 304,269,341</u>	<u>\$ 277,288,504</u>	<u>\$ 200,595,299</u>

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

	Fiscal Year		
	<u>1999</u>	<u>2000</u>	<u>2001</u>
Revenues			
Taxes	\$ 241,404,301	\$ 275,576,856	\$ 280,398,987
Intergovernmental	265,080,191	274,606,540	283,309,206
Interest	18,600,688	15,657,164	12,480,360
Other	35,199,572	39,288,046	42,606,199
Total revenues	<u>560,284,752</u>	<u>605,128,606</u>	<u>618,794,752</u>
Expenditures			
Direct instruction	338,924,887	343,671,305	319,062,589
Indirect instruction	34,261,626	40,138,074	104,332,068
Transportation	-	-	14,480,978
Custodial services	-	-	19,012,889
Field services	54,075,753	53,628,198	14,915,622
Telecommunications, networking and utilities	-	-	15,282,320
Support services	14,585,708	16,392,934	15,455,206
General administration	2,248,632	2,284,795	3,493,917
Districtwide	8,653,163	12,501,634	2,396,936
Capital outlay	33,289,358	138,980,598	87,807,935
Debt service			
Principal	28,845,000	30,590,000	31,975,000
Interest	39,000,000	34,153,407	32,740,950
Total expenditures	<u>553,884,127</u>	<u>672,340,945</u>	<u>660,956,410</u>
Excess of revenues over (under) expenditures	6,400,625	(67,212,339)	(42,161,658)
Other financing sources (uses)			
Certificates of participation proceeds	20,240,575	-	-
Capital lease proceeds	-	-	-
Estimated loss in market value of investments	-	-	-
Arbitrage expenses	-	-	-
General obligation bond proceeds	-	-	-
Payment to refunded escrow agent	(20,240,575)	-	-
Premium from bonds	-	-	-
Transfers out	(27,692,911)	(34,513,271)	(38,405,083)
Transfers in	17,348,363	17,947,756	18,450,819
Total other financing sources (uses)	<u>(10,344,548)</u>	<u>(16,565,515)</u>	<u>(19,954,264)</u>
Special Item: Supplemental Retirement Contribution	-	-	-
Net change in fund balances	<u>\$ (3,943,923)</u>	<u>\$ (83,777,854)</u>	<u>\$ (62,115,922)</u>
Debt service as a percentage of noncapital expenditures	15.4%	12.3%	11.5%

a) Prior to 2001, field services amounts included transportation, custodial services, telecommunications, networking and utilities.

