

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



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Presented to the Board of Education

2006 – 2007 Board Members

Jane Barnes, President

Vince Chowdhury, First Vice President

Sue Marinelli, Second Vice President

Scott Benefield, Secretary

Hereford Percy, 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, 2007

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November 15, 2007

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, 2007, 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, 2007. 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, 2007 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, 2007 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.

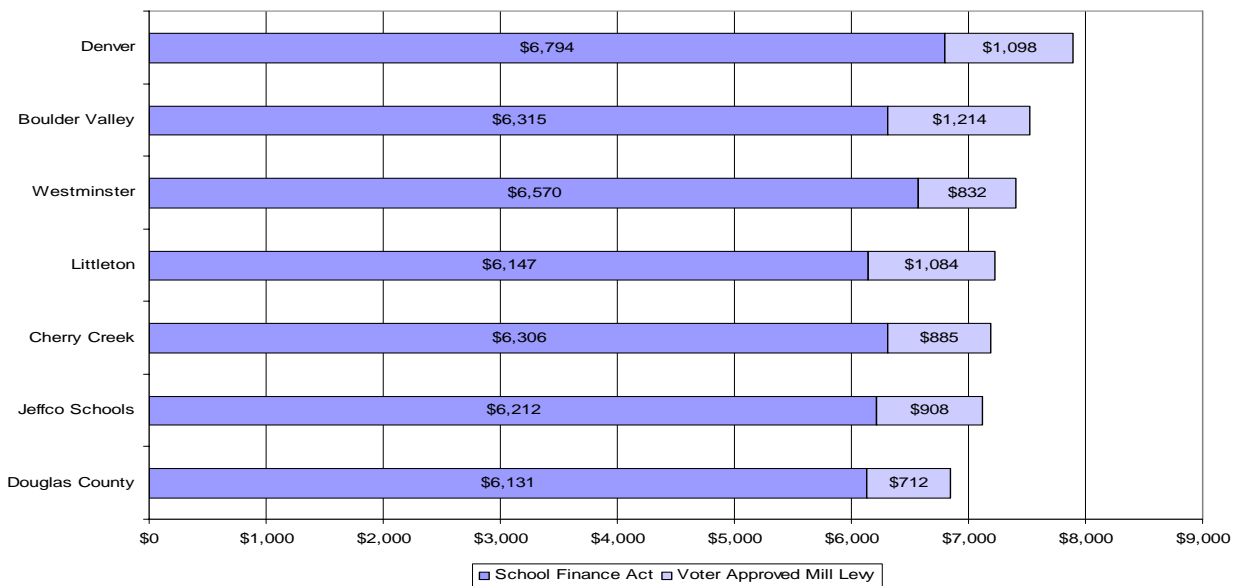
The District provides a full range of educational programs and services authorized by Colorado State statute to approximately 84,790 enrolled students. District programs and services include basic K-12 education in elementary, middle, high schools, option schools, special education, vocational education 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 Education. Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot

legally exceed the appropriated amount) is established by fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end and are generally re-established in the following year as an obligation against that year's appropriated budget. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Funding education in Colorado continues to be challenging. Some facts about Colorado compared to other states can put this challenge in perspective. Based on information from Ed Week, Quality Counts, 2003-04; Colorado spends \$551 less per pupil than the national average. Our neighboring states spend notably more per pupil than Colorado; Kansas \$844, Wyoming \$2,321, Nebraska \$1,627 and New Mexico \$178. Per the Colorado Legislative Council, 2006, Colorado ranks 48th in the nation in K-12 spending in relation to personal income and the U.S. Census Bureau, 2004-2005, reported the state as 49th in spending for teacher salaries and benefits. The District serves just over 11 percent of the K-12 students in Colorado and is projected to receive 10.6 percent of the state funding allocation for the 2006-2007 school year. The District receives less per pupil funding than Denver, Boulder Valley, Westminster, Littleton and Cherry Creek school districts.

Sample of Colorado per pupil funding comparisons by district for fiscal year 2007



Local Economy

The Colorado economy continues to strengthen as compared to previous years. The September 2007 Colorado Economic Forecast published by the Office of State Planning and Budgeting notes the following indicators of the economy and projects continued growth. Colorado employment increased 2.4 percent in 2006 and is estimated to increase at a slightly lower rate of 1.9 percent for 2007. The Colorado unemployment rate dropped to 4.3 percent in 2006 and is estimated to drop to 3.9 percent in 2007. The Denver-Boulder-Greeley consumer prices increased 3.6 percent in 2006 and are estimated to increase 2.8 percent in 2007. Colorado wage and salary income rose 7.5 percent in 2006 and is forecasted to rise 6 percent in 2007. Net immigration to the state was 49,700, a 1.9 percent increase. This is expected to grow slightly at 2 percent in 2007. Residential single-family permits dropped 15 percent in 2006 as the supply of homes outstripped demand. A drop of 4.9 percent is anticipated for 2007. 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.

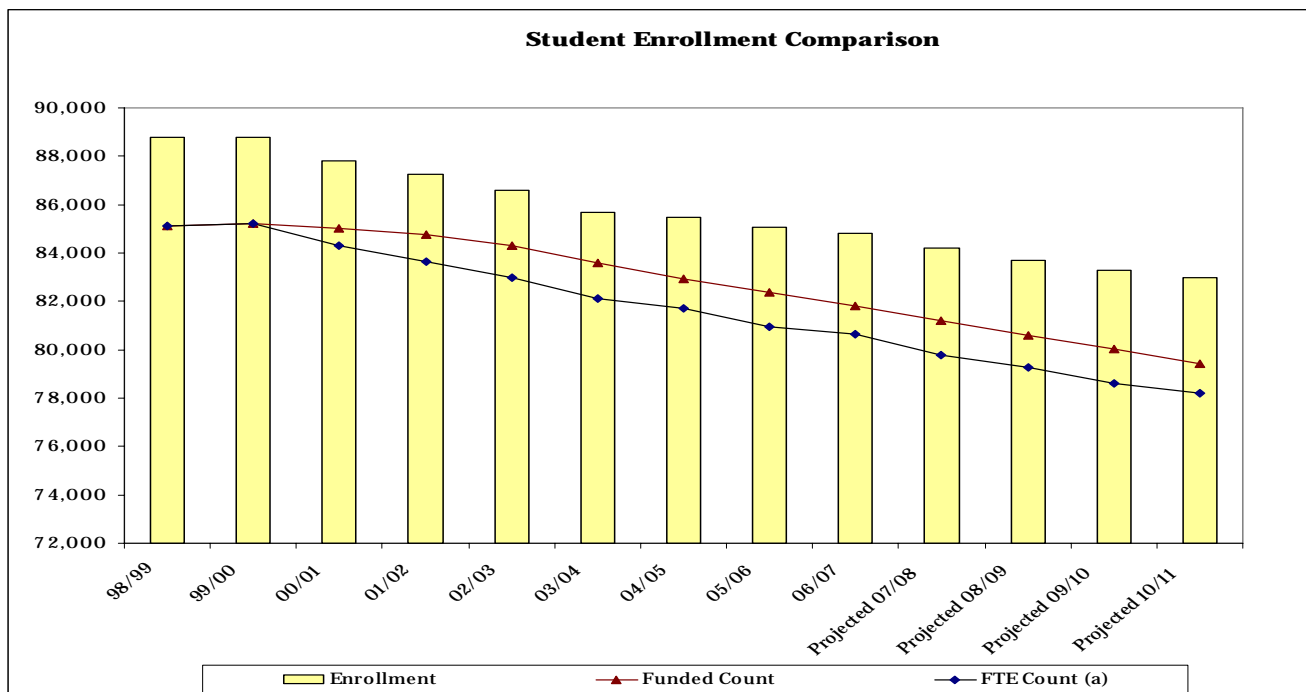
In November 2005, Colorado voters approved Referendum C allowing the state to retain all revenue collected from FY 2005/2006 through FY 2009/2010 and eliminating the TABOR refunds requirement. The referendum allocated one-third of anticipated revenue to be spent on K-12 education. Two areas that were specifically targeted were special education and the Giardino capital construction settlement. The District will not receive any funding from the Giardino construction settlement and minimal additional funding (approximately \$200,000) for special education. It is not anticipated the District will receive substantial funding in the future from Referendum C.

In 1999, the voters of Jefferson County passed a mill levy override that provides an additional \$35.8 million annually to the District. An additional \$9 million in override funds could be available to the District if student performance exceeds certain benchmarks. Although it is anticipated students scoring will increase, an increase in funding is not predicted in the 2007/2008 budget. The Board of Education has approved an election for November 2007 that will ask voters to repeal a portion of the mill levy authorization approved in 1999. This is a housekeeping action that will not have any financial impact on voters.

On November 2, 2004, Jefferson County voters approved a mill levy override of \$38.5 million and a bond (debt) increase of \$323.8 million. The District is using the mill levy increase to maintain high quality educational programs provided to each child. This includes decreasing class sizes in grades one through six, restoring safety programs and developing programs to meet new college entrance requirements. The bond funds are being spent on the 2005-2010 capital improvement program to replace some older school buildings as well as complete other much needed capital improvements.

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 areas that are growing causing a need for increased building capacities. These growth areas have been addressed in the current capital improvement program and will continue to be monitored.

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 592 students in fiscal 2007/2008 from the prior year. The decrease in enrollment will result in a decrease in funding of approximately \$3.9 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.



School Year	Actual									Projected			
	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Enrollment	88,793	88,763	87,832	87,240	86,613	85,700	85,478	85,083	84,790	84,200	83,700	83,300	83,000
FTE Count (a)	85,141	85,206	84,287	83,660	82,981	82,134	81,688	80,969	80,635	79,767	79,264	78,594	78,228
Funded Count	85,141	85,206	84,993	84,747	84,321	83,572	82,922	82,348	81,814	81,223	80,617	80,023	79,421
							(650)	(574)	(534)	(592)	(606)	(594)	(602)

(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.

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.

The mission of Jeffco Schools is: To provide a quality education that prepares all children for a successful future;

With two goals;

- All students graduate with meaningful choices.
- All employees are accountable for a high performing organization.

The strategic plan has eleven objectives aligned under the Board of Education's adopted Ends Policies. All goals, objectives and Ends Policies ultimately focus on the District's mission.

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

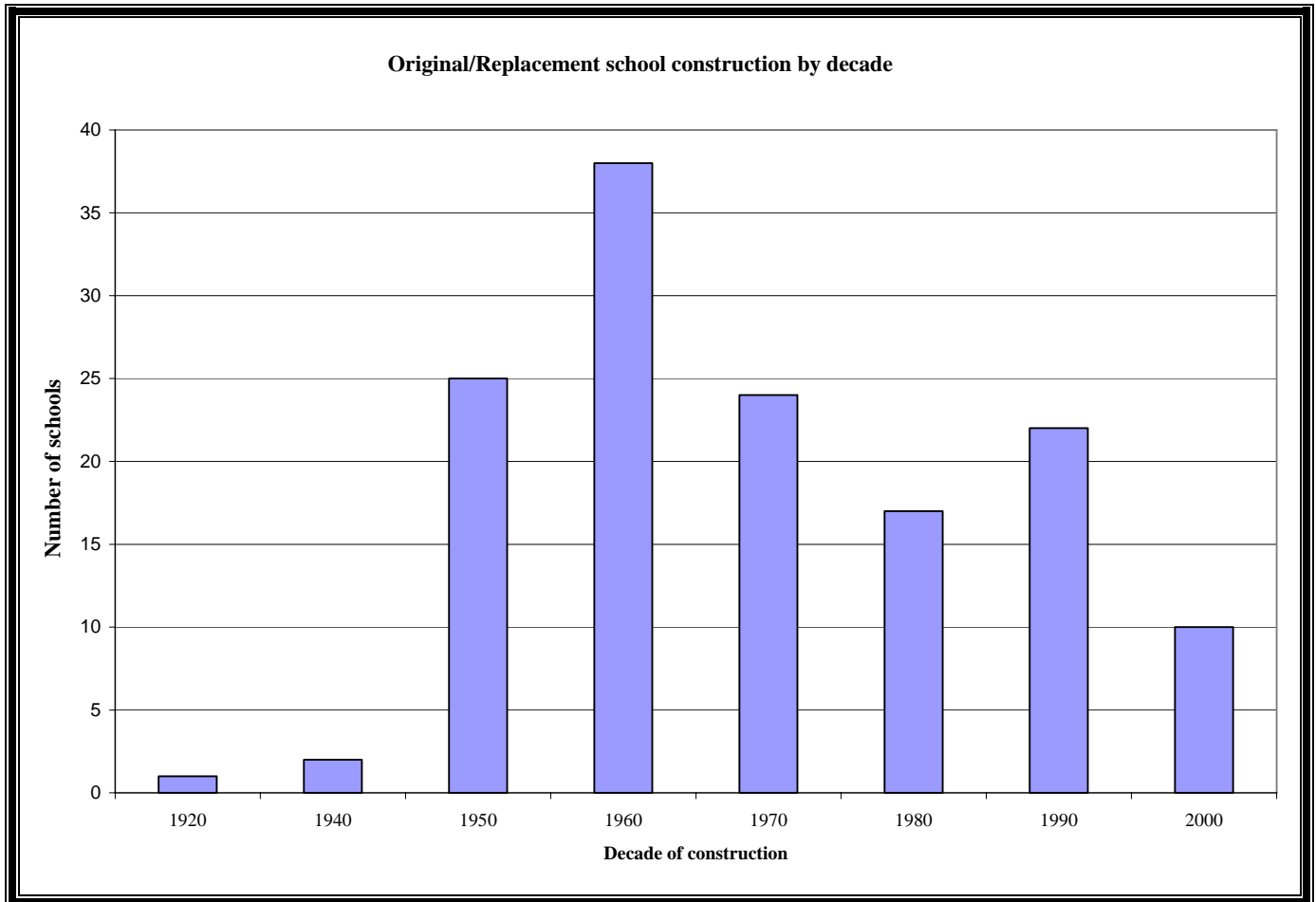
For the 2006/2007 budget development, the District implemented a process similar to the concepts described in the book The Price of Government. The Budgeting for Results approach focuses on realignment of resources to improve performance and results. The District had historically taken the prior year 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 2007/2008 Adopted Budget for details on the budget process.

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) system is also administered by the Colorado Department of Education. The SARs is a system of providing a 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).



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 third year of the 2005-2010 capital construction program. Cycle six of a total of 12 cycles began on July 1, 2007. 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

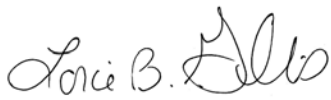
The District is continuing to invest in technology. Funding has been approved in 2007/2008 to continue the process of equalizing technology at all schools. Implementation of Jeffco Blackboard will occur in 2007. Blackboard provides instructional staff and students an electronic environment to collaborate, engage in learning opportunities, and access curriculum. The Instruction/Intervention Assessment Project (I²a) will provide schools with tools and support to increase student achievement in the areas of math and reading. The I²a initiative is a three-year implementation culminating in educators effectively implementing core curriculum, plan instruction, and provide interventions using ongoing assessment information from other sources of data.

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, 2006. This was the twenty-fourth 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, 2006

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.



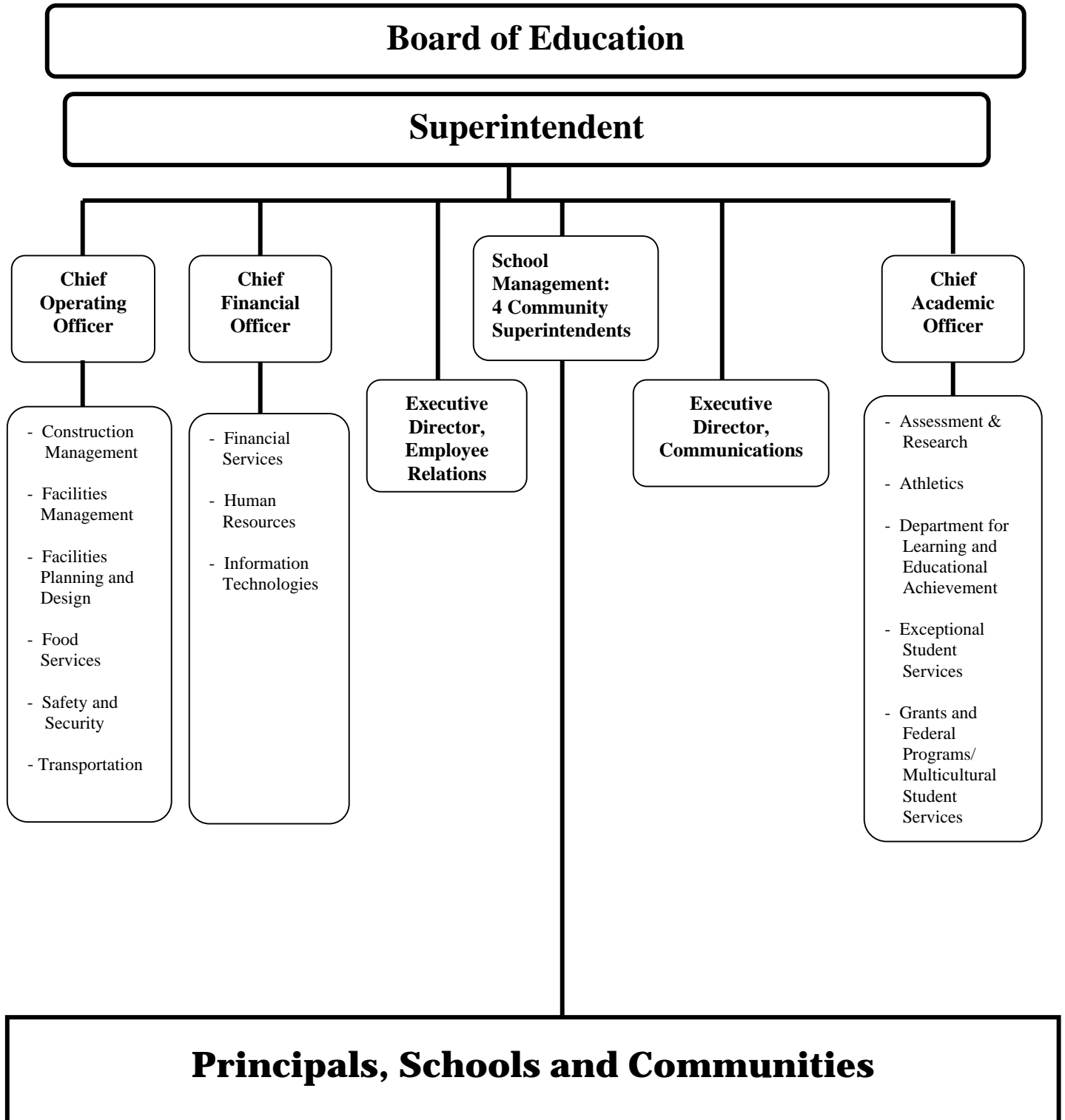
A handwritten signature in black ink, appearing to read "Thomas J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

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..... Interim Chief Operating Officer

Lynn Setzer Executive Director – Communications

Marcia Anker Community Superintendent

Irene Griego Community Superintendent

Peg Kastberg Community Superintendent

Rick Myles Community Superintendent

Jean Kelley President, JCAA

Allen Taggart Attorney



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, 2007, 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, 2007, 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 15, 2007 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.