Fiscal Year

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 296,701,600	\$ 299,934,107	\$ 304,409,919	\$ 351,941,711	\$ 352,032,843	\$ 356,019,175	\$ 376,039,826
290,600,006	310,966,205	318,211,869	321,400,360	333,560,257	346,663,583	348,630,647
5,800,179	3,089,821	2,023,751	9,924,454	13,237,590	16,617,508	14,824,519
42,320,764	44,976,788	46,339,211	47,875,643	46,436,068	41,217,685	43,162,248
<u>635,422,549</u>	<u>658,966,921</u>	<u>670,984,750</u>	<u>731,142,168</u>	<u>745,266,758</u>	<u>760,517,951</u>	<u>782,657,240</u>
335,287,629	362,594,502	363,285,730	358,618,075	377,762,106	392,101,766	410,321,635
112,558,563	118,402,775	112,680,365	115,402,442	120,459,541	119,231,799	128,922,159
15,081,315	16,461,189	16,513,997	17,027,582	18,502,815	18,898,149	21,046,842
20,678,375	22,662,070	22,739,292	23,053,952	23,956,510	24,942,750	27,375,447
15,392,722	16,641,671	16,809,203	16,600,149	17,608,414	18,584,068	19,260,767
14,274,105	15,764,323	15,940,510	16,424,892	19,606,348	17,218,062	19,441,113
15,908,474	16,386,545	17,036,206	16,297,504	17,482,207	17,755,527	19,506,311
3,639,111	2,978,076	2,016,778	2,721,353	2,716,752	3,135,039	2,666,852
1,000,370	1,179,969	828,320	678,239	662,017	735,878	1,380,883
64,750,148	42,385,785	37,025,914	42,507,356	91,940,532	129,343,041	109,400,964
33,420,000	35,110,000	38,625,000	36,215,000	37,935,000	39,885,000	42,600,000
31,172,723	28,609,813	28,106,178	39,781,092	36,890,523	37,562,972	38,479,744
<u>663,163,535</u>	<u>679,176,718</u>	<u>671,607,493</u>	<u>685,327,636</u>	<u>765,522,765</u>	<u>819,394,051</u>	<u>840,402,717</u>
(27,740,986)	(20,209,797)	(622,743)	45,814,532	(20,256,007)	(58,876,100)	(57,745,477)
-	11,695,000	-	-	-	38,670,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(2,802,549)	-	-	-	-	-
-	50,545,000	-	360,035,000	-	66,800,000	35,890,000
-	(57,471,000)	-	(104,775,000)	-	-	(37,762,766)
-	7,312,299	-	30,240,565	-	7,030,291	2,139,650
(30,169,184)	(33,179,406)	(32,587,152)	(27,642,544)	(30,898,320)	(30,287,445)	(33,097,312)
18,657,058	19,416,000	21,484,419	20,738,015	18,708,000	19,208,000	21,408,000
<u>(11,512,126)</u>	<u>(4,484,656)</u>	<u>(11,102,733)</u>	<u>278,596,036</u>	<u>(12,190,320)</u>	<u>101,420,846</u>	<u>(11,422,428)</u>
-	-	-	-	-	(36,049,258)	(2,620,742)
<u>\$ (39,253,112)</u>	<u>\$ (24,694,453)</u>	<u>\$ (11,725,476)</u>	<u>\$ 324,410,568</u>	<u>\$ (32,446,327)</u>	<u>\$ 6,495,488</u>	<u>\$ (71,788,647)</u>
11.5%	10.0%	10.5%	11.8%	11.1%	11.1%	11.3%

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

Fiscal Year Ended June 30,	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Agriculture Property (1)	Natural Resources (1)	Public Utilities (1)
1999	2,526,738	1,172,832	376,061	13,762	5,247	169,051
2000	2,868,753	1,351,348	396,134	16,206	5,775	193,291
2001	2,934,559	1,410,795	408,361	17,089	5,664	201,555
2002	3,548,445	1,636,541	471,096	21,551	5,934	215,468
2003	3,610,972	1,633,992	470,016	22,025	5,998	231,254
2004	3,784,449	1,744,314	506,747	23,037	7,371	246,370
2005	3,828,912	1,750,309	496,363	24,538	6,929	221,699
2006	3,935,613	1,970,232	502,297	25,275	7,971	223,203
2007	3,989,081	1,953,258	502,370	26,349	8,503	230,513
2008	4,270,101	2,174,353	564,280	30,685	8,986	242,326

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>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>
4,263,691	51.33	30,513,099	13.97
4,831,507	51.76	34,807,819	13.88
4,978,023	50.87	35,640,463	13.97
5,899,035	45.20	45,361,477	13.00
5,974,257	45.39	46,108,599	12.96
6,312,288	43.85	54,763,946	11.53
6,328,750	51.10	55,709,328	11.36
6,664,591	48.34	57,874,509	11.52
6,710,074	48.48	58,481,141	11.48
7,290,731	47.50	62,853,282	11.60



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
1999	37.03	14.30	51.33	25.98	-
2000	39.05	12.71	51.76	24.69	-
2001	38.54	12.34	50.88	24.69	-
2002	35.20	10.00	45.20	22.42	\$ 27.23
2003	35.24	10.15	45.39	23.54	27.23
2004	33.70	10.15	43.85	23.87	27.23
2005	39.85	11.25	51.10	24.35	27.24
2006	37.80	11.25	49.05	24.35	27.24
2007	37.78	11.25	49.03	24.35	27.23
2008	36.87	11.25	48.12	24.35	27.23

Source: a) - 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
Current Calendar Year and Nine Years Ago

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Adolph Coors Company	\$ 141,233,910	1	1.9 %	\$ 154,809,470	1	3.6 %
Lockheed Martin	72,612,030	2	1.0	67,426,300	2	1.6
Qwest	69,497,700	3	1.0	59,482,900	4	1.4
Colorado Mills Limited Partnership	45,116,010	4	0.6			
SP4 Westmoor LP	39,776,690	5	0.5			
Denver West Office	24,051,040	6	0.3	24,671,120	5	0.6
Belmar Mainstreet	23,650,090	7	0.3			
Southwest Denver Land LLC	22,474,710	8	0.3			
United Launch Alliance LLC	18,546,600	9	0.3			
Circle Point Properties LLC	11,192,550	10	0.2			
Public Service Company				76,641,500	2	1.8
Ball Corporation				24,517,710	6	0.6
C1 Partnership (Southwest Plaza)				19,354,100	7	0.5
Bonfils Stanton Foundation (Villa Italia)				16,852,930	8	0.4
Westminster Mall				12,068,350	9	0.3
Cobe Laboratories				11,100,990	10	0.3
Total	<u>\$ 468,151,330</u>		<u>6.4 %</u>	<u>\$ 466,925,370</u>		<u>11.1 %</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
1999	218,712,084	207,130,846	94.7	7,610,786	214,741,632	98.2
2000	248,178,309	234,489,261	94.5	11,598,393	246,087,654	99.2
2001	251,226,125	235,469,913	93.7	13,622,581	249,092,494	99.2
2002	264,210,517	250,017,865	94.6	14,358,902	264,376,767	100.0
2003	271,163,790	256,050,652	94.4	12,387,911	268,438,563	99.0
2004	276,374,730	260,315,593	94.2	13,212,875	273,528,468	99.0
2005	322,746,732	306,490,187	95.0	14,333,830	320,824,017	99.4
2006	324,930,276	308,601,938	95.0	12,188,005	320,789,943	98.8
2007	328,515,387	314,407,449	95.7	11,733,893	326,141,342	99.3
2008	349,794,736	331,199,301	94.7	15,536,805	346,736,106	99.1

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

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

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

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

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

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

Fiscal Year	Governmental Activities			Business-Type Activities
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases
1999	625,263,472	20,195,000	7,657,042	-
2000	598,709,303	16,450,000	3,658,229	\$ 1,453,289
2001	570,928,895	12,565,000	2,307,585	1,161,067
2002	541,868,460	8,535,000	1,732,500	852,101
2003	513,529,286	16,045,000	2,155,014	525,432
2004	480,392,738	10,930,000	1,422,926	180,045
2005	700,940,289	9,825,000	763,744	-
2006	664,553,474	8,700,000	362,374	-
2007	693,618,979	45,670,000	156,530	-
2008	651,955,000	43,335,000	-	-

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

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

<u>Total Primary Government</u>	<u>Ratio of Net Bonded Debt to Assessed Value (a)</u>	<u>Net Bonded Debt Per Capita</u>	<u>Population</u>
653,115,514	15.32%	1,255	520,390
620,270,821	12.84%	1,177	527,056
586,962,547	11.79%	1,109	529,401
552,988,061	9.37%	1,042	530,821
532,254,732	8.91%	994	535,658
492,925,709	7.81%	920	535,657
711,529,033	11.24%	1,328	535,657
673,615,848	10.11%	1,251	538,556
739,445,509	11.02%	1,378	536,748
695,290,000	9.54%	1,291	538,371



Debt Capacity Schedule 10
Jefferson County School District, No.R-1
Direct and Overlapping Governmental Activities Debt
As of June 30, 2008