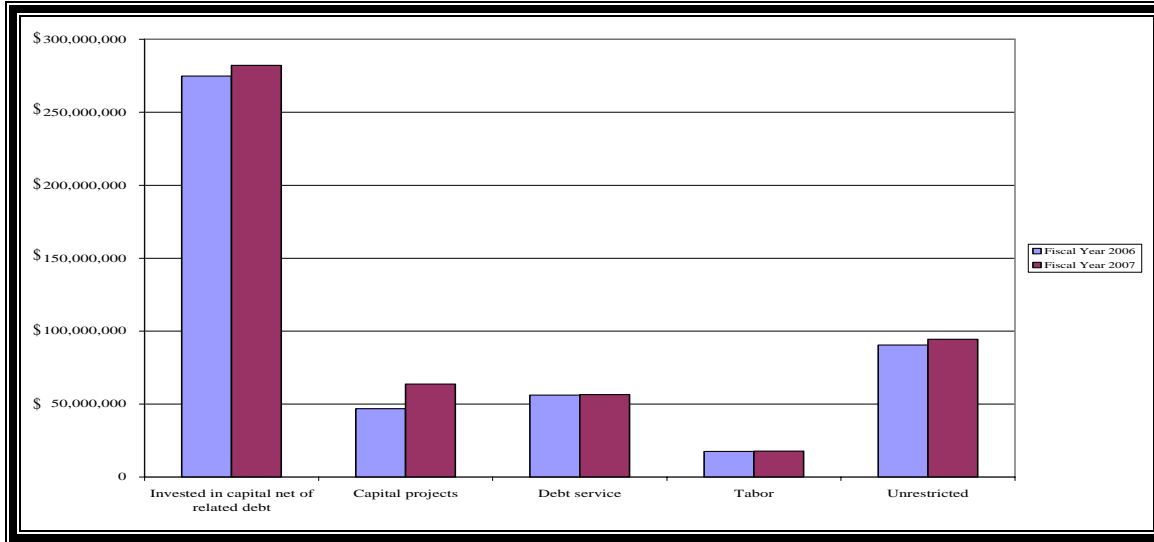
The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Henderson LLP

Greenwood Village, Colorado
November 15, 2007

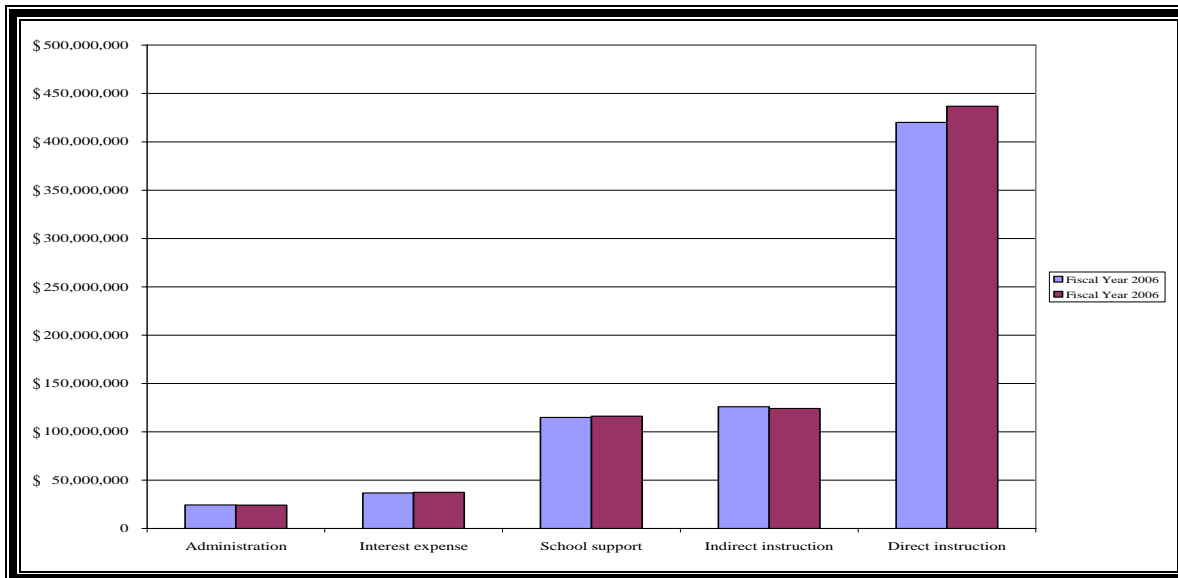
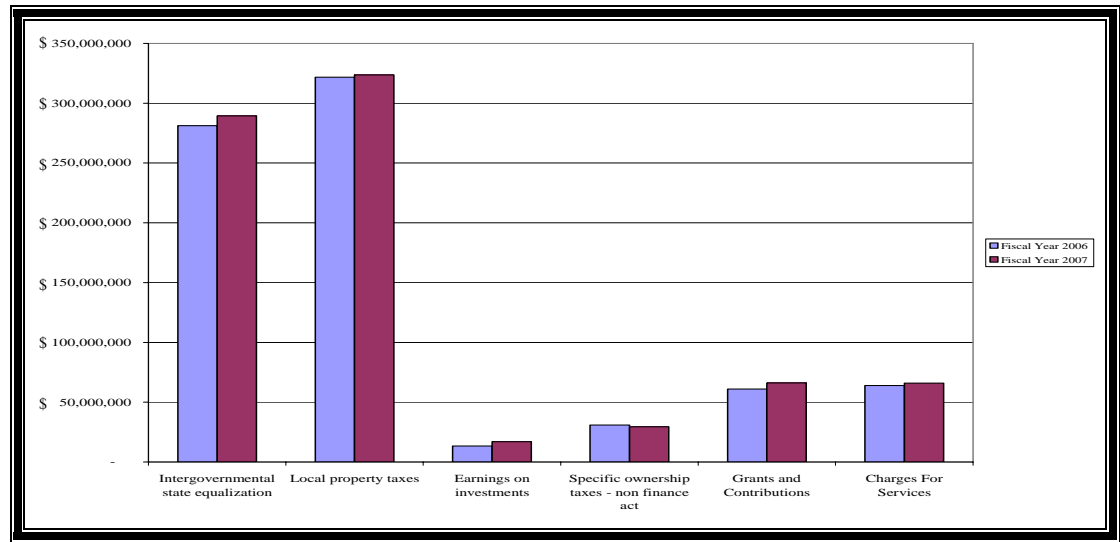
Management's Discussion and Analysis

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2007**



Primary Government Government-wide Net Assets:
Increased \$29 million over prior year.

Primary Government Government-wide Revenues:
Increased \$19 million over prior year.



Primary Government Government-wide Expenses:
Increased \$17 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, 2007

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, 2007. 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

- Total net assets for the primary government were \$515 million. \$94 million, or 18 percent, of net assets are unreserved and may be used for ongoing operations.
- Total net assets increased \$29 million (\$13 million from a prior period adjustment) over the prior year. The net assets of governmental activities increased \$27 million (\$13 million from a prior period adjustment), or 6 percent, and the net assets of business-type activities increased \$2 million, or 17 percent.
- Government-wide program and general revenues increased \$19 million from the prior year. Program revenues from federal grants increased \$5 million. Intergovernmental state equalization increased \$8 million and interest earnings increased \$4 million.
- Government-wide expenses increased \$17 million from the prior year. Direct instruction increased due to compensation and benefits increases from the prior year.
- Certificates of participation of \$39 million were issued to provide funding for the supplemental retirement plan. The payment to the plan is presented as a special item on the government-wide and fund financial statements. The final \$67 million of voter approved general obligation bonds to fund the 2005-2010 capital improvement program were issued. The issuances increased total liabilities on the statement of net assets.
- Capital assets increased \$84 million as the 2005-2010 capital improvement program continues to start and complete major renovations and new schools.
- The general fund, using the current financial resources measurement focus, reported revenues in excess of expenditures of \$33 million.
- The District's financial position remained positive during fiscal 2007 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 upgraded in December 2006 with the latest general obligation bond issuance of \$67 million.

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 30-69 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.

Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2007

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 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 certificates of participation. The Corporation has no assets or liabilities at June 30, 2007, 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.

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.

**Jefferson County School District, No. R-1
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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 48-69 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 expenditures are current assets. These assets are available to provide resources for the near-term operations of the District. Cash and investments account for 95 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 60 percent of the annual property tax assessment in May 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.

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 2008. 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 2008.

The assets of the primary government activities exceed liabilities by \$515 million with an unrestricted net asset balance of \$94 million.

A net investment of \$282 million in land, buildings, equipment, and vehicles, net of debt, to provide the services to the District's 84,790 public school students represents 55 percent of the District's net assets. The capital projects net assets of \$64 million are restricted for construction projects. Debt service net assets of \$56 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 \$67 million of accrued salaries as of June 30, 2007 includes \$61 million of earned but unpaid salaries associated with teacher contracts for the 2007 school year requiring resources from fiscal 2008 to liquidate.

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Comparative Summary of Net Assets

As of June 30, 2006 and 2007

	June 30, 2006			June 30, 2007		
	Governmental Activities	Business-type Activities	Government Wide	Governmental Activities	Business-type Activities	Government Wide
Assets:						
Total current assets	\$ 527,048,861	\$ 10,443,889	\$ 537,492,750	\$ 530,538,380	\$ 12,678,202	\$ 543,216,582
Capital assets, net of depreciation:	773,521,665	2,610,619	776,132,284	857,838,882	2,524,690	860,363,572
Total noncurrent assets	-	-	-	14,981,755	-	14,981,755
Total assets	<u>\$1,300,570,526</u>	<u>\$ 13,054,508</u>	<u>\$ 1,313,625,034</u>	<u>\$ 1,403,359,017</u>	<u>\$ 15,202,892</u>	<u>\$ 1,418,561,909</u>
Liabilities:						
Total current liabilities	\$ 166,749,650	\$ 1,515,583	\$ 168,265,233	\$ 177,560,842	\$ 1,694,281	\$ 179,255,123
Total noncurrent liabilities	659,330,784	141,177	659,471,961	724,576,673	140,117	724,716,790
Total liabilities	<u>826,080,434</u>	<u>1,656,760</u>	<u>827,737,194</u>	<u>902,137,515</u>	<u>1,834,398</u>	<u>903,971,913</u>
Net assets:						
Invested in capital net of related debt	272,131,267	2,610,619	274,741,886	279,690,380	2,524,688	282,215,068
Restricted for:						
Capital projects	46,892,129	-	46,892,129	63,691,349	-	63,691,349
Debt service	56,153,394	-	56,153,394	56,474,238	-	56,474,238
TABOR	16,840,819	709,513	17,550,332	17,057,105	758,429	17,815,534
Unrestricted	<u>82,472,483</u>	<u>8,077,616</u>	<u>90,550,099</u>	<u>84,308,430</u>	<u>10,085,377</u>	<u>94,393,807</u>
Total net assets	<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>
Total liabilities and net assets	<u>\$ 1,300,570,526</u>	<u>\$ 13,054,508</u>	<u>\$ 1,313,625,034</u>	<u>\$ 1,403,359,017</u>	<u>\$ 15,202,892</u>	<u>\$ 1,418,561,909</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**

	Fiscal Year 2006		Fiscal Year 2007	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 773,521,665	\$ 2,610,619	\$ 857,838,882	\$ 2,524,690
Less: General obligation bonds	680,551,786	-	715,084,297	-
Certificates of participation	8,508,250	-	7,392,753	-
Capital leases	362,374	-	156,530	-
Add: Unspent proceeds from 2004 bonds	<u>188,032,012</u>	<u>-</u>	<u>144,485,078</u>	<u>-</u>
Invested in capital net of related debt	<u>\$ 272,131,267</u>	<u>\$ 2,610,619</u>	<u>\$ 279,690,380</u>	<u>\$ 2,524,690</u>

**Jefferson County School District, No. R-1
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Government-wide activities

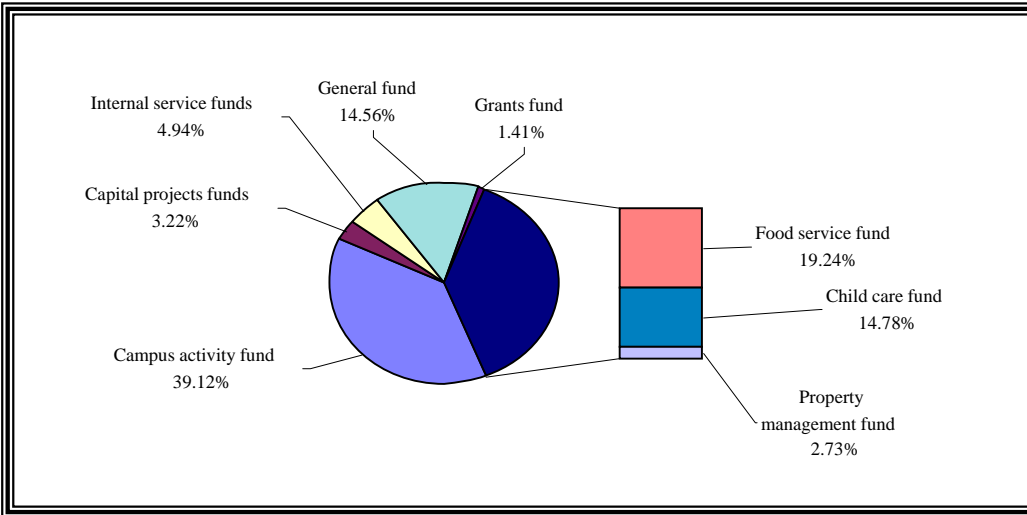
Government-wide activities increased the net assets of the District by \$16 million during the year ended June 30, 2007. The following schedules, charts and analysis focus on this increase.

**Comparative Schedule of Changes in Net Assets
For the fiscal years ended June 30, 2006 and 2007**

	<u>Fiscal Year 2006</u>			<u>Fiscal Year 2007</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	\$ 40,500,148	\$ 23,482,265	\$ 63,982,413	\$ 41,064,532	\$ 24,907,928	\$ 65,972,460
Operating grants and contributions	52,386,865	7,092,392	59,479,257	57,323,332	7,414,794	64,738,126
Capital grants and contributions	-	1,405,393	1,405,393	-	1,281,906	1,281,906
General revenues:						
Taxes:						
Local property taxes	321,679,910	-	321,679,910	323,604,561	-	323,604,561
Specific ownership taxes	30,814,386	-	30,814,386	29,414,761	-	29,414,761
Intergovernmental state equalization	281,173,393	-	281,173,393	289,340,251	-	289,340,251
Earnings on investments	<u>13,237,589</u>	<u>184,004</u>	<u>13,421,593</u>	<u>16,617,507</u>	<u>322,944</u>	<u>16,940,451</u>
Total revenues	<u>739,792,291</u>	<u>32,164,054</u>	<u>771,956,345</u>	<u>757,364,944</u>	<u>33,927,572</u>	<u>791,292,516</u>
Expenses						
Governmental activities:						
Direct instruction	420,089,848	-	420,089,848	436,859,865	-	436,859,865
Indirect instruction	126,074,406	-	126,074,406	124,087,808	-	124,087,808
Transportation	18,779,643	-	18,779,643	19,993,110	-	19,993,110
Custodial services	24,209,356	-	24,209,356	25,002,154	-	25,002,154
Field services	21,508,695	-	21,508,695	20,441,219	-	20,441,219
Telecommunications, networking and utilities	19,653,828	-	19,653,828	17,523,410	-	17,523,410
Support services	18,789,170	-	18,789,170	18,212,328	-	18,212,328
General administration	2,894,361	-	2,894,361	3,127,500	-	3,127,500
District-wide	1,548,547	-	1,548,547	1,624,570	-	1,624,570
Interest expense, unallocated	36,819,243	-	36,819,243	37,525,398	-	37,525,398
Food services	-	19,750,220	19,750,220	-	21,215,750	21,215,750
Child care	-	11,039,953	11,039,953	-	12,138,653	12,138,653
Property management	-	<u>1,125,385</u>	<u>1,125,385</u>	-	<u>1,319,568</u>	<u>1,319,568</u>
Total expenses	<u>690,367,097</u>	<u>31,915,558</u>	<u>722,282,655</u>	<u>704,397,362</u>	<u>34,673,971</u>	<u>739,071,333</u>
Increase (decrease) in net assets before transfers	<u>49,425,194</u>	<u>248,496</u>	<u>49,673,690</u>	<u>52,967,582</u>	<u>(746,399)</u>	<u>52,221,183</u>
Special items	-	-	-	(36,049,258)	-	(36,049,258)
Transfers	<u>(2,333,020)</u>	<u>2,333,020</u>	<u>-</u>	<u>(2,717,145)</u>	<u>2,717,145</u>	<u>-</u>
Increase in net assets	47,092,174	2,581,516	49,673,690	14,201,179	1,970,746	16,171,925
Net assets, July 1	<u>427,397,918</u>	<u>8,816,232</u>	<u>436,214,150</u>	<u>474,490,092</u>	<u>11,397,748</u>	<u>485,887,840</u>
Prior period adjustment	-	-	-	12,530,231	-	12,530,231
Net assets, June 30	<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>

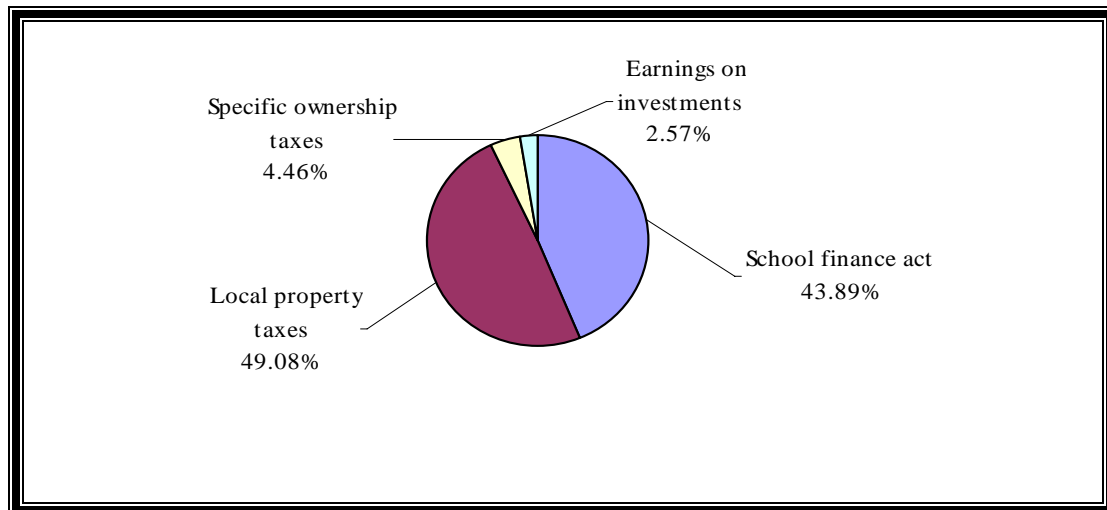
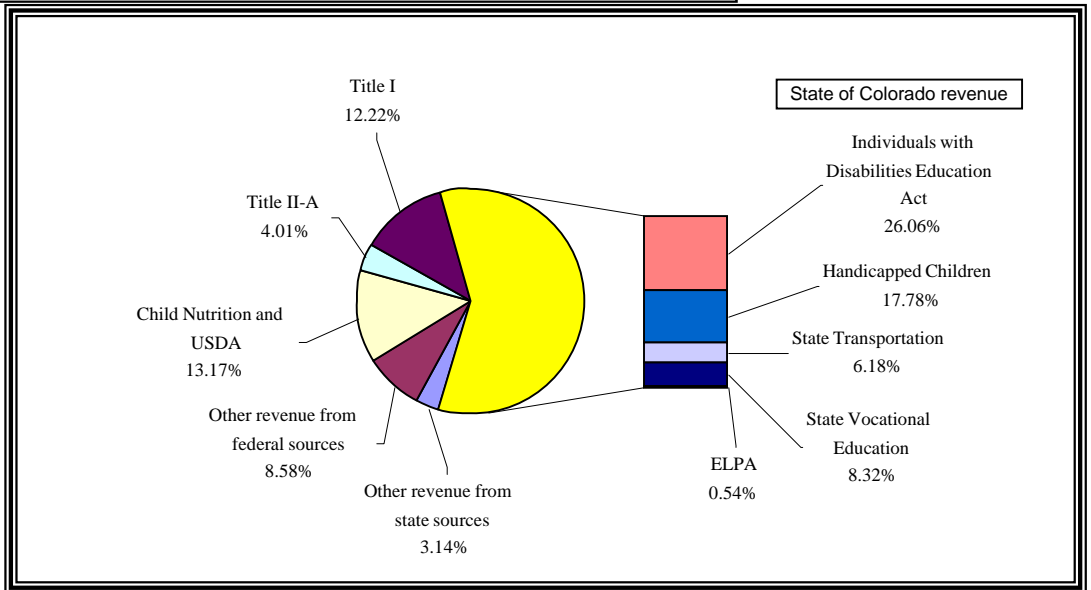
**Jefferson County School District, No. R-1
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Analysis of Revenues