	Estimated Outstanding General Obligation Debt	Percentage Applicable to Jefferson County School District	Estimated Amount Applicable to Jefferson County School District
<u>Direct Debt</u>			
Jefferson County School District, No. R-1	\$ 651,955,000	100%	\$ 651,955,000
<u>Overlapping Debt</u>			
Plaza Metro District No. 1	95,500,000	100%	95,500,000
Denver West Metro District	60,205,000	100%	60,205,000
South Suburban Park & Rec District	34,170,000	0.98%	334,866
Countrydale Metro District	26,950,000	100%	26,950,000
Foothills Park & Rec District	20,250,000	100%	20,250,000
North Jeffco Park & Rec District	17,425,000	100%	17,425,000
Bowles Metro District	24,415,000	49.73%	12,141,580
Evergreen Park & Rec District	14,820,000	100%	14,820,000
Mount Carbon Metro District	16,000,000	100%	16,000,000
Evergreen Fire Protection District	8,980,000	87.89%	7,892,522
Kipling Ridge Metro District	14,990,000	100.00%	14,990,000
Section 14 Metro District	9,790,000	77.22%	7,559,838
West Metro Fire Protection District	43,000,000	96.38%	41,443,400
Arista Metropolitan District	31,175,000	100%	31,175,000
Other	64,910,604	100%	64,910,604
Total Overlapping Debt	482,580,604		431,597,810
Total Direct and Overlapping Debt	\$ 1,134,535,604		\$ 1,083,552,810

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

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

	Fiscal Year			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General bonded debt outstanding				
General obligation debt	\$625,263,472	\$598,709,303	\$570,928,895	\$541,868,460
Percentage of estimated property value (a)	2.05%	1.72%	1.60%	1.19%
Per capita (b)	1,202	1,136	1,078	1,021
Less: Amounts set aside to repay general debt	(46,770,619)	(48,150,652)	(49,600,372)	(48,534,818)
Total net debt applicable to debt limit	578,492,853	550,558,651	521,328,523	493,333,642
Legal debt limit (c)	852,163,736	958,939,392	987,659,958	1,169,047,220
Legal debt margin (d)	<u>\$273,670,883</u>	<u>\$408,380,741</u>	<u>\$466,331,435</u>	<u>\$675,713,578</u>
Legal debt margin as a percentage of the debt limit	32.11%	42.59%	47.22%	57.80%

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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2,008</u>
\$513,529,286	\$480,392,738	\$700,940,289	\$664,553,474	\$693,618,979	\$651,955,000
1.11%	0.88%	1.26%	1.15%	1.19%	1.04%
959	897	1,309	1,234	1,292	1,211
(49,985,495)	(52,208,259)	(57,407,112)	(57,623,732)	(58,083,150)	(63,022,587)
463,543,791	428,184,479	643,533,177	606,929,742	635,535,829	588,932,413
1,194,896,294	1,260,603,585	1,263,992,262	1,324,813,065	1,340,113,353	1,458,146,200
\$731,352,503	\$832,419,106	\$620,459,085	\$717,883,323	\$704,577,524	\$869,213,787
61.21%	66.03%	49.09%	54.19%	52.58%	59.61%

Demographic and Economic Information Schedule 12
 Jefferson County School District, No.R-1
 Demographic and Economic Statistics
 Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1998	512,114	\$ 17,077,978	33,348	36	13.1	88,793	2.5 %
1999	520,390	15,946,311	30,643	36	13.1	88,763	2.8
2000	527,056	17,081,358	32,409	37	13.1	87,832	2.0
2001	529,401	17,946,694	33,900	41	13.1	87,240	3.2
2002	530,821	20,280,547	38,206	42	14.5	86,613	5.1
2003	535,658	21,105,997	39,402	42	14.5	85,700	5.6
2004	531,424	21,594,414	40,635	38	14.5	85,478	4.4
2005	538,556	22,547,185	41,866	38	14.5	85,083	4.2
2006	536,748	23,445,309	43,680	39	14.5	84,790	4.2
2007	538,371	24,810,381	46,084	39	14.5	86,200	3.9

Sources: Jefferson County

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

Employer	2008			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Denver Federal Center	6,200	1	2.99 %	5,000	3	2.38 %
Lockheed Martin Astronautics of Denver	5,500	2	2.65	5,500	2	2.62
Exempla Healthcare/Lutheran Medical Center	2,500	3	1.20	2,600	4	1.24
Coors Brewery Company	1,900	4	0.90	5,500	1	2.62
Gambro Companies	1,700	5	0.82	1,300	6	0.62
King Soopers	1,600	6	0.77			
CoorsTek, Inc.	1,200	7	0.58	1,000	7	0.48
Safeway	1,150	8	0.56			
National Renewable Energy Laboratory	1,100	9	0.53	960	8	0.46
Ball Corporation	1,000	10	0.48			
Rocky Flats				2,500	5	1.19
AON Innovative Solutions, Inc.				950	9	0.45
COBE Cardiovascular				750	10	0.36

Source: Jefferson Economic Council

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

Operating Information Schedule 14
Jefferson County School District, No.R-1
Full-time Equivalent District Employees by Category
Last Five Fiscal Years

Employee Category	As of June 30				
	2004	2005	2006	2007	2008
Educational services					
Chief academic officer	1	1	1	1	1
Community superintendents	7	7	6	4	4
Executive director	2	1	1	5	6
Principals	138	138	141	141	141
Assistant principals	120	118	123	128	136
Teachers	4,600	4,508	4,656	4,693	4713
Counselors	127	129	130	128	134
Library media specialists	139	128	127	118	130
Social workers	60	57	62	66	63
Secretaries	393	375	375	378	380
Campus supervisors	48	46	59	65	65
Directors/Assistant Directors	43	37	51	49	48
Physical/occupational/speech therapists	144	148	159	163	163
Psychologists	79	82	79	76	80
Nurses	28	29	28	30	32
Technicians/specialists classified	66	55	46	81	45
Childcare specialists classified	165	166	261	182	203
Managers	7	6	0	0	1
Coordinators	17	4	8	15	17
Other	39	19	19	16	7
Total educational services	6,223	6,054	6,332	6,338	6,369
Support services					
Chief financial officer	0	1	1	1	1
Chief Informational Officer	0	0	0	1	2
Executive director	7	4	11	11	9
Assistant superintendent	1	1	0	0	0
Directors/Assistant Directors	11	31	38	40	41
Supervisor	8	7	6	7	7
Manager	33	30	40	41	42
Technical specialist - administrative	58	63	60	65	65
Coordinator level/consultant	0	18	24	34	33
Technicians/specialists classified	122	156	186	159	150
Secretaries	25	32	26	19	19
Custodians	496	482	490	494	497
Trades technicians	216	214	204	209	213
Food service managers	134	132	130	128	122
Food service hourly worker	145	135	123	134	138
Security officer/alarm monitor	10	10	14	16	18
Bus drivers	229	235	212	220	227
Other	42	45	50	52	73
Total support services and human resources	1,537	1,596	1,615	1,632	1,657
Districtwide leadership					
Superintendent	1	1	1	1	1
Chief operating officer	1	1	1	1	1
Executive director	1	1	2	2	3
Administrative assistant to superintendent/BOE	0	1	0	3	5
Coordinator level/consultant	0	1	1	1	1
Manager	3	4	7	6	4
Secretaries	4	1	1	2	1
Technicians/specialists classified	1	1	3	1	0
Other	1	2	2	2	6
Total districtwide	12	13	18	17	22
Grand total	7,772	7,663	7,965	7,987	8,048

Source: Jefferson County Schools employee management analysis from the 4th quarter report.

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

Fiscal Year	Expenses (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
2003	\$ 553,610,400	86,613	\$ 6,392	8.42%	4,695	18.45	81.8 %	25.69 %
2004	544,494,799	85,700	6,353	7.77%	4,600	18.63	76.3	28.47
2005	539,480,892	85,478	6,311	-0.66%	4,508	18.96	75.0	31.04
2006	571,792,503	85,083	6,720	6.48%	4,656	18.27	75.3	33.35
2007	582,524,925	84,790	6,870	2.23%	4,693	18.07	76.1	35.54
2008	625,381,812	84,796	7,375	7.35%	4,715	17.98	*	36.02

(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 16
Jefferson County School District, No.R-1
School Building Information
Last Five Fiscal Years