Government-wide
Charges for Services
totals
\$66 million

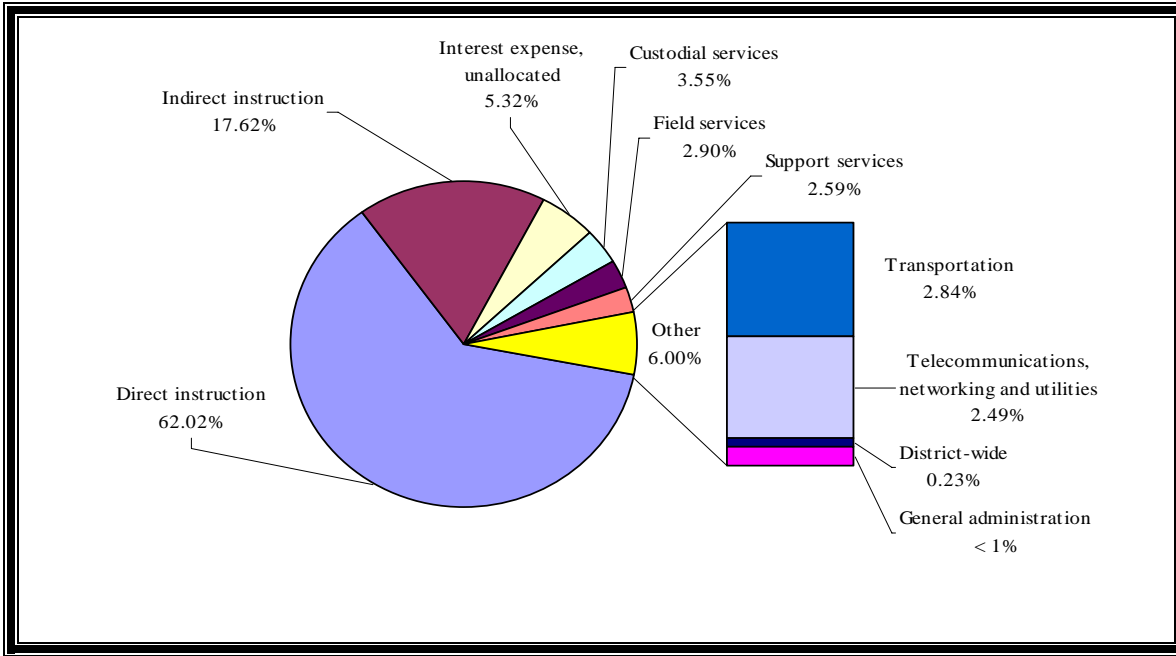
Government-wide
Operating Grants and
Contributions (includes
Capital grants and
contributions) totals \$66
million



Total general
revenues of
\$659 million

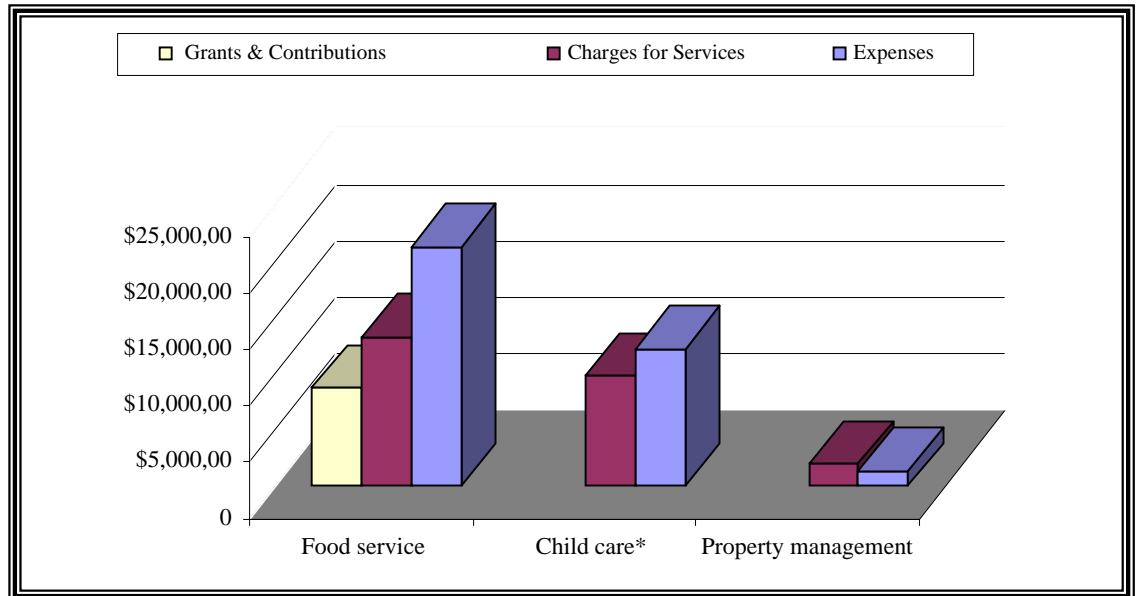
**Jefferson County School District, No. R-1
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Analysis of Expenditures



Governmental activities
Expenditures total \$704 million

Business-type activities
Expenses and Program revenue



*Does not include transfer revenue.

**Jefferson County School District, No. R-1
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Government wide revenues

Program revenues from IDEA, Title I-Part A, and Title II-A grants increased \$5 million. Intergovernmental state equalization increased \$8.2 million from increased cost of living and funding factors from the state. Interest earnings were higher than the prior year due to higher cash balances and improved rates.

Government wide expenses

Governmental activity expenses increased \$14 million over the prior year. The majority due to compensation and benefits in the direct instruction expense line. The District issued certificates of participation to provide additional funding for the supplemental retirement plan. The expense for funding the plan is shown as a special item. The expense is not a capital asset nor in the actuarial valuation of the pension asset and as such, is reducing net assets for the current year.

Proprietary funds

Governmental activities – Internal Service Funds for the District provide greater detail of the same information presented in the government – wide financial statements. Combining fund financial statements of the internal service funds can be found on pages 82-87 of this report. Following are highlights of activity in the District's internal service funds for fiscal year 2007.

- Central services net income decreased by 5 percent from the prior year. Favorable contract renewals for printing equipment helped offset the increased expense for paper supplies and loss of income due to online curriculum.
- The employee benefits fund accounts for the self insurance activities for dental, vision and group life insurance available to employees. Claim losses increased from the prior year resulting in lower net income.
- The insurance reserve fund ended with \$2.2 million in net income. The majority of the net income results from a lower incurred but not reported estimate from the prior year. Insurance recoveries and corresponding claims were higher than the prior year due to two fires at schools in fiscal year 2007.
- The technology fund increased net assets by \$1.3 million. The District plan to spend down reserves was delayed due to timing of technology projects starting. It is planned to begin spending down net assets in fiscal 2008.

The District's business-type activities increased net assets by \$1,970,746. Key elements that highlight the activities in fiscal year 2007 are as follows.

- The food services fund reported a change in net assets down 50 percent from the prior year. The impact from the December 2006 snow school closures adversely affected revenue.
- The child care fund ended the year \$400,000 higher in net change in assets than the prior year. The fund includes programs for all day kindergarten, preschool and school age child care. The school age child care program attributed 75 percent of the net change. Improved collection procedures increased revenue for the current year as well as continued manager accountability.
- The property management had increased salaries and benefits higher than the prior year by \$100,000 for additional custodial support. Administrative costs for stadium expenses also increased from the prior year.

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 fund balance for the District at the end of the fiscal year includes a combination of the unreserved balance for the general fund of \$83,291,265 and an unreserved fund balance of \$6,881,402 for other governmental funds.

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 534 students during the fiscal year. This reduction amounts to approximately \$3.3 million in decreases from the state's School Finance Act funding. The immediate effect of this decrease is softened by the four-year average calculation used by the Colorado Department of Education.

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The District's general fund balance increased by \$33,476,325 during the current fiscal year. Planned under spending and timing delays of major projects resulted in savings for the year. The majority of savings occurred in the salary and benefit lines due to vacancies and lower than projected average salary and benefit costs. Utility costs were lower than the prior year by \$2 million.

The bond redemption debt service fund has adequate resources accumulated to make the December 2007 principal and interest payments. The mill levy to accumulate resources for the June 2008 principal and interest payments will be certified in December 2007. 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 begun building 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 final issuance of voter approved bonds was for \$66.8 million in the current year.

General fund budgetary highlights

The final budget of the general fund increased the anticipated excess of revenues over expenditures by \$4.5 million in comparison to the original budget. The major adjustments to the budget are as follows:

- Increased investment earnings \$6.6 million to be closer to actual earnings.
- Decreased the other revenue budgeted because of a change in accounting for school wide grants per the Colorado Department of Education, \$4 million.
- The budget was adjusted between the mix of taxes and state equalization revenue to be aligned with the final state funding formula, the net adjustment was an increase of \$1 million.
- A net increase of \$1 million remaining from the issuance of certificates of participation for funding the supplemental retirement program.

The unreserved fund balance for the general fund at the end of the fiscal year is \$83,291,265. For budgetary purposes, however, the current available resources for the general fund can be computed as follows:

Fund balance-GAAP basis	\$ 105,572,763
Add: Effect of salaries earned but unpaid	<u>60,537,425</u>
Total fund balance (Budgetary basis)	\$166,110,188
Less reserved for: TABOR	16,152,691
Board of education contingency	16,219,600
School carry forward	9,264,665
Maintenance operations	3,000,000
School operations	4,500,000
Supplemental retirement	<u>3,009,424</u>
Unreserved fund balance (Budgetary basis)	<u>\$ 113,963,808</u>

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 \$578,651,692. Unreserved fund balance (budgetary basis) represents 20 percent of expenditures while total fund balance (budgetary basis) represents 29 percent of budget based expenditures. This is a percentage increase from the prior year of 6 percent for each.

Capital assets and debt administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2007 increased to \$860,363,572 (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 \$121,011,909 which include: replacement of Bear Creek Elementary, Golden High School, Arvada West High School and major additions to Lakewood High school and Chatfield High School.
- Depreciation of \$54,095,590 for governmental activities and \$442,485 for business-type activities.
- A prior period adjustment to account correctly for donated property and building replacements. The adjustment to the prior year balance was for \$12,530,226.

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	<u>Fiscal Year 2006</u>		<u>Fiscal Year 2007</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Non-depreciable assets:				-
Land	\$ 43,633,359	-	\$ 56,510,989	-
Construction in progress	<u>110,817,232</u>	<u>-</u>	<u>152,343,023</u>	<u>-</u>
Total non-depreciable assets	154,450,591	-	208,854,012	-
Depreciable assets:				
Buildings and site improvements	581,703,984	-	614,784,991	-
Equipment and vehicles	<u>37,367,090</u>	<u>\$ 2,610,619</u>	<u>34,199,879</u>	<u>\$ 2,524,690</u>
Total depreciable assets	<u>619,071,074</u>	<u>2,610,619</u>	<u>648,984,870</u>	<u>2,524,690</u>
Total capital assets:	<u>\$ 773,521,665</u>	<u>\$ 2,610,619</u>	<u>\$ 857,838,882</u>	<u>\$ 2,524,690</u>

Additional information on the District's capital assets can be found in note 7 on pages 58-60 of this report.

At June 30, 2007, the District had total bonded debt outstanding of \$693,618,979 backed by the full faith and credit of the District. Additionally, the District has long-term debt obligations for capital leases and certificates of participation in the amount of \$45,826,530 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 2006</u>			<u>Fiscal Year 2007</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	\$ 664,553,474	-	\$ 664,553,474	\$ 693,618,979	-	\$ 693,618,979
Certificates of participation	8,700,000	-	8,700,000	45,670,000	-	45,670,000
Capital leases	<u>362,374</u>	<u>-</u>	<u>362,374</u>	<u>156,530</u>	<u>-</u>	<u>156,530</u>
Total outstanding long-term debt	<u>\$ 673,615,848</u>	<u>-</u>	<u>\$ 673,615,848</u>	<u>\$ 739,445,509</u>	<u>-</u>	<u>\$ 739,445,509</u>

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 \$1,340,113,353 and the legal debt margin was \$704,577,524.

Additional information on the District's long-term obligations can be found in notes 10 and 11 on pages 62-65.

General budgetary highlights and economic factors

For the 2007-2008 budget, the Board of Education established parameters to be met by the budget process. They determined that the budget would:

- 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.

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- 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.
- Ensure long-term financial impacts are considered when adding, modifying or eliminating District programs.

Several factors impact the Districts Adopted Budget and are considered when making budget assumptions; student funded counts declined by 591 FTE's, salary and benefit costs increased and fuel and utility costs decreased in fiscal year 2007. Revenue increases for 2007/2008 of \$14.8 million include assumptions for state funding and continued declining student enrollment. Expenditure increases of \$20.5 million include assumptions for salaries and benefits, energy costs, and continued declining student enrollment. The \$5.7 million overage of expenditures will be used as planned from the mill levy dollars received.

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, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Current assets:				
Cash	\$ 82,402,157	\$ 3,605	\$ 82,405,762	\$ 54,562
Restricted cash	3,379,819	-	3,379,819	4,349,478
Restricted cash TABOR	-	-	-	992,350
Cash held by county treasurer	3,305,162	-	3,305,162	-
Equity in pooled cash and temporary investments	220,070,683	10,572,856	230,643,539	4,731,098
Investments	194,546,406	-	194,546,406	-
Property taxes receivable	9,861,713	-	9,861,713	-
Accounts receivable	3,553,994	159,363	3,713,357	245,435
Intergovernmental receivable	9,589,717	906,279	10,495,996	-
Due from component units	9,224	-	9,224	-
Inventories	1,924,209	986,925	2,911,134	-
Prepaid expenses	1,895,296	49,174	1,944,470	-
Total current assets	530,538,380	12,678,202	543,216,582	10,372,923
Capital assets:				
Land and construction in progress	208,854,012	-	208,854,012	6,407,479
Depreciable assets	1,158,264,721	7,516,382	1,165,781,103	29,040,055
Accumulated depreciation	(509,279,851)	(4,991,692)	(514,271,543)	(3,957,289)
Capital assets, net of depreciation	857,838,882	2,524,690	860,363,572	31,490,245
Noncurrent asset:				
Net pension asset	14,981,755	-	14,981,755	-
Total assets	\$ 1,403,359,017	\$ 15,202,892	\$ 1,418,561,909	\$ 41,863,168
Liabilities				
Current liabilities:				
Accounts payable	\$ 32,115,770	\$ 99,791	\$ 32,215,561	\$ 519,093
Accrued salaries and benefits	66,137,833	913,766	67,051,599	1,289,259
Payroll withholding	19,428,817	-	19,428,817	-
Due to primary government	-	-	-	9,224
Unearned revenue	9,580,994	680,724	10,261,718	185,369
Liability claims/premiums	6,168,002	-	6,168,002	-
Interest payable	1,608,918	-	1,608,918	323,390
General obligation bonds	40,028,978	-	40,028,978	-
Certificates of participation	2,335,000	-	2,335,000	-
Capital leases and promissory notes	156,530	-	156,530	1,682,445
Total current liabilities	177,560,842	1,694,281	179,255,123	4,008,780
Noncurrent liabilities:				
General obligation bonds	675,055,319	-	675,055,319	-
Certificates of participation	42,519,500	-	42,519,500	-
Capital leases	-	-	-	36,413,931
Early retirement	3,792,000	-	3,792,000	-
Compensated absences	3,209,854	140,117	3,349,971	-
Total noncurrent liabilities	724,576,673	140,117	724,716,790	36,413,931
Total liabilities	902,137,515	1,834,398	903,971,913	40,422,711
Net assets				
Invested in capital assets, net of related debt	279,690,380	2,524,688	282,215,068	(6,433,139)
Restricted for:				
Capital projects	63,691,349	-	63,691,349	478,995
Debt service	56,474,238	-	56,474,238	4,349,478
TABOR	17,057,105	758,429	17,815,534	992,350
Unrestricted	84,308,430	10,085,377	94,393,807	2,052,773
Total net assets	501,221,502	13,368,494	514,589,996	1,440,457
Total liabilities and net assets	\$ 1,403,359,017	\$ 15,202,892	\$ 1,418,561,909	\$ 41,863,168

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, 2007

	Net (Expenses) Revenue and Changes in Net Assets					
	Program Revenues			Primary Government		
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	TOTAL
	Expenses					Component Units
						Charter Schools
Functions/Programs						
Primary government:						
Governmental activities:						
Direct instruction	\$ 436,859,865	\$ 45,512,301	-	\$ (386,500,129)	-	\$ (386,500,129)
Indirect instruction	124,087,808	7,729,655	-	(85,825,327)	-	(85,825,327)
Transportation	19,993,110	4,081,376	-	(15,476,489)	-	(15,476,489)
Custodial services	25,002,154	-	-	(25,002,154)	-	(25,002,154)
Field services	20,441,219	3,255,854	-	(17,185,365)	-	(17,185,365)
Telecommunications, networking and utilities	17,523,410	-	-	(17,523,410)	-	(17,523,410)
Support services	18,212,328	-	-	(18,212,328)	-	(18,212,328)
General administration	3,127,500	-	-	(3,127,500)	-	(3,127,500)
District-wide	1,624,570	1,993,172	-	368,602	-	368,602
Interest expense, unallocated	37,525,398	-	-	(37,525,398)	-	(37,525,398)
Total governmental activities	704,397,362	57,323,332	-	(606,009,498)	-	(606,009,498)
Business-type Activities:						
Food services	21,215,750	7,414,794	\$ 1,281,906	-	\$ 703,750	703,750
Child care	12,138,653	-	-	-	(2,390,710)	(2,390,710)
Property management	1,319,568	-	-	-	617,617	617,617
Total business-type activities	34,673,971	7,414,794	1,281,906	-	(1,069,343)	(1,069,343)
Total primary government	\$ 739,071,333	\$ 64,738,126	\$ 1,281,906	\$ (606,009,498)	\$ (1,069,343)	\$ (607,078,841)
Component units-Charter schools	\$ 32,269,233	\$ 5,198,151				\$ (27,071,082)
General revenues						
Taxes:						
Local property taxes				323,604,561	-	323,604,561
Automotive ownership taxes				29,414,761	-	29,414,761
Unrestricted intergovernmental state equalization				289,340,251	-	289,340,251
Unrestricted Investment income				16,617,507	322,944	16,940,451
Special item				(36,049,258)	-	(36,049,258)
Transfers				(2,717,145)	2,717,145	-
Total general revenues and transfers				620,210,677	3,040,089	623,250,766
Change in net assets				14,201,179	1,970,746	16,171,925
Net assets July 1, 2006, as restated				487,020,323	11,397,748	498,418,071
Net assets June 30, 2007				\$ 501,221,502	\$ 13,368,494	\$ 514,589,996