	2004	2005	2006	2007	2008
Elementary schools	93	93	93	94	94
Total square feet	4,160,960	4,160,960	4,298,372	4,366,672	4,406,573
Total program capacity	41,880	41,880	41,880	42,052	43,475
Enrollment	40,060	39,123	38,806	39,023	40,532
Middle schools	19	19	19	20	20
Total square feet	1,924,789	1,924,789	2,001,718	2,125,023	2,150,314
Total program capacity	13,759	13,759	14,502	15,062	15,626
Enrollment	12,816	12,592	12,182	11,811	11,537
High schools	17	17	17	17	17
Total square feet	3,207,614	3,207,614	3,334,138	3,334,138	3,523,481
Total program capacity	24,959	24,959	25,455	26,759	27,796
Enrollment	25,199	25,282	25,293	25,042	24,623
Option schools	7	7	8	8	8
Total square feet	530,178	530,178	720,655	720,655	720,655
Enrollment	3,314	4,347	4,571	4,403	3,239
Charter schools	11	11	11	12	13
Enrollment	3,516	4,134	4,231	4,511	4,865
Districtwide facilities					
Total square feet	453,228	453,228	460,200	460,200	460,200
Support facilities					
Total square feet	419,518	419,518	419,518	419,518	419,518

Sources: Jefferson County Schools Enrollment Data
Jefferson County Schools Asset Management Plan August 2003 Update/Facilities Planning
and Design

Operating Information Schedule 17
 Jefferson County School District, No.R-1

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

Fiscal Year	Non-Degree Vocational	Bachelor's Degree	Bachelor's Degree Plus 20 semester hours (undergraduate or graduate)	Bachelor's Degree Plus 40 semester hours (undergraduate or graduate)
2004	15	772	586	1,392
2005	15	708	574	1,373
2006	17	786	566	1,566
2007	17	737	552	1,637
2008	17	755	518	1,612

Source: Jefferson County Schools human resources and budget departments.

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

Bachelor's Degree Plus 60 semester hours (30 credits must be graduate level) Must include masters degree	Bachelor's Degree Plus 75 semester hours (37.5 credits must be graduate level) Must include masters degree	Salary Ranges	Average Salary
464	2,182	27,501 to 82,002	\$ 50,100
449	2,250	27,707 to 82,617	50,800
524	2,199	28,542 to 85,106	51,500
566	2,372	31,162 to 87,659	53,100
567	2,358	32,408 to 91,165	55,400



Single Audit Reporting Section

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 auditors' 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, 2008

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**Schedule of Expenditures
of Federal Awards**

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2007 through June 30, 2008

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S Department of Agriculture</u>			
Direct:			
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2008	10.553		1,200,066
National school lunch program June 30, 2008	10.555		8,150,624
Summer food service program for children June 30, 2008	10.559		92,577
Child nutrition cluster subtotal			9,443,267
Agency subtotal			9,443,267
<u>U. S. Department of Education</u>			
Direct:			
Indian education-formula grants to LEA and tribal schools	84.060a	4060	142,941
Community Service-Title VII-A	84.184	5184	276,500
Fund for improvement of education	84.215	6215	375,869
Twenty-First century community learning	84.287	5287	1,036,946
Total direct			1,832,256
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B basic state gr	84.027	4027	15,401,565
Individuals with disabilities education act-preschool services	84.173	4173	309,188
Special education cluster subtotal			15,710,753
Adult education-state administered basic grant program	84.002	6002	220,589
Title I grants to local education agencies	84.010	4010/5010/7010	8,574,548
Migrant education – basic state grant program	84.011	4011	754,660
Neglected/delinquent - Title I-D	84.013	4013	(5,939)
Safe and drug free schools – state grants	84.186	4186	254,650
Education for homeless children and youth	84.196	5196	36,438
Public charter schools	84.282	5282	193,117
Innovative education program strategies	84.298	4298	123,844
Goals 2000-parental assistance	84.310	6310	17,300
Colorado high school online-technology literacy challenge	84.318	4318	68,283
English language acquisition, language enhancement, and acac	84.365	4365	617,802
Title II-B - Math and Science	84.366	5366	215,275
Title II, Part A: (NCLB) teacher and principal training and rec	84.367	4367/6367	2,566,686
Violence prevention	84.929	6929	31,949
Passed through Colorado Community College and Occupational: Educational Vocational and applied technology education-basic state grant: 84.048a		4048	494,157
Passed through Colorado Department of Human Services: Rehabilitation services – vocational rehabilitation grants to sta	84.126	6126	269,422

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2007 through June 30, 2008

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
Passed through.....			
National Science Foundation	47.076	7076	26,302
Agency subtotal			32,002,092
 <u>Corporation for National and Community Service</u>			
Passed through Colorado Department of Local Affairs:			
AmeriCorp	94.006	7006	67,293
 <u>Colorado Dept. of Transportation</u>			
Passed through Colorado Dept of Transportation:			
Highway Planning and Construct	20.205	7205	9,200
 <u>U.S. Department of Veteran Affairs</u>			
Learn and serve America:school and community based program	94.004	7004/8004	7,965
Total expenditures of federal awards			\$ 41,529,817



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2008

(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 \$1,936,122 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 Schedule to the District's basic financial statements of the special revenue funds for the year ended June 30, 2008.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 41,529,817
Less: USDA *	<u>(9,443,267)</u>
	<u>\$ 32,086,550</u>

Special Revenue Funds

Total expenditures from basic financial statements	\$ 60,837,625
Less: Nonfederal grants expenditures	<u>(28,751,075)</u>
	<u>\$ 32,086,550</u>

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



**Independent Auditor's 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 Public School District No. R-1
Jefferson County, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information of Jefferson County Public School District No. R-1 as of and for the year ended June 30, 2008, which collectively comprise Jefferson County Public School District No. R-1's basic financial statements and have issued our report thereon dated November 20, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jefferson County Public School District No. R-1's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County Public School District No. R-1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Clifton Anderson LLP

Greenwood Village, Colorado
November 20, 2008

**Independent Auditor's Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133**

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

Compliance

We have audited the compliance of Jefferson County Public School District No. R-1 with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Jefferson County Public School District No. R-1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jefferson County Public School District No. R-1's management. Our responsibility is to express an opinion on Jefferson County School District No. R-1's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jefferson County Public School District No. R-1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Jefferson County Public School District No. R-1's compliance with those requirements.

In our opinion, Jefferson County Public School District No. R-1 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2008-01.

Internal Control Over Compliance

The management of Jefferson County Public School District No. R-1 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jefferson County Public School District No. R-1's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2008-01 and 2008-02 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Jefferson County Public School District No. R-1's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Jefferson County Public School District No. R-1's responses and accordingly, we express no opinion on them.

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

Clifton Gundersen LLP

Greenwood Village, Colorado
November 20, 2008

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2008

PART I

- (1) Summary of Auditors' Results
- (a) The type of report issued on the basic financial statements: UNQUALIFIED OPINION
 - (b) Significant deficiencies in internal control disclosed by the audit of the basic financial statements: NONE REPORTED

Material weaknesses: NO
 - (c) Noncompliance which is material to the basic financial statements: NO
 - (d) Significant deficiencies in internal control over major programs: YES

Material weaknesses: NO
 - (e) The type of report issued on compliance for major programs: UNQUALIFIED OPINION
 - (f) Any audit findings which are required to be reported under section .510(a) of OMB Circular A-133: YES
 - (g) Major programs:

Title I Grants to Local Education Agencies	84.010
Title II Improving Teacher Quality State Grants	84.367
 - (h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,245,895
 - (i) Auditee qualified as a low-risk auditee under section .530 of OMB Circular A-133: YES
- (2) Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*: NONE REPORTED
- (3) Findings and Questioned Costs relating to Federal Awards in the Current Year: YES
- (4) There were no findings or questioned costs reported in the prior fiscal year.