The notes to the financial statements are an integra

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Balance Sheet
 Governmental Funds
 June 30, 2007

	General	Bond Redemption Debt Service
Assets		
Cash	\$ 2,825	\$ -
Restricted Cash	3,009,424	-
Cash held by county treasurer	3,101,505	203,657
Equity in pooled cash and temporary investments	158,196,261	408,078
Investments	-	56,264,537
Property taxes receivable, net of allowance for doubtful collections of \$6,559,330	7,598,050	2,263,663
Accounts, notes, contracts, and interest receivable	1,736,225	-
Intergovernmental receivables	-	-
Due from other funds	5,199,904	-
Due from component units	9,224	-
Inventories	1,423,848	-
Prepaid items	329,900	-
Total assets	\$ 180,607,166	\$ 59,139,935
Liabilities and Fund Balances (Deficit)		
Liabilities:		
Accounts and retainages payable	\$ 2,582,499	\$ -
Accrued salaries, benefits, and compensated absences	60,537,425	-
Due to other funds	-	-
Unearned property tax revenues	3,555,431	1,056,785
Other unearned revenues	8,359,048	-
Total liabilities	75,034,403	1,056,785
Fund balances:		
Reserved for:		
TABOR	16,152,691	-
Grants	-	-
Inventory	1,423,848	-
Prepaid items	329,900	-
Debt service	-	58,083,150
Construction	-	-
Unreserved, designated for, reported in:		
Encumbrances, general and special revenue funds	4,375,059	-
Special revenue funds	-	-
Unreserved, undesignated reported in:		
General fund	83,291,265	-
Total fund balances	105,572,763	58,083,150
Total liabilities and fund balances	\$ 180,607,166	\$ 59,139,935

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	\$ 82,295,175	\$ 103,557	\$ 82,401,857
184,375	186,020	-	3,379,819
-	-	-	3,305,162
13,473,023	-	9,213,278	181,290,640
51,405,382	86,876,487	-	194,546,406
-	-	-	9,861,713
133,333	97,099	41,052	2,007,709
-	-	9,589,717	9,589,717
-	810,752	-	6,010,656
-	-	-	9,224
-	-	378,104	1,801,952
-	-	-	329,900
<u>\$ 65,196,413</u>	<u>\$ 170,265,533</u>	<u>\$ 19,325,708</u>	<u>\$ 494,534,755</u>
\$ 527,053	\$ 25,780,455	\$ 620,358	\$ 29,510,365
59,650	-	2,645,178	63,242,253
810,752	-	4,837,602	5,648,354
-	-	-	4,612,216
-	-	301,252	8,660,300
<u>1,397,455</u>	<u>25,780,455</u>	<u>8,404,390</u>	<u>111,673,488</u>
107,609	-	699,129	16,959,429
-	-	1,744,016	1,744,016
-	-	378,104	1,801,952
-	-	-	329,900
-	-	-	58,083,150
63,691,349	144,485,078	-	208,176,427
-	-	1,218,667	5,593,726
-	-	6,881,402	6,881,402
-	-	-	83,291,265
<u>63,798,958</u>	<u>144,485,078</u>	<u>10,921,318</u>	<u>382,861,267</u>
<u>\$ 65,196,413</u>	<u>\$ 170,265,533</u>	<u>\$ 19,325,708</u>	<u>\$ 494,534,755</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of governmental funds balance sheet to statement of net assets
 June 30, 2007

Governmental funds total fund balances	\$	382,861,267
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.		4,612,217
Capital assets used in governmental funds are not considered current financial resources and, therefore, not reported in the governmental funds.		1,344,331,103
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.		14,981,755
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.		20,585,770
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.		498,129,434
Long-term liabilities for general obligation debt, net of discounts and premiums (\$715,084,298), certificates of participation net of discounts and premiums (\$44,854,500), early retirement estimate (\$3,792,000), and compensated absences (\$2,681,460) are not due and payable in the current period and, therefore, not reported in the funds.		766,412,258
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.		1,608,918
Governmental activities net assets	<u>\$</u>	<u>501,221,502</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, 2007

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Revenues:			
Taxes	\$ 281,076,965	\$ 74,942,210	\$ -
Intergovernmental	311,528,788	-	-
Investment income	7,626,953	-	1,727,122
Other	13,147,802	-	1,993,172
Total revenues	<u>613,380,508</u>	<u>74,942,210</u>	<u>3,720,294</u>
Expenditures:			
Current:			
Direct instruction	362,054,456	-	-
Indirect instruction	87,354,333	-	-
Transportation	18,898,149	-	-
Custodial services	24,942,750	-	-
Field services	18,584,068	-	-
Telecommunications, networking and utilities	17,218,062	-	-
Support services	17,755,527	-	-
General administration	3,135,039	-	-
Districtwide	735,878	-	-
Capital outlay	-	-	4,721,631
Debt Service:			
Principal retirements	555,000	38,185,000	1,145,000
Interest and fiscal charges	1,004,218	36,297,792	260,962
Total expenditures	<u>552,237,480</u>	<u>74,482,792</u>	<u>6,127,593</u>
Excess (deficiency) of revenues over (under) expenditures	61,143,028	459,418	(2,407,299)
Other Financing Sources (Uses):			
General obligation bond issuance	-	-	-
Premium from bond issuance	-	-	-
Transfers out	(30,287,445)	-	-
Transfers in	-	-	19,208,000
Certificates of Participation issued	38,670,000	-	-
Total other financing sources (uses)	<u>8,382,555</u>	<u>-</u>	<u>19,208,000</u>
Special Item:			
Supplemental Retirement Contribution	(36,049,258)	-	-
Net change in fund balances	33,476,325	459,418	16,800,701
Fund balances - July 1, 2006	72,096,438	57,623,732	46,998,257
Fund balances - June 30, 2007	<u>\$ 105,572,763</u>	<u>\$ 58,083,150</u>	<u>\$ 63,798,958</u>

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

Building Fund Capital Projects	Other Governmental Funds	Total Governmental Funds
\$	\$ -	\$ 356,019,175
	35,134,795	346,663,583
7,244,185	19,248	16,617,508
-	26,076,711	41,217,685
<u>7,244,185</u>	<u>61,230,754</u>	<u>760,517,951</u>
-	30,047,310	392,101,766
-	31,877,466	119,231,799
-	-	18,898,149
-	-	24,942,750
-	-	18,584,068
-	-	17,218,062
-	-	17,755,527
-	-	3,135,039
-	-	735,878
124,621,410	-	129,343,041
-	-	39,885,000
-	-	37,562,972
<u>124,621,410</u>	<u>61,924,776</u>	<u>819,394,051</u>
(117,377,225)	(694,022)	(58,876,100)
66,800,000	-	66,800,000
7,030,291	-	7,030,291
-	-	(30,287,445)
-	-	19,208,000
-	-	38,670,000
<u>73,830,291</u>	<u>-</u>	<u>101,420,846</u>
-	-	(36,049,258)
(43,546,934)	(694,022)	6,495,488
188,032,012	11,615,340	376,365,779
<u>\$ 144,485,078</u>	<u>\$ 10,921,318</u>	<u>\$ 382,861,267</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, 2007

Governmental funds changes in fund balances	\$	6,495,488
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.		4,612,216
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.		40,373,239
Reverse the prior year interest payable accrued to offset current year expenditures.		1,470,331
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.		4,702,470
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 \$123,655,242) exceeded depreciation (governmental additions \$51,088,980) in the current period.		72,566,262
Decrease in the early retirement long term liability		3,208,000
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.		2,733,174
Less:		
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net assets.		1,247,545
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.		7,612,069
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.		1,608,918
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.		111,252,000
Additional amount of long term compensated absences accrued for the current year.		239,469
Governmental activities change in net assets	\$	14,201,179

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, 2007

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 251,123,000	\$ 250,500,000	\$ 251,662,204	\$ 1,162,204
Automotive ownership taxes	31,000,000	29,500,000	29,414,761	(85,239)
Total Taxes	<u>282,123,000</u>	<u>280,000,000</u>	<u>281,076,965</u>	<u>1,076,965</u>
State of Colorado:				
State equalization	287,841,000	289,292,000	289,340,251	48,251
Education of handicapped	12,448,000	11,748,000	11,740,063	(7,937)
Transportation	4,200,000	4,100,000	4,081,376	(18,624)
Vocational education	3,800,000	5,500,000	5,492,928	(7,072)
Other	210,000	860,000	874,170	14,170
Total State of Colorado	<u>308,499,000</u>	<u>311,500,000</u>	<u>311,528,788</u>	<u>28,788</u>
Investment income	1,000,000	7,600,000	7,626,953	26,953
Other	17,443,500	13,443,500	13,147,802	(295,698)
Total revenues	<u>609,065,500</u>	<u>612,543,500</u>	<u>613,380,508</u>	<u>837,008</u>
Expenditures:				
Current:				
Direct instruction	368,803,904	372,746,687	359,380,755	13,365,932
Indirect instruction	90,362,916	90,401,570	86,279,897	4,121,673
Transportation	20,153,910	20,369,029	18,817,594	1,551,435
Custodial services	25,944,962	26,211,191	24,900,530	1,310,661
Field services and property management	19,174,393	19,312,911	18,559,344	753,567
Telecommunications, network and utilities	22,177,400	22,177,400	17,218,062	4,959,338
Support services	18,138,660	18,437,096	17,778,143	658,953
General administration	2,922,755	3,244,205	3,129,962	114,243
District-wide	8,015,400	914,287	740,741	173,546
Debt Service:				
Principal retirements	-	555,000	555,000	-
Interest and fiscal charges	-	1,005,000	1,004,218	782
Total expenditures	<u>575,694,300</u>	<u>575,374,376</u>	<u>548,364,246</u>	<u>27,010,130</u>
Excess of revenues over expenditures	33,371,200	37,169,124	65,016,262	27,847,138
Other financing sources (uses) -				
Transfers out	(29,967,500)	(30,287,400)	(30,287,445)	(45)
Certificates of participation issued	-	38,670,000	38,670,000	-
Total other financing uses	<u>(29,967,500)</u>	<u>8,382,600</u>	<u>8,382,555</u>	<u>(45)</u>
Special item:				
Supplemental Retirement Contribution	-	(37,670,000)	(36,049,258)	1,620,742
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 3,403,700</u>	<u>\$ 7,881,724</u>	<u>37,349,559</u>	<u>\$ 29,467,835</u>
Salaries, benefits, and compensated absences earned but unpaid: July 1, 2006			56,664,191	
June 30, 2007			(60,537,425)	
Fund balance - July 1, 2006			<u>72,096,438</u>	
Fund balance - June 30, 2007			<u>\$ 105,572,763</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, 2007

Assets	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Current assets:		
Cash	\$ 670	\$ 2,935
Equity in pooled cash and temporary investments	4,496,257	3,078,246
Accounts and other receivable	15,354	1,949
Intergovernmental receivables	906,279	-
Inventories	986,925	-
Prepaid items	49,174	-
Total current assets	<u>6,454,659</u>	<u>3,083,130</u>
Noncurrent assets:		
Capital assets:		
Vehicles and equipment	6,201,105	496,786
Less accumulated depreciation	<u>(4,281,858)</u>	<u>(384,833)</u>
Total capital assets, net of accumulated depreciation	1,919,247	111,953
Total assets	<u>\$ 8,373,906</u>	<u>\$ 3,195,083</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 55,815	\$ 41,670
Accrued salaries, benefits, and compensated absences	642,208	269,458
Payroll withholding	-	-
Due to other funds	-	-
Other unearned revenues	342,091	338,633
Current capital lease obligations	-	-
Estimated liability for premiums and claims	-	-
Total current liabilities	<u>1,040,114</u>	<u>649,761</u>
Non-current liabilities:		
Compensated absences	76,977	58,939
Long-term capital lease obligations	-	-
Total noncurrent liabilities	<u>76,977</u>	<u>58,939</u>
Total liabilities	<u>1,117,091</u>	<u>708,700</u>
Net assets:		
Invested in capital assets, net of related debt	1,919,246	111,952
Restricted for:		
TABOR	402,091	295,490
Unrestricted	<u>4,935,478</u>	<u>2,078,941</u>
Total net assets	<u>7,256,815</u>	<u>2,486,383</u>
Total liabilities and net assets	<u>\$ 8,373,906</u>	<u>\$ 3,195,083</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
\$ -	\$ 3,605	\$ 300
2,998,353	10,572,856	38,780,043
142,060	159,363	1,546,285
-	906,279	-
-	986,925	122,257
-	49,174	1,565,396
<u>3,140,413</u>	<u>12,678,202</u>	<u>42,014,281</u>
818,491	7,516,382	22,787,629
<u>(325,001)</u>	<u>(4,991,692)</u>	<u>(11,150,418)</u>
493,490	2,524,690	11,637,211
<u>\$ 3,633,903</u>	<u>\$ 15,202,892</u>	<u>\$ 53,651,492</u>
\$ 2,306	\$ 99,791	\$ 2,605,405
2,100	913,766	2,895,580
-	-	19,428,817
-	-	362,302
-	680,724	920,694
-	-	156,530
-	-	6,168,002
<u>4,406</u>	<u>1,694,281</u>	<u>32,537,330</u>
4,201	140,117	528,394
-	-	-
<u>4,201</u>	<u>140,117</u>	<u>528,394</u>
8,607	1,834,398	33,065,724
493,490	2,524,688	11,480,683
60,848	758,429	97,676
<u>3,070,958</u>	<u>10,085,377</u>	<u>9,007,409</u>
<u>3,625,296</u>	<u>13,368,494</u>	<u>20,585,768</u>
<u>\$ 3,633,903</u>	<u>\$ 15,202,892</u>	<u>\$ 53,651,492</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, 2007

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Operating Revenues:		
Food sales	\$ 12,979,278	\$ -
Insurance premiums	-	-
Service contracts	243,522	1,316,410
Tuition	-	8,431,533
Total operating revenues	13,222,800	9,747,943
Operating Expenses:		
Purchased food	7,782,507	-
USDA commodities	1,263,345	-
Salaries and employee benefits	9,305,178	9,624,641
Administration services	893,451	1,086,175
Utilities	316,746	6,897
Supplies	1,051,526	534,313
Repairs and maintenance	34,698	3,471
Rent	-	826,180
Depreciation	346,797	31,883
Other	220,830	24,891
Claim losses	-	-
Premiums paid	-	-
Total operating expenses	21,215,078	12,138,451
Income (loss) from operations	(7,992,278)	(2,390,508)
Non-operating revenues (expenses):		
USDA commodities	1,230,950	-
Reimbursement from government sponsored programs	7,414,794	-
Investment income	129,961	101,914
Interest expense	-	-
Gain (loss) on sale of capital assets	(672)	(202)
Total non-operating revenues (expenses)	8,775,033	101,712
Income (loss) before transfers	782,755	(2,288,796)
Capital Contributions	50,956	-
Transfers in from other funds	-	2,717,145
Change in net assets	833,711	428,349
Total net assets - July 1, 2006	6,423,104	2,058,034
Total net assets - June 30, 2007	\$ 7,256,815	\$ 2,486,383

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
\$ -	\$ 12,979,278	\$ -
-	-	10,005,534
1,937,185	3,497,117	16,363,507
-	8,431,533	-
<u>1,937,185</u>	<u>24,907,928</u>	<u>26,369,041</u>
-	7,782,507	-
-	1,263,345	-
837,208	19,767,027	9,921,485
107,060	2,086,686	3,352,894
221,740	545,383	39,083
50,304	1,636,143	1,490,375
-	38,169	1,593,361
-	826,180	10,800
63,805	442,485	3,006,610
39,451	285,172	16,076
-	-	9,511,352
-	-	1,496,876
<u>1,319,568</u>	<u>34,673,097</u>	<u>30,438,912</u>
<u>617,617</u>	<u>(9,765,169)</u>	<u>(4,069,871)</u>
-	1,230,950	-
-	7,414,794	-
91,069	322,944	655,733
-	-	(29,072)
-	(874)	(216,620)
<u>91,069</u>	<u>8,967,814</u>	<u>410,041</u>
708,686	(797,355)	(3,659,830)
-	50,956	-
-	2,717,145	8,362,300
<u>708,686</u>	<u>1,970,746</u>	<u>4,702,470</u>
2,916,610	11,397,748	15,883,298
<u>\$ 3,625,296</u>	<u>\$ 13,368,494</u>	<u>\$ 20,585,768</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2007

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Cash flows from operating activities:		
Receipts from customers	\$ 13,291,768	\$ 9,795,105
Payments to employees	(9,276,947)	(9,592,961)
Payments to vendors	(11,589,400)	(2,479,200)
Net cash provided by (used for) operating activities	<u>(7,574,579)</u>	<u>(2,277,056)</u>
Cash flows from noncapital financing activities:		
Transfers received	-	2,717,145
Federal reimbursements	8,606,729	-
Net cash provided by noncapital financing activities	<u>8,606,729</u>	<u>2,717,145</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(274,889)	(50,000)
Capital contributions	50,956	-
Principal payments	-	-
Interest payments	-	-
Net cash used for capital and related financing activities	<u>(223,933)</u>	<u>(50,000)</u>
Cash flows from investing activities:		
Interest received	129,961	101,914
Net cash provided by noncapital financing activities	<u>129,961</u>	<u>101,914</u>
Net increase in cash and cash equivalents	938,178	492,003
Cash and cash equivalents - July 1, 2006	3,558,749	2,589,178
Cash and cash equivalents - June 30, 2007	<u>\$ 4,496,927</u>	<u>\$ 3,081,181</u>
Reconciliation of cash flows from operating activities:		
Operating Income (Loss)	\$ (7,992,278)	\$ (2,390,508)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	346,797	31,883
(Increase) decrease intergovernmental and other receivables	5,667	12,944
Decrease in prepaid items	877	-
Decrease in USDA commodities inventories	31,450	-
(Increase) in purchased food and supplies inventories	(70,752)	-
(Increase) decrease in other inventories	-	-
Increase (decrease) in accounts payable	(15,047)	2,728
Increase (decrease) in accrued salaries, benefits, and compensated absences	55,405	31,681
Increase in payroll withholding	-	-
Increase (decrease) in due to other funds	-	-
Increase (decrease) in unearned revenues	63,302	34,216
Increase in estimated liability for premiums and claims	-	-
Net cash provided by (used for) operating activities	<u>\$ (7,574,579)</u>	<u>\$ (2,277,056)</u>
Noncash investing, capital, and financing activities:		
Donated commodities acquired and used from USDA	\$ 1,263,345	\$ -
Disposal and write off of capital assets	672	202

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

Business-Type Activities Enterprise Funds		Governmental Activities -
Property Management Fund	Totals	Internal Service Funds
\$ 1,934,753	\$ 25,021,626	\$ 24,699,448
(834,160)	(19,704,068)	(9,804,987)
(416,248)	(14,484,848)	(19,730,246)
<u>684,345</u>	<u>(9,167,290)</u>	<u>(4,835,785)</u>
-	2,717,145	8,362,300
-	8,606,729	-
<u>-</u>	<u>11,323,874</u>	<u>8,362,300</u>
(32,541)	(357,430)	(3,691,505)
-	50,956	-
-	-	(205,844)
-	-	(29,072)
<u>(32,541)</u>	<u>(306,474)</u>	<u>(3,926,421)</u>
91,069	322,944	655,733
<u>91,069</u>	<u>322,944</u>	<u>655,733</u>
742,873	2,173,054	255,827
2,255,480	8,403,407	38,524,516
<u>\$ 2,998,353</u>	<u>\$ 10,576,461</u>	<u>\$ 38,780,343</u>
\$ 617,617	\$ (9,765,169)	\$ (4,069,871)
63,805	442,485	3,006,610
(2,431)	16,180	(1,529,803)
-	877	(90,878)
-	31,450	-
-	(70,752)	-
-	-	4,919
2,306	(10,013)	2,069,446
-	-	-
3,048	90,134	534,811
-	-	4,008,988
-	-	(910,793)
-	97,518	(139,790)
-	-	(7,719,424)
<u>\$ 684,345</u>	<u>\$ (9,167,290)</u>	<u>\$ (4,835,785)</u>
\$ -	\$ 1,263,345	\$ -
-	874	59,574



Notes to Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

June 30, 2007

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 84,800 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, Free Horizon, Lincoln Academy, Rocky Mountain Academy of Evergreen and Rocky Mountain Deaf Schools did not issue separate statements for fiscal year 2006.

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.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

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. For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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 2006 but not yet collected in 2007 are identified as property taxes receivable and unearned revenues at June 30, 2007, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$10,495,996 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, 2007, the District had \$10,443,442 and \$52,554 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 - \$1,423,848 and Special Revenue Funds - \$378,104.

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 \$329,900.

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, 2007, for budgetary purposes the District reserved \$17,815,534 (\$16,152,691 in the General Fund, \$107,609 in the Capital Reserve Fund, \$699,129 in the Campus Activity Special Revenue Fund, \$402,091 in the Food Service Enterprise Fund, \$295,490 in the Child Care Enterprise Fund, \$60,848 in the Property Management Enterprise Fund and \$97,676 in Internal Service Funds), \$992,350 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. Each fund liquidates the accrued vacation, personal and sick leave for its respective liabilities.

As of June 30, 2007, accumulated unused benefits are as follows:

Fund Types	Accumulated Vacation		
	Current (Due within one year)	Long-term	Total
<i>Governmental:</i>			
General	\$ 1,258,984	\$ 2,518,345	\$ 3,777,329
Special revenue	23,848	47,702	71,550
Capital projects	57,697	115,413	173,110
Internal service	<u>264,158</u>	<u>528,394</u>	<u>792,552</u>
	<u>1,604,687</u>	<u>3,209,854</u>	<u>4,814,541</u>
<i>Proprietary:</i>			
Enterprise	<u>70,047</u>	<u>140,117</u>	<u>210,164</u>
Total	<u>\$1,674,734</u>	<u>\$ 3,349,971</u>	<u>\$ 5,024,705</u>

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

Fund	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
General	\$ 2,288,211	\$ 552,687	\$ (322,553)	\$ 2,518,345
Special revenue	37,903	15,373	(5,574)	47,702
Capital projects	115,877	41,252	(41,716)	115,413
Enterprise	141,177	31,578	(32,638)	140,117
Internal service	<u>452,732</u>	<u>159,108</u>	<u>(83,446)</u>	<u>528,394</u>
	<u>\$ 3,035,900</u>	<u>\$ 799,998</u>	<u>\$ (485,927)</u>	<u>\$ 3,349,971</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.

P) New Pronouncement

During the current fiscal year the District adopted GASB Statement No.45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The District does not offer any postemployment benefits as defined by the statement. Health care for retirees is covered by PERA (see note15).

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	\$ 5,209,128
Elimination of governmental and internal service interfund activity	<u>(5,199,904)</u>
Due to the general fund from component units – governmental activities	<u>\$ 9,224</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 were not material 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, 2007 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Food services fund	\$ 21,750,000	\$21,215,750	\$534,250
Child care fund	12,700,000	12,138,653	561,347
Property management fund	1,653,200	1,319,568	333,632
Central services fund	3,435,100	3,200,079	235,021
Employee benefits fund	7,000,000	6,870,225	129,775
Insurance reserve fund	7,883,800	6,678,254	1,205,546
Technology fund	15,301,600	13,936,046	1,365,554

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:

Expenditure Schedule

<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	<u>\$ 552,237,480</u>	<u>\$ (3,758,338)</u>	<u>\$(114,896)</u>	<u>\$ 548,364,246</u>
Capital reserve fund	<u>\$ 6,127,593</u>	<u>\$ -</u>	<u>\$ (1,713)</u>	<u>\$ 6,125,880</u>
Component units (charter schools):				
Collegiate Academy of Colorado	\$ 3,820,004	\$ (19,937)	-	\$ 3,800,067
Compass Montessori–Wheatridge	1,839,855	(8,897)	-	1,830,958
Compass Montessori-Golden	3,369,180	(19,228)	-	3,349,952
Excel	3,209,415	(24,783)	-	3,184,632
Free Horizon	1,577,712	1,874	-	1,579,586
Jefferson	5,040,903	19,438	-	5,060,341
Lincoln Academy	4,347,564	(33,902)	-	4,313,662
Montessori Peaks	3,846,462	(1,390)	-	3,845,072
Mountain Phoenix	3,000	-	-	3,000
New America	919,694	(40,809)	-	878,885
Rocky Mtn. Academy	2,596,578	(10,532)	-	2,586,046
Rocky Mtn. Deaf School	808,610	(2,895)	-	805,715
Woodrow Wilson	<u>3,568,550</u>	<u>(3,339)</u>	<u>-</u>	<u>3,565,211</u>
Total component units	<u>\$ 34,947,527</u>	<u>\$ (144,400)</u>	<u>\$ -</u>	<u>\$ 34,803,127</u>

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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	\$ 105,572,763	\$ 60,537,425	\$ 166,110,188
Capital reserve/Building capital projects funds	63,798,958	59,650	63,858,608
Total governmental funds	<u>\$ 169,371,721</u>	<u>\$ 60,597,075</u>	<u>\$ 229,968,796</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	\$ 1,091,094	\$ 165,005	\$ 1,256,099
Compass Montessori – Wheatridge	(91,734)	159,584	67,850
Compass Montessori - Golden	690,104	128,759	818,863
Excel	1,849,291	116,480	1,965,771
Free Horizon	36,329	55,035	91,364
Jefferson	722,793	200,313	923,106
Lincoln Academy	1,618,441	140,191	1,758,632
Montessori Peaks	1,133,668	108,022	1,241,690
Mountain Phoenix	(3,000)	-	(3,000)
New America	(7,656)	40,809	33,153
Rocky Mtn. Academy	7,026	84,191	91,217
Rocky Mtn. Deaf School	(10,141)	37,674	27,533
Woodrow Wilson	1,333,763	53,196	1,386,959
Total component units	<u>\$ 8,369,978</u>	<u>\$ 1,289,259</u>	<u>\$ 9,659,237</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, 2007, 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 \$60,537,425 to be permanently deferred and therefore available for budgetary purposes.

5. Excess expenditures over appropriations and deficit fund equity

As of June 30, 2007, four Component Unit Charter Schools had accumulated deficits of \$112,531. 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:

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, 2007, \$2,668,330 of the District and the discretely presented component unit's bank balance of \$2,941,560 were exposed to custodial credit risk. Deposits exposed to credit risk of \$2,668,330 are collateralized with securities held by the pledging financial institution through PDPA.

Cash held in trust:

As of June 30, 2007 the District had \$3,305,162 held in trust. Jefferson County collects the property taxes for the District and holds the funds in trust until sent to the District monthly.

Investments:

As of June 30, 2007, the District had the following investments. Investments held in the guaranteed investment contract are not a part of pooled cash until drawn. All other deposits and investments are internally pooled to maximize investment safety, liquidity, and interest yield.

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
JP Morgan (Flex Repo Agreement)	02/01/2008	\$ 51,405,382
Colorado Surplus Asset Fund Trust (external investment pool)	Weighted average under 60 days	87,516,432
Colotrust (external investment pool)	Less than 1 year	203,309,617
JP Morgan (Custodian: Bank of New York) (forward delivery agreement)	12/15/2017	56,264,537
MBIA (U.S Treasuries)	Weighted average of 230 days	742,425
MBIA (U.S. Instrumentality)	Weighted average of 781 days	13,021,639
MBIA (Commercial Paper)	Weighted average of 79 days	1,976,900
U.S. Bank (Repurchase agreement)	Overnight Sweep	13,546,865
FSA Capital Management Services (Guaranteed Investment Contract)	06/04/2008	86,876,487
Total Investments:		\$ 514,660,284

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Notes to Basic Financial Statements

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 statute 24-75-601 limits investment maturities to five years or less without governing board approval.

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. Colorado Surplus Asset Fund Trust (CSAFE) is rated AAAM by Standard & Poors. The Colorado Local Government Liquid Asset Trust (Colotrust) is rated AAAM by Standard & Poors and Aaa by Moody's. These local government investment pools are regulated by the Colorado Division of Securities and they maintain a constant net asset value of \$1.00. The U.S. instruments held by MBIA are rated AAA by Standard & Poors and Aaa by Moody's. The commercial paper at MBIA is rated A1 by S&P and P1 by Moody's. The FSA Capital Management Guaranteed Investment Contract is not rated but the provider must maintain a rating of Aaa by Moody's and AAA by Standard & Poors.

Concentration of Credit Risk – The District places no limit on the amount it may invest in any one issuer. More than 5 percent of the district's investments are in the JP Morgan (flex repo agreement) which holds FHA securities, JP Morgan (forward delivery agreement) which holds FNMA and FHLMC securities and FSA Capital Management Services guaranteed investment contract. These investments are 10 percent, 9 percent and 17 percent, respectively, of the District's total investments.

7. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>June 30, 2006</u> (Restated, Refer to Note 17)	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2007</u>
Non-depreciable assets:				
Land	\$ 51,054,670	\$ 5,498,589	\$ (42,270)	\$ 56,510,989
Construction in progress	<u>110,817,232</u>	<u>121,011,909</u>	<u>(79,486,118)</u>	<u>152,343,023</u>
Total Non-depreciable assets	<u>\$ 161,871,902</u>	<u>\$ 126,510,498</u>	<u>\$ (79,528,388)</u>	<u>\$ 208,854,012</u>
Depreciable assets:				
Buildings and site improvements	\$991,630,529	\$ 74,542,580	\$ (2,643,062)	\$1,063,530,047
Equipment and vehicles – Internal service funds	21,104,008	3,691,505	(2,007,884)	22,787,629
Equipment and vehicles	<u>84,253,300</u>	<u>2,088,282</u>	<u>(14,394,537)</u>	<u>71,947,045</u>
Total Depreciable assets	<u>\$1,096,987,837</u>	<u>\$ 80,322,367</u>	<u>\$ (19,045,483)</u>	<u>\$1,158,264,721</u>

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Notes to Basic Financial Statements

	Balance <u>June 30, 2006</u>	Additions	Deletions	Balance <u>June 30, 2007</u>
Less accumulated depreciation for:				
Building and site improvements	\$ (404,817,630)	\$ (45,980,100)	\$ 2,052,674	\$ (448,745,056)
Equipment and vehicles – Internal service funds	(9,935,070)	(3,006,610)	1,791,262	(11,150,418)
Equipment and vehicles	<u>(58,055,148)</u>	<u>(5,108,880)</u>	<u>13,779,651</u>	<u>(49,384,377)</u>
Total Accumulated depreciation	<u>\$ (472,807,848)</u>	<u>\$ (54,095,590)</u>	<u>\$ 17,623,587</u>	<u>\$ (509,279,851)</u>
Total capital assets, net	<u>\$ 786,051,891</u>	<u>\$ 152,737,275</u>	<u>\$ (80,950,284)</u>	<u>\$ 857,838,882</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, 2006</u>	Additions	Deletions	Balance <u>June 30, 2007</u>
Equipment	\$ 5,958,383	\$ 274,889	\$ (32,167)	\$ 6,201,105
Accumulated depreciation	<u>(3,966,557)</u>	<u>(346,797)</u>	<u>31,496</u>	<u>(4,281,858)</u>
Total	<u>\$ 1,991,826</u>	<u>\$ (71,908)</u>	<u>\$ (671)</u>	<u>\$ 1,919,247</u>

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

	Balance <u>June 30, 2006</u>	Additions	Deletions	Balance <u>June 30, 2007</u>
Equipment	\$ 622,633	\$ 50,000	\$ (175,847)	\$ 496,786
Accumulated depreciation	<u>(528,595)</u>	<u>(31,883)</u>	<u>175,645</u>	<u>(384,833)</u>
Total	<u>\$ 94,038</u>	<u>\$ 18,117</u>	<u>\$ (202)</u>	<u>\$ 111,953</u>

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

	Balance <u>June 30, 2006</u>	Additions	Deletions	Balance <u>June 30, 2007</u>
Equipment	\$ 2,977,190	\$ 32,540	\$(2,191,239)	\$ 818,491
Accumulated depreciation	<u>(2,452,435)</u>	<u>(63,805)</u>	<u>2,191,239</u>	<u>(325,001)</u>
Total	<u>\$ 524,755</u>	<u>\$ (31,265)</u>	<u>-</u>	<u>\$ 493,490</u>

Total capital assets being depreciated, business-type activities	\$ 7,516,382
Accumulated depreciation	<u>(4,991,692)</u>
Business-type activities capital assets, net	<u>\$ 2,524,690</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Discretely presented component units

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

	Balance <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2007</u>
Non-depreciable assets:				
Land	\$ 2,898,719	\$ 1,316,292	\$ -	\$ 4,215,011
Construction in progress	<u>5,597,888</u>	<u>2,192,468</u>	<u>(5,597,888)</u>	<u>2,192,468</u>
Total Non-depreciable assets:	<u>\$ 8,496,607</u>	<u>\$ 3,508,760</u>	<u>\$(5,597,888)</u>	<u>\$ 6,407,479</u>
Depreciable assets:				
Buildings and equipment	\$ 24,175,185	\$ 5,336,217	\$ (471,347)	\$ 29,040,055
Accumulated depreciation	<u>(3,185,063)</u>	<u>(917,673)</u>	<u>145,447</u>	<u>(3,957,289)</u>
Total	<u>\$ 29,486,729</u>	<u>\$ 7,927,304</u>	<u>\$(5,923,788)</u>	<u>\$ 31,490,245</u>

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

Governmental activities:

Direct instruction	\$ 38,141,958
Indirect instruction	7,986,054
Field services	3,274,073
Support services	57,084
General administration	10,890
District-wide (Non-departmental)	1,618,921
Capital assets held by the District's internal service funds	<u>3,006,610</u>
Total depreciation expense – governmental activities	<u>\$ 54,095,590</u>

Business-type activities:

Food services	\$ 346,797
Child care	31,883
Property management	<u>63,805</u>
Total depreciation expense – business-type activities	<u>\$ 442,485</u>

Construction commitments

The District has active construction projects as of June 30, 2007. 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, 2007 are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Golden HS Replacement	\$15,522,818	\$18,295,523
Arvada West HS Replacement	18,301,506	9,191,901
Wheat Ridge HS Addition	2,598,078	8,461,715
Chatfield HS Addition	24,016,690	4,190,082
Lakewood HS Addition/Renovation	29,823,881	2,690,041
Evergreen MS Addition/Renovation	162,785	876,350
Rocky Mountain Academy Site	987,465	827,135
Fruitdale Preschool Replacement	1,284,763	810,417
Tanglewood Preschool Replacement	1,271,866	726,714
Bear Creek HS Replacement	2,257,155	651,849

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Notes to Basic Financial Statements

8. Interfund receivables and payables

The following identifies amounts due to and from individual funds at June 30, 2007:

Fund	Due To	Due From
General fund	\$ 5,199,904	\$ -
Governmental fund:		
Bond Redemption Debt Service	-	-
Capital Reserve Capital Projects	-	810,752
Building Fund Capital Projects	810,752	-
Nonmajor Governmental Funds	-	4,837,602
Internal Service Funds	-	<u>362,302</u>
	<u>\$6,010,656</u>	<u>\$6,010,656</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.

9. Transfers

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. At June 30, 2007 the detail for these transfers is as follows:

General Fund Transfers

Capital reserve fund	<u>\$ 19,208,000</u>
Net transfers within the governmental funds	<u>19,208,000</u>
Child care fund	2,717,145
Insurance reserve fund	5,884,300
Technology fund	<u>2,478,000</u>
Net transfers into the proprietary funds	<u>11,079,445</u>
Total transfers out from the General fund	<u>\$ 30,287,445</u>

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Notes to Basic Financial Statements

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, 2007 was \$21,907,704

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, 2007 was \$9,100,253.

The District has two capital lease agreements for the purchase of copiers and computers. The lease terms are generally four to five years with interest ranging from 4.65 percent to 8 percent. 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, 2007, are comprised of the following:

	Balance July 1, 2006	Additions	Retirements	Outstanding June 30, 2007	Current Portion
<u>Governmental activities</u>					
Bus – 2003 COP's	\$ 8,700,000	\$ -	\$ (1,145,000)	\$ 7,555,000	\$ 1,170,000
Supplemental Retirement 2006A COP's	-	25,440,000	(365,000)	25,075,000	760,000
Supplemental Retirement 2006B COP's	-	13,230,000	(190,000)	13,040,000	405,000
Less deferred amounts:					
For issuance costs	<u>(191,750)</u>	<u>(670,000)</u>	<u>46,250</u>	<u>(815,500)</u>	<u>-</u>
Total COP's	<u>\$ 8,508,250</u>	<u>\$ 38,000,000</u>	<u>\$ (1,653,750)</u>	<u>\$ 44,854,500</u>	<u>\$ 2,335,000</u>
Internal service funds – capital leases:					
Copiers	\$ 52,257	\$ -	\$ (52,257)	\$ -	\$ -
Computers	<u>310,117</u>	<u>-</u>	<u>(153,587)</u>	<u>156,530</u>	<u>156,530</u>
Subtotal - Internal service funds	<u>362,374</u>	<u>-</u>	<u>(205,844)</u>	<u>156,530</u>	<u>156,530</u>
Governmental activity long-term liabilities	<u>\$ 8,870,624</u>	<u>\$ 38,000,000</u>	<u>\$ (1,859,594)</u>	<u>\$ 45,011,030</u>	<u>\$ 2,491,530</u>
<u>Component unit activities:</u>					
Component units – Buildings/Capital leases	\$ 38,610,000	\$ 13,955,000	\$ (11,835,000)	\$ 40,730,000	\$ 810,000
Less deferred amounts:					
For issuance costs and refunding	<u>(2,159,811)</u>	<u>(1,989,959)</u>	<u>640,376</u>	<u>(3,509,393)</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 36,450,189</u>	<u>\$ 11,965,041</u>	<u>\$ (11,194,624)</u>	<u>\$ 37,220,607</u>	<u>\$ 810,000</u>
Component Units - Promissory notes	<u>\$ 486,536</u>	<u>\$ 537,371</u>	<u>\$ (148,137)</u>	<u>\$ 875,769</u>	<u>\$ 872,445</u>

In fiscal year 2007, Montessori Peaks Academy and Compass Montessori Golden charter schools (component units) refunded their 2002 capital leases with 2006 capital leases, realizing respective economic gains (difference between the present values of the old and new debt service payments) of \$658,450 and \$648,115.

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.