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 Findings and Questioned Costs
Fiscal year ended June 30, 2008

PART III – Federal Award Findings and Questioned Costs

Pass through Colorado Department of Education

Finding 2008-1 CFDA #84.010 Title I – Part A – Grants to Local Education Agencies

Allowable Activities/Costs
Significant Deficiency and Noncompliance

Criteria: Per A-102 Common Rule, “non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.” In addition, “when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded.”

Per EDGAR Part 85 Subpart, “When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the EPLS; or
- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person.”

Condition: Contracts were not reviewed for suspension and debarment.

Effect: The District may be executing contracts with suspended or debarred parties.

Questioned Costs: None

Context: 16 contracted services transactions were selected for testing. The 16 contracted services transactions were made up of 4 contracts. Of the 4 contracts 3 were not reviewed for suspension and debarment.

Cause: Lack of internal controls surrounding the execution of contracts to be paid with federal funding.

Recommendation: Revise procurement controls to ensure contracts to be paid with federal funding are appropriately identified and that suspension and debarment is investigated for such contracts.

Managements Responses: Jeffco Purchasing became aware of non-compliance with the federal requirement of checking the excluded parties list (EPLS) prior to making an award in August 2008. District purchasing staff was informed of the requirement and provided a link for the EPLS website as well as a list of federal grant funded projects. The link has been posted on the

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Schedule of Findings and Questioned Costs Fiscal year ended June 30, 2008

Purchasing website for easy reference. Formal training was conducted at a purchasing staff meeting regarding use of the website and the process for documenting vendor eligibility prior to award of federally funded agreements. This process will be used for all federally funded transactions that come through purchasing of a value of \$25,000 or greater.

Finding 2008-2

CFDA #84.367 Title II Improving Teacher Quality State Grants

Cash Management Significant Deficiency

Criteria: A-102 Common Rule requires non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Condition: Draw requests were incorrect.

Effect: The District may draw more funding than needed to meet its cash management needs which may result in the District not reducing the time lapse between the draw downs and disbursement as required by Circular A-133.

Questioned Costs: None

Context: Three months of draws were tested. For the month of March 2008 it was noted that the draw request was incorrect and this error was not noted by the District but by the Colorado Department of Education (CDE). It was further noted that 2 revisions later of the same draw request did not correct the error.

Cause: A lack of review of draw requests, understanding and lack of supportive documentation may have contributed to this finding.

Recommendation: Review of all draw requests or draw requests prepared by those with less training and additional training of those persons preparing the draw requests.

Managements Response:

Management has provided additional training for staff on the proper way to complete the CDE draw request forms and associated documentation used to complete the draw requests.

Management is reviewing each monthly draw request to assure that the request is correct. Formulas on the excel spreadsheets used for the draw request backup will be checked each month for accuracy.



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



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	105,572,760	599,809,801	594,905,240	110,477,321
18 Risk Mgmt Sub-Fund of General Fund	0	6,459,300	6,459,300	0
19 Colorado Preschool Program Fund	0	3,030,012	3,030,012	0
Subtotal	105,572,760	609,299,112	604,394,552	110,477,321
11 Charter School Fund	8,369,973	38,338,501	37,797,813	8,910,661
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	1,744,017	34,551,657	34,938,103	1,357,570
23 Pupil Activity Special Revenue Fund	9,177,301	25,759,074	25,899,521	9,036,854
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	58,083,151	119,179,777	114,240,341	63,022,587
41 Building Fund	144,485,078	4,242,297	98,767,954	49,959,421
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	63,798,958	25,454,972	12,035,062	77,218,869
TOTALS	391,231,239	856,825,391	928,073,347	319,983,283
Proprietary				
51 Food Service Fund	7,256,812	23,087,140	22,123,412	8,220,540
50 Other Enterprise Funds	6,111,673	13,235,524	11,938,110	7,409,087
64 (63) Risk-Related Activity Fund	3,117,418	10,374,299	7,508,686	5,983,031
60,65-69 Other Internal Service Funds	17,468,353	4,120,792	2,509,354	19,079,791
TOTALS	33,954,256	50,817,754	44,079,561	40,692,449
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

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