The assets acquired through capital leases excluding COP's and Component Units are as follows:

Asset:	
Equipment	\$ 330,168
Less: Accumulated depreciation	<u>(264,134)</u>
Total:	<u>\$ 66,034</u>

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Notes to Basic Financial Statements

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

Capital leases

Fiscal Year Ending June 30	Governmental Activities COP'S		Governmental Activities Internal Service Funds		Component Units Charter Schools	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 2,335,000	\$ 2,264,868	\$ 156,530	\$ 3,000	\$ 810,000	\$ 2,105,676
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
2013-2017	9,655,000	7,732,982	-	-	5,330,000	9,142,021
2018-2022	10,795,000	5,216,077	-	-	6,155,000	7,705,318
2023-2027	12,560,000	1,822,512	-	-	9,285,000	5,782,139
2028-2032	-	-	-	-	9,820,000	3,097,825
2033-2037	-	-	-	-	5,785,000	656,238
Total	<u>\$45,670,000</u>	<u>\$25,104,264</u>	<u>\$ 156,530</u>	<u>\$ 3,000</u>	<u>\$40,730,000</u>	<u>\$36,571,007</u>

Promissory note

Fiscal Year Ending June 30	Component Units Charter Schools	
	Principal	Interest
2008	\$ 872,444	\$ 23,328
2009	<u>3,325</u>	<u>99</u>
Total	<u>\$ 875,769</u>	<u>\$ 23,427</u>

The District has appropriated amounts from 2008 revenues in the General Fund and Capital Reserve Fund to meet the lease payments for the COP principal and interest which is due in 2008. Appropriations for the 2008 computer lease payments have been made in the Technology Fund for 2008.

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, 2007 are comprised of the following:

\$66,800,000 2007 Series bonds due in semi-annual installments with annual payments of \$1,763,242 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 \$453,701 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 \$5,883,963 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 \$1,680,989 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 \$1,425,000 through December 15, 2009.	460,000
\$200,000,000 1998 Series A Bonds due in semi-annual installments with annual payments of \$8,676,000 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)	24,870,000
\$309,885,000 1997 Series Refunding Bonds due in semi-annual installments with annual payments of \$15,689,000 to \$39,673,000 through December 15, 2012. Interest rate: 4.30% to 6.50%.	187,040,000
\$7,670,000 1992 Series Capital Appreciation Bonds discounted at 6.35%, due December 15, 2007; net of unamortized discount of \$236,021	<u>7,433,979</u>
Total	<u>\$ 693,618,979</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

	Balance July 1, <u>2006</u>	New and Refunding <u>Issues</u>	Payments & Amortization <u>of Discount</u>	Balance June 30, <u>2007</u>	Current <u>Portion</u>
General obligation bonds:					
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	575,000	-	(115,000)	460,000	115,000
Construction - 1998A	36,205,000	-	(11,335,000)	24,870,000	12,015,000
Refunding - 1997	213,775,000	-	(26,735,000)	187,040,000	20,465,000
Capital appreciation - 1992	6,983,474	-	450,505	7,433,979	7,433,978
Less deferred amounts:					
On refunding discounts, premiums and issue costs	<u>15,998,312</u>	<u>6,452,000</u>	<u>(984,994)</u>	<u>21,465,318</u>	<u>-</u>
	<u>\$ 680,551,786</u>	<u>\$ 73,252,000</u>	<u>\$ (38,719,489)</u>	<u>\$ 715,084,297</u>	<u>\$ 40,028,978</u>

Future years general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 40,028,979	\$ 35,878,100
2009	42,385,000	33,423,163
2010	45,120,000	30,736,425
2011	47,270,000	27,989,088
2012	50,080,000	25,043,238
2013-2017	146,985,000	96,690,294
2018-2022	147,245,000	63,599,625
2023-2027	<u>174,505,000</u>	<u>22,298,263</u>
Total	<u>\$ 693,618,979</u>	<u>\$ 335,658,196</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.

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, 2007, are \$1,340,113,353 and \$704,577,524, respectively. The District is in compliance with the legal debt limit.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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, 2007 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	\$50,184,429	\$48,310,000
2004	64,450,000	December, 2008	66,627,090	64,450,000
2005	40,325,000	December, 2008	41,417,442	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, 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 \$5,018,826 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2007. 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 Mercer 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, 2007 for Jefferson County School District.

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

Balance July 1, 2006	\$ 6,143,810
Increase (Decrease) in estimated claims:	
Estimated property claims	21,101
Errors and omissions claims	(53,688)
Automobile claims	(75,104)
General liability claims	7,661
Workers' compensation claims	<u>(1,024,954)</u>
Balance June 30, 2007	<u>\$ 5,018,826</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

	<u>2006</u>	<u>2007</u>
Amount of claims liabilities at July 1	\$ 5,695,659	\$ 6,143,810
Incurred claims and change in reserve	4,629,956	3,390,567
Payments on claims	<u>(4,181,805)</u>	<u>(4,515,551)</u>
Amount of claims liabilities at June 30	<u>\$ 6,143,810</u>	<u>\$ 5,018,826</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, 2007. 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 \$694,600 and \$119,100 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2007, related to the District's self-insured dental and vision plans respectively and \$335,474 for medical insurance and other benefit premiums.

	<u>2006</u>	<u>2007</u>
Amount of claims liabilities at July 1	\$ 841,700	\$ 828,800
Incurred claims and change in reserve	5,193,536	6,120,785
Payments on claims	<u>(5,206,436)</u>	<u>(6,135,885)</u>
Amount of claims liabilities at June 30	<u>\$ 828,800</u>	<u>\$ 813,700</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).

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 11.15 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, 2005, 2006 and 2007 were \$43,416,334 and \$45,816,817, and \$50,266,991 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, 2005, 2006 and 2007 were \$4,361,922, \$4,419,565, and \$4,620,655 respectively, equal to their required contributions for each year.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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 (\$14,000 in 2005, \$15,000 in 2006, and \$15,500 in 2007).

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.

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)	\$ 3,288,244
Contributions made for fiscal year 2007	<u>6,000,000</u>
Increase in net pension obligation (Asset)	(2,711,756)
Interest on net pension obligation	(949,265)
Adjustment on annual required contribution	927,847
Net pension asset, beginning of year	<u>(12,248,581)</u>
Net pension asset, end of year	<u>\$ (14,981,755)</u>

The annual required contribution for the current year was determined as part of the September 1, 2007 actuarial valuation prepared by Mercer Human Resource Consulting, using the traditional unit credit actuarial cost method and a level dollar amortization method for a 40 year open period (30 year starting in fiscal year 2007 and beyond).. The actuarial assumptions include (a) 7.75 percent investment rate of return for August 31, 2005, and later, 8.75 percent before August 31, 2005, (b) inflation at 2.5 percent, 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, 2004	\$3,584,562	\$3,351,265	93.5%	\$ (11,830,616)
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)

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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, 2004	\$18,333,937	\$58,094,029	\$39,760,092	31.6%	\$158,996,444	25.0%
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

Payment of unused sick and personal leave in the amount of \$2,437,479 was paid to 253 early retirees in fiscal year 2007. The Board has appropriated \$3,792,000 for its early retirement programs to be paid in Fiscal year 2008. It is anticipated expenditures for health/group life and sick/personal leaves for Fiscal year 2008 will be \$2,242,022. The remaining \$1,549,978 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 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 this significant, additional funding to the supplemental retirement plan. The payment was made after the actuarial valuation for August 31, 2006 and will be represented in the following year valuation.

17. Prior Period Adjustment (Restatement) of Capital Assets

During an analysis of building and land inventory by the District, it was discovered that properties donated to the District were not written onto the capital asset listing. There were also some discrepancies in building replacement disposals and additions. The net effect of these corrections was an increase in governmental activities capital assets and government-wide net assets of \$12,530,226.

The effect of these corrections for the various categories are shown in the following table:

Year End June 30, 2006	As previously reported	Adjustments	As restated
Governmental Activities:			
Non-depreciable assets:			
Land	\$ 43,633,359	\$7,421,311	\$ 51,054,670
Depreciable assets:			
Buildings and site improvements	1,024,954,506	(33,323,977)	991,630,529
Less accumulated depreciation for:			
Building and site improvements	(443,250,522)	38,432,892	(404,817,630)
Total land, building and site improvement assets, net	\$ 625,337,343	\$ 12,530,226	\$ 637,867,569

18. Subsequent Events

On November 14, 2007 the District issued \$35,890,000 in general obligation refunding bonds. The bonds refinanced \$37,525,000 of outstanding general obligation debt issued in 1997 and maturing in December 2012. The refinancing resulted in net present value savings of \$1,950,685.



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, 2007

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Grants Fund	Campus Activity Fund	
Assets			
Cash	\$ -	\$ 103,557	\$ 103,557
Equity in pooled cash and temporary investments	-	9,213,278	9,213,278
Accounts and interest receivable	-	41,052	41,052
Intergovernmental receivables:			
From the federal government	9,537,163	-	9,537,163
From the state government	52,554	-	52,554
Inventories	-	378,104	378,104
Total assets	\$ 9,589,717	\$ 9,735,991	\$ 19,325,708
Liabilities			
Accounts payable	\$ 379,966	\$ 240,392	\$ 620,358
Accrued salaries and benefits	2,628,133	17,045	2,645,178
Due to other funds	4,837,602	-	4,837,602
Unearned revenues	-	301,252	301,252
Total liabilities	7,845,701	558,689	8,404,390
Fund Balance:			
Reserved for TABOR	-	699,129	699,129
Reserved for designated purpose grants	1,744,016	-	1,744,016
Reserved for inventory	-	378,104	378,104
Unreserved, designated for encumbrances	-	1,218,667	1,218,667
Unreserved, designated for subsequent year budget	-	6,881,402	6,881,402
Total fund balance	1,744,016	9,177,302	10,921,318
Total liabilities and fund balances	\$ 9,589,717	\$ 9,735,991	\$ 19,325,708

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, 2007

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Grants Fund	Campus Activity Fund	
Revenues:			
Intergovernmental:			
Federal government	\$ 33,579,656	\$ -	\$ 33,579,656
State of Colorado	1,555,139	-	1,555,139
Other:			
Interest	-	19,248	19,248
Gifts and grants	929,034	-	929,034
Student activities	-	7,431,673	7,431,673
Fund raising	-	5,268,242	5,268,242
Fees and dues	-	6,242,213	6,242,213
Donations	-	1,862,614	1,862,614
Miscellaneous	-	4,342,935	4,342,935
Total revenues	<u>36,063,829</u>	<u>25,166,925</u>	<u>61,230,754</u>
Expenditures:			
Current:			
Elementary instruction	9,517,202	-	9,517,202
Middle level instruction	824,348	-	824,348
Senior high instruction	711,329	-	711,329
Athletics and activities	-	24,890,526	24,890,526
Instructional services	6,986,940	-	6,986,940
Intervention services	18,994,431	-	18,994,431
Total expenditures	<u>37,034,250</u>	<u>24,890,526</u>	<u>61,924,776</u>
Excess of revenues over (under) expenditures	(970,421)	276,399	(694,022)
Fund balances - July 1, 2006	2,714,437	8,900,903	11,615,340
Fund balances - June 30, 2007	<u>\$ 1,744,016</u>	<u>\$ 9,177,302</u>	<u>\$ 10,921,318</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, 2007

Debt Service Fund			
	Original and Final Budget Amounts	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes:			
Property taxes	\$ 75,200,000	\$ 74,942,210	\$ (257,790)
Interest	100,000	-	(100,000)
Total taxes	75,300,000	74,942,210	(357,790)
Expenditures:			
Debt Service			
Principal retirement	38,185,000	38,185,000	-
Interest and fiscal charges	38,047,000	36,297,792	1,749,208
Total Expenditures	76,232,000	74,482,792	1,749,208
Excess of revenues and other financing sources over (under) expenditures	\$ (932,000)	459,418	\$ 1,391,418
Fund balances - July 1, 2006		57,623,732	
Fund balances - June 30, 2007		\$ 58,083,150	

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, 2007

Capital Reserve Fund				
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 585,000	\$ 1,200,000	\$ 1,727,122	\$ 527,122
Other	1,335,000	1,750,000	1,993,172	243,172
Total revenues	1,920,000	2,950,000	3,720,294	770,294
Expenditures:				
Capital outlay:				
New buildings and land	4,601,400	4,905,157	1,954,207	2,950,950
School additions and improvements	-	-	1,074,525	(1,074,525)
Grounds improvements	-	-	180,266	(180,266)
Mechanical and electrical improvements	-	-	28,786	(28,786)
Roof replacement	-	-	-	-
Vehicles and large equipment	1,692,300	1,692,300	1,485,554	206,746
Debt Service:				
Principal retirements	1,145,000	1,145,000	1,145,000	-
Interest	257,500	257,543	257,543	-
Total expenditures	7,696,200	8,000,000	6,125,881	1,874,119
Excess of revenues over (under) expenditures	(5,776,200)	(5,050,000)	(2,405,587)	2,644,413
Other Financing Sources:				
Transfers in	19,208,000	19,208,000	19,208,000	-
Total other financing sources (uses)	19,208,000	19,208,000	19,208,000	-
Excess of revenues and other financing sources over (under) expenditures	\$ 13,431,800	\$ 14,158,000	16,802,413	\$ 2,644,413
Salaries, benefits, and compensated absences earned but unpaid:				
July 1, 2006			57,938	
June 30, 2007			(59,650)	
Fund balance - July 1, 2006			46,998,257	
Fund balance - June 30, 2007			\$ 63,798,958	

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, 2007

Building Fund - Capital Projects				
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 4,095,900	\$ 5,595,900	\$ 7,244,185	\$ 1,648,285
Carryforward	-	74,000,000	-	(74,000,000)
Total revenues	4,095,900	79,595,900	7,244,185	(72,351,715)
Expenditures:				
Capital outlay:				
New buildings and land	117,715,900	152,715,920	34,027,238	118,688,682
School additions and improvements	-	-	82,176,837	(82,176,837)
Grounds improvements	-	-	4,839,939	(4,839,939)
Mechanical and electrical improvements	-	-	1,241,746	(1,241,746)
Roof replacement	-	-	2,335,650	(2,335,650)
Total expenditures	117,715,900	152,715,920	124,621,410	28,094,510
Excess of revenues over (under) expenditures	(113,620,000)	(73,120,020)	(117,377,225)	(44,257,205)
Other Financing Sources:				
General obligation bond issuance	66,800,000	66,800,000	66,800,000	-
Premium from bond issuance	-	7,030,000	7,030,291	291
Total other financing sources	66,800,000	73,830,000	73,830,291	291
Excess of revenues and other financing sources over (under) expenditures	\$ (46,820,000)	\$ 709,980	(43,546,934)	\$ (44,256,914)
Fund balance - July 1, 2006			188,032,012	
Fund balance - June 30, 2007			\$ 144,485,078	

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, 2007

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final	Budget Basis	
Revenues:				
Intergovernmental:				
Federal government	\$ 25,275,000	\$ 37,045,464	\$ 33,579,656	\$ (3,465,808)
State of Colorado	2,426,400	2,619,781	1,555,139	(1,064,642)
Other:				
Gifts and grants	505,500	102,548	929,034	826,486
Total revenues	28,206,900	39,767,793	36,063,829	(3,703,964)
Expenditures:				
Current:				
Elementary instruction	8,593,500	10,385,162	9,517,202	867,960
Middle level instruction	707,700	91,744	824,348	(732,604)
Senior high instruction	515,600	611,107	711,329	(100,222)
Instructional services	6,470,400	8,364,341	6,986,940	1,377,401
Intervention services	11,576,000	20,315,439	18,994,431	1,321,008
Total expenditures	27,863,200	39,767,793	37,034,250	2,733,543
Excess of revenues and other financing sources over (under) expenditures	\$ 343,700	\$ -	(970,421)	\$ (970,421)
Fund balance - July 1, 2006			2,714,437	
Fund balance - June 30, 2007			\$ 1,744,016	

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, 2007

Campus Activity Fund			
	Original and Final Budget Amounts	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Interest	\$ 12,000	\$ 19,248	\$ 7,248
Student activities	8,166,000	7,431,673	(734,327)
Fund raising	5,205,000	5,268,242	63,242
Fees and dues	6,075,000	6,242,213	167,213
Donations	1,938,000	1,862,614	(75,386)
Miscellaneous	6,122,000	4,342,935	(1,779,065)
Total revenues	27,518,000	25,166,925	(2,351,075)
Expenditures:			
Current:			
Athletics and activities	27,500,000	24,890,526	2,609,474
Total expenditures	27,500,000	24,890,526	2,609,474
Excess of revenues over expenditures	\$ 18,000	276,399	\$ 258,399
Fund balance - July 1, 2006		8,900,903	
Fund balance - June 30, 2007		\$ 9,177,302	

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, 2007

<u>Assets</u>	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Current assets:			
Cash	\$ 300	\$ -	\$ -
Equity in pooled cash and temporary investments	558,860	30,747,745	7,473,438
Accounts and other receivable	674	10,773	1,534,838
Inventories	99,205	-	-
Prepaid items	-	-	1,041,109
Total current assets	<u>659,039</u>	<u>30,758,518</u>	<u>10,049,385</u>
Capital assets:			
Vehicles and equipment	3,227,326	-	235,605
Less: Accumulated depreciation	<u>(2,077,988)</u>	-	<u>(165,646)</u>
Total capital assets net of accumulated depreciation	1,149,338	-	69,959
Total assets	<u>\$ 1,808,377</u>	<u>\$ 30,758,518</u>	<u>\$ 10,119,344</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	\$ 96,278	\$ -	\$ 1,851,886
Accrued salaries, benefits, and compensated absences	23,827	2,628,706	43,733
Payroll withholding	-	19,428,817	-
Due to other funds	-	-	-
Other unearned revenues	-	-	-
Current capital lease obligations	-	-	-
Estimated liability for premiums and claims	-	1,149,176	5,018,826
Total current liabilities	<u>120,105</u>	<u>23,206,699</u>	<u>6,914,445</u>
Non-current liabilities:			
Compensated absences	47,659	2,255	87,479
Total non-current liabilities	<u>47,659</u>	<u>2,255</u>	<u>87,479</u>
Total liabilities	<u>167,764</u>	<u>23,208,954</u>	<u>7,001,924</u>
<u>Net Assets</u>			
Invested in capital assets net of related debt	1,149,339	-	69,960
Restricted for:			
TABOR	1,844	12,031	66,263
Unrestricted	489,430	7,537,533	2,981,197
Total net assets	<u>1,640,613</u>	<u>7,549,564</u>	<u>3,117,420</u>
Total liabilities and net assets (deficit)	<u>\$ 1,808,377</u>	<u>\$ 30,758,518</u>	<u>\$ 10,119,344</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	38,780,043
-	1,546,285
23,052	122,257
524,287	1,565,396
<u>547,339</u>	<u>42,014,281</u>
19,324,698	22,787,629
<u>(8,906,784)</u>	<u>(11,150,418)</u>
10,417,914	11,637,211
<u>\$ 10,965,253</u>	<u>\$ 53,651,492</u>

\$ 657,241	\$ 2,605,405
199,314	2,895,580
-	19,428,817
362,302	362,302
920,694	920,694
156,530	156,530
-	6,168,002
<u>2,296,081</u>	<u>32,537,330</u>
391,001	528,394
<u>391,001</u>	<u>528,394</u>
<u>2,687,082</u>	<u>33,065,724</u>
10,261,384	11,480,683
17,538	97,676
<u>(2,000,751)</u>	<u>9,007,409</u>
8,278,171	20,585,768
<u>\$ 10,965,253</u>	<u>\$ 53,651,492</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, 2007

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Revenues:			
Insurance premiums	\$ -	\$ 7,312,502	\$ 2,693,032
Service contracts	3,538,804	-	51,015
Total revenues	<u>3,538,804</u>	<u>7,312,502</u>	<u>2,744,047</u>
Expenses:			
Salaries and employee benefits	1,009,641	52,523	1,755,629
Administration services	238,624	396,633	320,640
Utilities	4,498	-	-
Supplies	1,327,746	-	-
Repairs and maintenance	261,750	-	-
Rent	10,800	-	-
Depreciation	337,304	-	13,026
Other	2,651	-	-
Claim losses	-	6,120,785	3,390,567
Premiums paid	-	300,284	1,196,592
Total expenses	<u>3,193,014</u>	<u>6,870,225</u>	<u>6,676,454</u>
Income (loss) from operations	<u>345,790</u>	<u>442,277</u>	<u>(3,932,407)</u>
Non-operating revenues (expenses):			
Interest revenues	10,354	384,794	260,585
Interest expense	(1,829)	-	-
Gain (loss) on sale of capital assets	(5,236)	-	(1,800)
Total non-operating revenues (expenses)	<u>3,289</u>	<u>384,794</u>	<u>258,785</u>
Income (loss) before transfers and capital contributions	349,079	827,071	(3,673,622)
Transfers from the general fund	-	-	5,884,300
Change in net assets	<u>349,079</u>	<u>827,071</u>	<u>2,210,678</u>
Net assets - July 1, 2006	1,291,534	6,722,493	906,742
Net assets - June 30, 2007	<u>\$ 1,640,613</u>	<u>\$ 7,549,564</u>	<u>\$ 3,117,420</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 10,005,534
12,773,688	16,363,507
<u>12,773,688</u>	<u>26,369,041</u>
7,103,692	9,921,485
2,396,997	3,352,894
34,585	39,083
162,629	1,490,375
1,331,611	1,593,361
-	10,800
2,656,280	3,006,610
13,425	16,076
-	9,511,352
-	1,496,876
<u>13,699,219</u>	<u>30,438,912</u>
<u>(925,531)</u>	<u>(4,069,871)</u>
-	655,733
(27,243)	(29,072)
(209,584)	(216,620)
<u>(236,827)</u>	<u>410,041</u>
(1,162,358)	(3,659,830)
<u>2,478,000</u>	<u>8,362,300</u>
1,315,642	4,702,470
6,962,529	15,883,298
<u>\$ 8,278,171</u>	<u>\$ 20,585,768</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2007

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,539,881	\$ 7,303,353	\$ 1,222,315
Cash paid to employees	(1,000,685)	(51,404)	(1,763,158)
Cash paid to vendors	(1,832,766)	(8,948,593)	(4,301,578)
Net cash provided by (used for) in operating activities	<u>706,430</u>	<u>(1,696,644)</u>	<u>(4,842,421)</u>
Cash flows from noncapital financing activities:			
Transfers in and (out)	-	-	5,884,300
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>5,884,300</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(397,485)	-	-
Capital contributions	-	-	-
Principal payments	(52,257)	-	-
Interest payments	(1,829)	-	-
Net cash (used for) in capital and related financing activities	<u>(451,571)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	10,354	384,794	260,585
Purchase of investments	-	-	-
Net cash provided by noncapital financing activities	<u>10,354</u>	<u>384,794</u>	<u>260,585</u>
Net increase in cash and cash equivalents	265,213	(1,311,850)	1,302,464
Cash and cash equivalents - July 1, 2006	293,947	32,059,595	6,170,974
Cash and cash equivalents - June 30, 2007	<u>\$ 559,160</u>	<u>\$ 30,747,745</u>	<u>\$ 7,473,438</u>
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ 345,790	\$ 442,277	\$ (3,932,407)
Cash flows from operating activities:			
Depreciation	337,304	-	13,026
(Increase) decrease intergovernmental and other receivables	1,078	(9,149)	(1,521,732)
(Increase) decrease in prepaid items	-	36,248	(20,610)
(Increase) decrease in other inventories	2,690	-	-
Increase (decrease) in accounts payable	10,612	-	1,751,815
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	8,956	419,432	(7,529)
Increase in payroll withholding	-	4,008,988	-
Increase (decrease) in due to other funds	-	-	-
Increase in deferred revenues	-	-	-
Increase (decrease) in estimated liability for premiums and claims	-	(6,594,440)	(1,124,984)
Net cash provided by (used for) in operating activities	<u>\$ 706,430</u>	<u>\$ (1,696,644)</u>	<u>\$ (4,842,421)</u>
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ 5,236	\$ -	\$ 1,800

Technology Fund	Governmental Activities - Internal Service Funds
\$ 12,633,899	\$ 24,699,448
(6,989,740)	(9,804,987)
(4,647,309)	(19,730,246)
<u>996,850</u>	<u>(4,835,785)</u>
2,478,000	8,362,300
<u>2,478,000</u>	<u>8,362,300</u>
(3,294,020)	(3,691,505)
-	-
(153,587)	(205,844)
(27,243)	(29,072)
<u>(3,474,850)</u>	<u>(3,926,421)</u>
-	655,733
-	-
<u>-</u>	<u>655,733</u>
-	255,827
-	38,524,516
<u>\$ -</u>	<u>\$ 38,780,343</u>
\$ (925,531)	\$ (4,069,871)
2,656,280	3,006,610
-	(1,529,803)
(106,516)	(90,878)
2,229	4,919
307,019	2,069,446
113,952	534,811
-	4,008,988
(910,793)	(910,793)
(139,790)	(139,790)
-	-
-	(7,719,424)
<u>\$ 996,850</u>	<u>\$ (4,835,785)</u>
\$ 52,538	\$ 59,574



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, 2007

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Assets					
Current assets:					
Cash	\$ 1,300	\$ -	\$ 48,453	\$ 500	\$ 885
Restricted cash	724,317	-	751,399	708,047	-
Restricted cash for TABOR	117,143	56,417	96,309	98,754	48,609
Equity in pooled cash and temporary investments	428,818	76,586	32,418	1,219,067	142,285
Accounts receivable	13	100	214,317	21	23
Prepaid items	-	-	-	-	-
Total current assets:	<u>1,271,591</u>	<u>133,103</u>	<u>1,142,896</u>	<u>2,026,389</u>	<u>191,802</u>
Noncurrent assets:					
Nondepreciable assets	650,000	-	1,534,539	235,981	-
Depreciable assets	5,167,763	23,026	3,558,155	5,034,543	43,472
Accumulated depreciation	(861,066)	(11,808)	(483,046)	(393,332)	-
Total noncurrent assets:	<u>4,956,697</u>	<u>11,218</u>	<u>4,609,648</u>	<u>4,877,192</u>	<u>43,472</u>
Total assets	<u><u>\$ 6,228,288</u></u>	<u><u>\$ 144,321</u></u>	<u><u>\$ 5,752,544</u></u>	<u><u>\$ 6,903,581</u></u>	<u><u>\$ 235,274</u></u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 15,042	\$ 5,575	\$ 287,397	\$ 60,618	\$ 17,684
Accrued salaries and benefits	165,005	159,584	128,759	116,480	55,035
Due to the general fund	-	-	-	-	-
Unearned revenues	450	59,678	36,636	-	82,754
Accrued interest	16,018	-	132,858	31,707	-
Current capital leases and promissory notes	190,000	-	98,228	150,000	-
Total current liabilities:	<u>386,515</u>	<u>224,837</u>	<u>683,878</u>	<u>358,805</u>	<u>155,473</u>
Noncurrent liabilities:					
Capital Leases and promissory notes	7,299,886	-	5,517,566	6,228,929	-
Total Noncurrent liabilities:	<u>7,299,886</u>	<u>-</u>	<u>5,517,566</u>	<u>6,228,929</u>	<u>-</u>
Total liabilities	<u>7,686,401</u>	<u>224,837</u>	<u>6,201,444</u>	<u>6,587,734</u>	<u>155,473</u>
Net Assets					
Invested in capital net of debt	(2,533,189)	11,218	(919,891)	(1,501,737)	43,472
Restricted for:					
Capital projects	-	27,239	15,295	-	-
Debt service	724,317	-	751,399	708,047	-
TABOR	117,143	56,417	96,309	98,754	48,609
Unrestricted	233,616	(175,390)	(392,012)	1,010,783	(12,280)
Total net assets	<u>(1,458,113)</u>	<u>(80,516)</u>	<u>(448,900)</u>	<u>315,847</u>	<u>79,801</u>
Total liabilities and net assets	<u><u>\$ 6,228,288</u></u>	<u><u>\$ 144,321</u></u>	<u><u>\$ 5,752,544</u></u>	<u><u>\$ 6,903,581</u></u>	<u><u>\$ 235,274</u></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	\$ 1,024	\$ 500	\$ -	\$ 300	\$ -	\$ 500	\$ 500	\$ 54,562
394,947	368,421	848,972	-	-	-	-	553,375	4,349,478
151,420	129,811	86,986	-	27,361	58,541	25,555	95,444	992,350
394,910	1,285,381	324,232	-	9,786	55,607	-	762,008	4,731,098
-	6,341	5,604	-	-	580	18,436	-	245,435
-	-	-	-	-	-	-	-	-
941,877	1,790,978	1,266,294	-	37,447	114,728	44,491	1,411,327	10,372,923
40,637	394,000	2,140,699	-	-	529,969	-	881,654	6,407,479
3,288,082	2,838,679	3,371,972	-	-	741,205	18,578	4,954,580	29,040,055
(643,055)	(521,653)	(478,530)	-	-	(551,837)	(12,962)	-	(3,957,289)
2,685,664	2,711,026	5,034,141	-	-	719,337	5,616	5,836,234	31,490,245
<u>\$ 3,627,541</u>	<u>\$ 4,502,004</u>	<u>\$ 6,300,435</u>	<u>\$ -</u>	<u>\$ 37,447</u>	<u>\$ 834,065</u>	<u>\$ 50,107</u>	<u>\$ 7,247,561</u>	<u>\$ 41,863,168</u>
\$ 18,771	\$ 32,346	\$ 20,004	\$ -	\$ 4,294	\$ 23,511	\$ 10,734	\$ 23,117	\$ 519,093
200,313	140,191	108,022	-	40,809	84,191	37,674	53,196	1,289,259
-	-	-	3,000	-	-	6,224	-	9,224
-	-	4,600	-	-	-	-	1,251	185,369
7,325	34,505	68,561	-	-	7,402	-	25,014	323,390
60,000	85,000	110,000	-	-	869,217	-	120,000	1,682,445
286,409	292,042	311,187	3,000	45,103	984,321	54,632	222,578	4,008,780
2,848,586	2,117,034	6,262,130	-	-	-	-	6,139,800	36,413,931
2,848,586	2,117,034	6,262,130	-	-	-	-	6,139,800	36,413,931
3,134,995	2,409,076	6,573,317	3,000	45,103	984,321	54,632	6,362,378	40,422,711
(222,922)	508,992	(1,251,253)	-	-	(149,880)	5,616	(423,565)	(6,433,139)
280,863	78,851	76,747	-	-	-	-	-	478,995
394,947	368,421	848,972	-	-	-	-	553,375	4,349,478
151,420	129,811	86,986	-	27,361	58,541	25,555	95,444	992,350
(111,762)	1,006,853	(34,334)	(3,000)	(35,017)	(58,917)	(35,696)	659,929	2,052,773
492,546	2,092,928	(272,882)	(3,000)	(7,656)	(150,256)	(4,525)	885,183	1,440,457
<u>\$ 3,627,541</u>	<u>\$ 4,502,004</u>	<u>\$ 6,300,435</u>	<u>\$ -</u>	<u>\$ 37,447</u>	<u>\$ 834,065</u>	<u>\$ 50,107</u>	<u>\$ 7,247,561</u>	<u>\$ 41,863,168</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Activities
Component Units
Fiscal year ended June 30, 2007

	Expenses	Charges For Services	Governmental Activities
Schools			
Collegiate Academy of Colorado	\$ 3,815,215	\$ 328,393	\$ (3,486,822)
Compass Montessori - Wheatridge	1,842,056	631,955	(1,210,101)
Compass Montessori - Golden	2,774,624	742,394	(2,032,230)
Excel Charter School	3,278,675	472,268	(2,806,407)
Free Horizon	1,841,749	531,477	(1,310,272)
Jefferson Academy	4,981,836	206,158	(4,775,678)
Lincoln Academy Charter School	4,195,226	135,839	(4,059,387)
Montessori Peaks	2,811,644	697,236	(2,114,408)
Mountain Phoenix	3,000	-	(3,000)
New America	919,694	76,350	(843,344)
Rocky Mountain Academy Evergreen	2,139,531	457,163	(1,682,368)
Rocky Mountain Deaf School	810,468	582,991	(227,477)
Woodrow Wilson Academy	2,855,515	335,927	(2,519,588)
Total Expenditures	32,269,233	5,198,151	(27,071,082)
General Revenues			
School finance act:			
Collegiate Academy of Colorado			3,576,372
Compass Montessori - Wheatridge			1,248,625
Compass Montessori - Golden			2,467,919
Excel Charter School			2,819,544
Free Horizon			1,088,822
Jefferson Academy			4,841,190
Lincoln Academy Charter School			4,191,193
Montessori Peaks			2,202,282
Mountain Phoenix			-
New America			835,688
Rocky Mountain Academy Evergreen			1,494,220
Rocky Mountain Deaf School			268,853
Woodrow Wilson Academy			2,845,564
Total General Revenues			27,880,272
Change in net assets			809,190
Net Assets Beginning			631,267
Net Assets Ending			\$ 1,440,457

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
All Component Units
Combining Balance Sheet
June 30, 2007

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Assets					
Assets:					
Cash	\$ 1,300	\$ -	\$ 48,453	\$ 500	\$ 885
Restricted Cash	841,460	56,417	847,708	806,801	48,609
Equity in pooled cash	428,818	76,586	32,418	1,219,067	142,285
Accounts, notes, contracts, and interest receivable	13	100	214,317	21	23
Total Assets	<u>\$ 1,271,591</u>	<u>\$ 133,103</u>	<u>\$ 1,142,896</u>	<u>\$ 2,026,389</u>	<u>\$ 191,802</u>
Liabilities, Equity (Deficit)					
Liabilities:					
Accounts and retainages payable	\$ 15,042	\$ 5,575	\$ 287,397	\$ 60,618	\$ 17,684
Accrued salaries, benefits, and compensated absences	165,005	159,584	128,759	116,480	55,035
Due to primary government	-	-	-	-	-
Unearned revenues	450	59,678	36,636	-	82,754
Total Liabilities	<u>180,497</u>	<u>224,837</u>	<u>452,792</u>	<u>177,098</u>	<u>155,473</u>
Equity (Deficit)					
Fund balance reserved for:					
Capital Projects	-	27,239	15,295	-	-
Debt service	724,317	-	751,399	708,047	-
TABOR	117,143	56,417	96,309	98,754	48,609
Fund balance (deficit) unreserved:					
Undesignated fund balance (deficit)	249,634	(175,390)	(172,899)	1,042,490	(12,280)
Total equity (deficit)	<u>1,091,094</u>	<u>(91,734)</u>	<u>690,104</u>	<u>1,849,291</u>	<u>36,329</u>
Total Liabilities, Equity (Deficit)	<u>\$ 1,271,591</u>	<u>\$ 133,103</u>	<u>\$ 1,142,896</u>	<u>\$ 2,026,389</u>	<u>\$ 191,802</u>
Amounts reported for component unit activities in the statement of net assets are different because:					
Component units total equity	\$ 1,091,094	\$ (91,734)	\$ 690,104	\$ 1,849,291	\$ 36,329
Add: Capital Assets	5,817,763	23,026	5,092,694	5,270,524	43,472
Less: Accumulated depreciation	(861,066)	(11,808)	(483,046)	(393,332)	-
Long-term liabilities	(7,489,886)	-	(5,615,794)	(6,378,929)	-
Accrued interest	(16,018)	-	(132,858)	(31,707)	-
Net assets of component unit activities	<u>\$(1,458,113)</u>	<u>\$ (80,516)</u>	<u>\$ (448,900)</u>	<u>\$ 315,847</u>	<u>\$ 79,801</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	\$ 1,024	\$ 500	\$ -	\$ 300	-	\$ 500	\$ 500	\$ 54,562
546,367	498,232	935,958	-	27,361	\$ 58,541	25,555	648,819	5,341,828
394,910	1,285,381	324,232	-	9,786	55,607	-	762,008	4,731,098
-	6,341	5,604	-	-	580	18,436	-	245,435
<u>\$ 941,877</u>	<u>\$ 1,790,978</u>	<u>\$ 1,266,294</u>	<u>\$ -</u>	<u>\$ 37,447</u>	<u>\$ 114,728</u>	<u>\$ 44,491</u>	<u>\$ 1,411,327</u>	<u>\$ 10,372,923</u>
\$ 18,771	\$ 32,346	\$ 20,004	\$ -	\$ 4,294	\$ 23,511	\$ 10,734	\$ 23,117	\$ 519,093
200,313	140,191	108,022	-	40,809	84,191	37,674	53,196	1,289,259
-	-	-	3,000	-	-	6,224	-	9,224
-	-	4,600	-	-	-	-	1,251	185,369
<u>219,084</u>	<u>172,537</u>	<u>132,626</u>	<u>3,000</u>	<u>45,103</u>	<u>107,702</u>	<u>54,632</u>	<u>77,564</u>	<u>2,002,945</u>
280,863	78,851	76,747	-	-	-	-	-	478,995
394,947	368,421	848,972	-	-	-	-	553,375	4,349,478
151,420	129,811	86,986	-	27,361	58,541	25,555	95,444	992,350
(104,437)	1,041,358	120,963	(3,000)	(35,017)	(51,515)	(35,696)	684,944	2,549,155
<u>722,793</u>	<u>1,618,441</u>	<u>1,133,668</u>	<u>(3,000)</u>	<u>(7,656)</u>	<u>7,026</u>	<u>(10,141)</u>	<u>1,333,763</u>	<u>8,369,978</u>
<u>\$ 941,877</u>	<u>\$ 1,790,978</u>	<u>\$ 1,266,294</u>	<u>\$ -</u>	<u>\$ 37,447</u>	<u>\$ 114,728</u>	<u>\$ 44,491</u>	<u>\$ 1,411,327</u>	<u>\$ 10,372,923</u>
\$ 722,793	\$ 1,618,441	\$ 1,133,668	\$ (3,000)	\$ (7,656)	\$ 7,026	\$ (10,141)	\$ 1,333,763	\$ 8,369,978
3,328,719	3,232,679	5,512,671	-	-	1,271,174	18,578	5,836,234	35,447,534
(643,055)	(521,653)	(478,530)	-	-	(551,837)	(12,962)	-	(3,957,289)
(2,908,586)	(2,202,034)	(6,372,130)	-	-	(869,217)	-	(6,259,800)	(38,096,376)
(7,325)	(34,505)	(68,561)	-	-	(7,402)	-	(25,014)	(323,390)
<u>\$ 492,546</u>	<u>\$ 2,092,928</u>	<u>\$ (272,882)</u>	<u>\$ (3,000)</u>	<u>\$ (7,656)</u>	<u>\$ (150,256)</u>	<u>\$ (4,525)</u>	<u>\$ 885,183</u>	<u>\$ 1,440,457</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, 2007

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Revenues:					
Intergovernmental	\$ 3,576,372	\$ 1,248,625	\$ 2,467,919	\$ 2,819,544	\$ 1,088,822
Other revenue	328,393	631,955	742,394	472,268	531,477
Total revenues	<u>3,904,765</u>	<u>1,880,580</u>	<u>3,210,313</u>	<u>3,291,812</u>	<u>1,620,299</u>
Expenditures:					
Current:					
Salaries and benefits	2,326,344	1,317,674	1,391,534	1,777,254	956,526
Purchased services	650,103	453,570	775,946	680,220	443,308
Materials and supplies	258,691	64,620	148,106	225,236	61,527
Capital outlay	-	3,991	697,033	1,609	82,395
Debt service	584,866	-	356,561	525,096	33,956
Total other instructional programs	<u>3,820,004</u>	<u>1,839,855</u>	<u>3,369,180</u>	<u>3,209,415</u>	<u>1,577,712</u>
Excess of revenues over (under) expenditures	84,761	40,725	(158,867)	82,397	42,587
Other Financing Sources (uses):					
Other financing sources - capital leases	-	-	6,380,000	-	-
Other financing uses - refunding capital leases	-	-	(6,220,094)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>159,906</u>	<u>-</u>	<u>-</u>
Excess of Revenues and other Financing Sources Over (Under) Expenditures	84,761	40,725	1,039	82,397	42,587
Fund balance (deficit) - July 1, 2006	<u>1,006,333</u>	<u>(132,459)</u>	<u>689,065</u>	<u>1,766,894</u>	<u>(6,258)</u>
Fund balance (deficit) - June 30, 2007	<u>\$ 1,091,094</u>	<u>\$ (91,734)</u>	<u>\$ 690,104</u>	<u>\$ 1,849,291</u>	<u>\$ 36,329</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	\$ 84,761	\$ 40,725	\$ 1,039	\$ 82,397	\$ 42,587
Less: Depreciation expense	(177,282)	(1,664)	(113,063)	(169,316)	(24,571)
Loss on disposal of assets	-	(537)	-	-	(319,423)
Other sources - debt and amortization of issuance costs	(11,046)	-	(6,556,620)	(40,410)	-
Change in accrued interest	230	-	33,914	466	-
Add: Net capital outlay asset additions	-	-	697,033	-	43,472
Amortization of premium net of issuance costs	-	-	781,819	-	-
Principal payment on long-term liabilities	192,887	-	5,591,567	140,000	36,485
Change in net assets of component unit activities	<u>\$ 89,550</u>	<u>\$ 38,524</u>	<u>\$ 435,689</u>	<u>\$ 13,137</u>	<u>\$ (221,450)</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
\$ 4,841,190	\$ 4,191,193	\$ 2,202,282	\$ -	\$ 835,688	\$ 1,494,220	\$ 268,853	\$ 2,845,564	\$ 27,880,272
206,158	135,839	697,236	-	76,350	457,163	582,991	335,927	5,198,151
<u>5,047,348</u>	<u>4,327,032</u>	<u>2,899,518</u>	<u>-</u>	<u>912,038</u>	<u>1,951,383</u>	<u>851,844</u>	<u>3,181,491</u>	<u>33,078,423</u>
3,401,294	2,562,108	1,644,245	-	604,257	1,279,586	544,313	1,721,145	19,526,280
1,047,794	893,936	622,129	-	247,087	584,787	235,951	651,703	7,286,534
271,692	528,150	109,092	3,000	27,294	129,877	28,346	182,072	2,037,703
85,124	177,455	1,041,470	-	41,056	529,969	-	635,666	3,295,768
234,999	185,915	429,526	-	-	72,359	-	377,964	2,801,242
<u>5,040,903</u>	<u>4,347,564</u>	<u>3,846,462</u>	<u>3,000</u>	<u>919,694</u>	<u>2,596,578</u>	<u>808,610</u>	<u>3,568,550</u>	<u>34,947,527</u>
6,445	(20,532)	(946,944)	(3,000)	(7,656)	(645,195)	43,234	(387,059)	(1,869,104)
-	-	7,575,000	-	-	529,969	-	-	14,484,969
-	-	(6,468,166)	-	-	-	-	-	(12,688,260)
<u>-</u>	<u>-</u>	<u>1,106,834</u>	<u>-</u>	<u>-</u>	<u>529,969</u>	<u>-</u>	<u>-</u>	<u>1,796,709</u>
6,445	(20,532)	159,890	(3,000)	(7,656)	(115,226)	43,234	(387,059)	(72,395)
716,348	1,638,973	973,778	-	-	122,252	(53,375)	1,720,822	8,442,373
<u>\$ 722,793</u>	<u>\$ 1,618,441</u>	<u>\$ 1,133,668</u>	<u>\$ (3,000)</u>	<u>\$ (7,656)</u>	<u>\$ 7,026</u>	<u>\$ (10,141)</u>	<u>\$ 1,333,763</u>	<u>\$ 8,369,978</u>
\$ 6,445	\$ (20,532)	\$ 159,890	\$ (3,000)	\$ (7,656)	\$ (115,226)	\$ 43,234	\$ (387,059)	\$ (72,395)
(110,428)	(95,023)	(112,552)	-	-	(111,916)	(1,858)	-	(917,673)
(5,940)	-	-	-	-	-	-	-	(325,900)
(7,170)	(5,419)	(7,976,846)	-	-	(537,371)	-	2,136	(15,132,746)
105	800	7,771	-	-	(5,803)	-	233	37,716
127,500	171,980	1,041,470	-	-	529,969	-	635,666	3,247,090
-	-	1,208,141	-	-	-	-	-	1,989,960
55,000	80,000	5,760,000	-	-	52,199	-	75,000	11,983,138
<u>\$ 65,512</u>	<u>\$ 131,806</u>	<u>\$ 87,874</u>	<u>\$ (3,000)</u>	<u>\$ (7,656)</u>	<u>\$ (188,148)</u>	<u>\$ 41,376</u>	<u>\$ 325,976</u>	<u>\$ 809,190</u>



Statistical Section

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

<u>Content</u>	<u>Page</u>
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 Seven 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>

<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 270,489,848	\$ 272,131,267	\$ 279,690,380
111,961,310	119,886,342	137,222,692
44,946,760	82,472,483	84,308,430
<u>\$ 427,397,918</u>	<u>\$ 474,490,092</u>	<u>\$ 501,221,502</u>
\$ 2,887,640	\$ 2,610,619	\$ 2,524,688
688,076	709,513	758,429
5,240,516	8,077,616	10,085,377
<u>\$ 8,816,232</u>	<u>\$ 11,397,748</u>	<u>\$ 13,368,494</u>
\$ 273,377,488	\$ 274,741,886	\$ 282,215,068
112,649,386	120,595,855	137,981,121
50,187,276	90,550,099	94,393,807
<u>\$ 436,214,150</u>	<u>\$ 485,887,840</u>	<u>\$ 514,589,996</u>

Financial Trend Schedule 2
 Jefferson County School District, No.R-1
 Changes in Net Assets, Last Seven 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
Specific 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.

	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$	389,330,732	\$ 420,089,848	\$ 436,859,865
	120,382,252	126,074,406	124,087,808
	17,269,372	18,779,643	19,993,110
	23,354,067	24,209,356	25,002,154
	18,665,080	21,508,695	20,441,219
	16,500,402	19,653,828	17,523,410
	18,753,372	18,789,170	18,212,328
	2,859,645	2,894,361	3,127,500
	2,374,468	1,548,547	1,624,570
	31,651,073	36,819,243	37,525,398
	<u>641,140,463</u>	<u>690,367,097</u>	<u>704,397,362</u>
	19,130,176	19,750,220	21,215,750
	9,899,843	11,039,953	12,138,653
	1,466,991	1,125,385	1,319,568
	-	-	-
	<u>30,497,010</u>	<u>31,915,558</u>	<u>34,673,971</u>
\$	<u>671,637,473</u>	<u>\$ 722,282,655</u>	<u>\$ 739,071,333</u>
\$	4,366,210	\$ 4,329,271	\$ 4,847,435
	32,540,920	29,837,974	30,532,826
	229,677	502,601	435,245
	3,258,778	2,292,589	3,255,854
	2,744,283	3,537,713	1,993,172
	37,005,381	41,131,579	45,512,301
	6,038,113	7,020,660	7,729,655
	4,393,792	4,234,626	4,081,376
	<u>90,577,154</u>	<u>92,887,013</u>	<u>98,387,864</u>
	12,705,589	12,906,439	13,222,800
	8,383,059	8,669,515	9,747,943
	1,802,491	1,906,311	1,937,185
	-	-	-
	6,360,540	7,092,392	7,414,794
	1,011,907	1,405,393	1,281,906
	-	-	-
	<u>30,263,586</u>	<u>31,980,050</u>	<u>33,604,628</u>
\$	<u>120,840,740</u>	<u>\$ 124,867,063</u>	<u>\$ 131,992,492</u>
\$	(550,563,309)	\$ (597,480,084)	\$ (606,009,498)
	(233,424)	64,492	(1,069,343)
\$	<u>(550,796,733)</u>	<u>\$ (597,415,592)</u>	<u>\$ (607,078,841)</u>
\$	319,150,542	\$ 321,679,910	\$ 323,604,561
	30,817,445	30,814,386	29,414,761
	273,963,074	281,173,393	289,340,251
	9,924,454	13,237,589	16,617,507
	-	-	(36,049,258)
	(1,733,944)	(2,333,020)	(2,717,145)
	<u>632,121,571</u>	<u>644,572,258</u>	<u>620,210,677</u>
	44,723	184,004	322,944
	1,733,944	2,333,020	2,717,145
	1,778,667	2,517,024	3,040,089
\$	<u>633,900,238</u>	<u>\$ 647,089,282</u>	<u>\$ 623,250,766</u>
\$	81,558,262	\$ 47,092,174	\$ 14,201,179
	1,545,243	2,581,516	1,970,746
\$	<u>83,103,505</u>	<u>\$ 49,673,690</u>	<u>\$ 16,171,925</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>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General fund				
Reserved	\$ 25,920,189	\$ 21,608,077	\$ 15,801,521	\$ 31,643,631
Unreserved	<u>(49,772,393)</u>	<u>(47,107,707)</u>	<u>(20,345,026)</u>	<u>(39,309,021)</u>
Total general fund	<u><u>\$ (23,852,204)</u></u>	<u><u>\$ (25,499,630)</u></u>	<u><u>\$ (4,543,505)</u></u>	<u><u>\$ (7,665,390)</u></u>
All other governmental funds				
Reserved	\$325,261,940	\$ 321,338,500	\$213,775,190	\$ 157,990,772
Unreserved, reported in:				
Special revenue funds	<u>5,342,367</u>	<u>7,293,290</u>	<u>10,122,621</u>	<u>6,913,002</u>
Total all other governmental funds	<u><u>\$330,604,307</u></u>	<u><u>\$ 328,631,790</u></u>	<u><u>\$223,897,811</u></u>	<u><u>\$ 164,903,774</u></u>

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 28,570,597	\$ 21,624,045	\$ 17,845,224	\$ 20,017,939	\$ 21,464,542	\$ 22,281,498
<u>(30,852,000)</u>	<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>\$ (2,281,403)</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>
\$113,334,703	\$106,172,193	\$ 92,998,438	\$359,255,671	\$297,538,614	\$270,407,102
<u>6,931,972</u>	<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>\$120,266,675</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>

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>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Revenues				
Taxes	\$ 240,010,242	\$ 241,404,301	\$ 275,576,856	\$ 280,398,987
Intergovernmental	251,045,812	265,080,191	274,606,540	283,309,206
Interest	16,264,547	18,600,688	15,657,164	12,480,360
Other	29,453,179	35,199,572	39,288,046	42,606,199
Total revenues	<u>536,773,780</u>	<u>560,284,752</u>	<u>605,128,606</u>	<u>618,794,752</u>
Expenditures				
Direct instruction	331,059,941	338,924,887	343,671,305	319,062,589
Indirect instruction	32,305,688	34,261,626	40,138,074	104,332,068
Transportation	-	-	-	14,480,978
Custodial services	-	-	-	19,012,889
Field services	53,186,600	54,075,753	53,628,198	14,915,622
Telecommunications, networking and utilities	-	-	-	15,282,320
Support services	14,930,980	14,585,708	16,392,934	15,455,206
General administration	2,309,587	2,248,632	2,284,795	3,493,917
Districtwide	9,943,840	8,653,163	12,501,634	2,396,936
Capital outlay	26,644,392	33,289,358	138,980,598	87,807,935
Debt service				
Principal	26,925,959	28,845,000	30,590,000	31,975,000
Interest	17,741,753	39,000,000	34,153,407	32,740,950
Total expenditures	<u>515,048,740</u>	<u>553,884,127</u>	<u>672,340,945</u>	<u>660,956,410</u>
Excess of revenues over (under) expenditures	21,725,040	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	574,885,000	-	-	-
Payment to refunded escrow agent	(309,575,000)	(20,240,575)	-	-
Premium from bonds	-	-	-	-
Transfers out	(24,069,309)	(27,692,911)	(34,513,271)	(38,405,083)
Transfers in	16,828,429	17,348,363	17,947,756	18,450,819
Total other financing sources (uses)	<u>258,069,120</u>	<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>\$ 279,794,160</u>	<u>\$ (3,943,923)</u>	<u>\$ (83,777,854)</u>	<u>\$ (62,115,922)</u>
Debt service as a percentage of noncapital expenditures	12.1%	15.4%	12.3%	11.5%

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

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 296,701,600	\$ 299,934,107	\$ 304,409,919	\$ 351,941,711	\$ 352,032,843	\$ 356,019,175
290,600,006	310,966,205	318,211,869	321,400,360	333,560,257	346,663,583
5,800,179	3,089,821	2,023,751	9,924,454	13,237,590	16,617,508
42,320,764	44,976,788	46,339,211	47,875,643	46,436,068	41,217,685
<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>
335,287,629	362,594,502	363,285,730	358,618,075	377,762,106	392,101,766
112,558,563	118,402,775	112,680,365	115,402,442	120,459,541	119,231,799
15,081,315	16,461,189	16,513,997	17,027,582	18,502,815	18,898,149
20,678,375	22,662,070	22,739,292	23,053,952	23,956,510	24,942,750
15,392,722	16,641,671	16,809,203	16,600,149	17,608,414	18,584,068
14,274,105	15,764,323	15,940,510	16,424,892	19,606,348	17,218,062
15,908,474	16,386,545	17,036,206	16,297,504	17,482,207	17,755,527
3,639,111	2,978,076	2,016,778	2,721,353	2,716,752	3,135,039
1,000,370	1,179,969	828,320	678,239	662,017	735,878
64,750,148	42,385,785	37,025,914	42,507,356	91,940,532	129,343,041
33,420,000	35,110,000	38,625,000	36,215,000	37,935,000	39,885,000
31,172,723	28,609,813	28,106,178	39,781,092	36,890,523	37,562,972
<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>
(27,740,986)	(20,209,797)	(622,743)	45,814,532	(20,256,007)	(58,876,100)
-	11,695,000	-	-	-	38,670,000
-	-	-	-	-	-
-	-	-	-	-	-
-	(2,802,549)	-	-	-	-
-	50,545,000	-	360,035,000	-	66,800,000
-	(57,471,000)	-	(104,775,000)	-	-
-	7,312,299	-	30,240,565	-	7,030,291
(30,169,184)	(33,179,406)	(32,587,152)	(27,642,544)	(30,898,320)	(30,287,445)
18,657,058	19,416,000	21,484,419	20,738,015	18,708,000	19,208,000
<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>
-	-	-	-	-	(36,049,258)
<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>
11.5%	10.0%	10.5%	11.8%	11.1%	11.1%

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)
1998	\$ 2,463,733	\$ 1,164,998	\$ 412,893	\$ 13,686	\$ 4,286	168,771
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

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).

Total Taxable Assessed Value (1)	Mill Levy General Fund and Bond	Estimated Actual Taxable Value (2)	Assessed Value as a Percentage of Actual Value
\$ 4,228,367	51.36 %	\$ 30,007,227	14.09 %
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	49.05	57,874,509	11.52
6,710,074	49.03	58,481,141	11.48



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
1998	\$ 36.88	\$ 14.48	\$ 51.36	\$ 25.12	-
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

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	2006			1997		
	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	\$ 124,225,770	1	1.9 %	\$ 191,392,050	1	5.1 %
Excel Energy	122,210,600	2	1.8	73,058,500	3	1.9
Qwest Communications	52,876,200	4	0.8	63,125,400	4	1.7
Lockheed Martin	68,827,040	3	1.0	79,780,700	2	2.1
Villa Italia				18,912,440	7	0.7
Ball Corporation				22,897,390	5	0.5
Southwest Plaza Mall	22,263,160	8	0.3	19,354,100	6	0.5
Westminster Mall				12,068,350	9	0.3
Denver West	27,021,110	7	0.4	18,882,510	8	0.5
Cobe Laboratories				10,258,400	10	0.3
Colorado Mills Limited Partnership	45,675,000	5	0.7			
Teachers Insurance & Annuity Assoc						
Belmar Mainstreet	18,559,900	9	0.3			
Plains End LLC	12,620,700	10	0.2			
SP4 Westmoor LP	39,121,980	6	0.6			
Total	<u>\$ 533,401,460</u>		<u>8.0 %</u>	<u>\$ 509,729,840</u>		<u>13.6 %</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
1998	\$ 217,173,146	\$ 205,571,006	94.7 %	\$ 8,312,329	\$ 213,823,335	98.5 %
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

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
1998	\$ 653,835,267	\$ 19,205,000	\$ 9,316,211	-
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	-

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>
\$ 682,356,478	16.14%	\$ 1,332	512,114
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



Debt Capacity Schedule 10
Jefferson County School District, No.R-1
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007

	<u>Estimated Outstanding General Obligation Debt</u>	<u>Percentage Applicable to Jefferson County School District</u>	<u>Estimated Amount Applicable to Jefferson County School District</u>
<u>Direct Debt</u>			
Jefferson County School District, No. R-1	\$ 693,618,979	100%	\$ 664,553,474
<u>Overlapping Debt</u>			
Plaza Metro District No. 1	95,500,000	100%	95,500,000
Denver West Metro District	61,325,000	100%	61,325,000
South Suburban Park & Rec District	35,810,000	0.99%	354,519
Countrydale Metro District	26,335,000	100%	26,335,000
Foothills Park & Rec District	21,255,000	100%	21,255,000
North Jeffco Park & Rec District	18,565,000	100%	18,565,000
Bowles Metro District	24,685,000	48.95%	12,083,308
Evergreen Park & Rec District	15,300,000	100%	15,300,000
Mount Carbon Metro District	16,000,000	100%	16,000,000
Evergreen Fire Protection District	9,385,000	87.63%	8,224,076
Kipling Ridge Metro District	14,990,000	100.00%	14,990,000
Section 14 Metro District	10,230,000	76.21%	7,796,283
West Metro Fire Protection District	34,820,000	96.67%	33,660,494
Genesee Water & Sanitation District	9,610,084	100.00%	9,610,084
Other	121,975,215	100%	121,975,215
Total Overlapping Debt	<u>515,785,299</u>		<u>462,973,978</u>
Total Direct and Overlapping Debt	<u>\$ 1,209,404,278</u>		<u>\$ 1,127,527,452</u>

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

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>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General bonded debt outstanding				
General obligation debt	\$653,835,267	\$625,263,472	\$598,709,303	\$570,928,895
Percentage of estimated property value (a)	2.18%	2.05%	1.72%	1.60%
Per capita (b)	1,277	1,202	1,136	1,078
Less: Amounts set aside to repay general debt	<u>(52,743,573)</u>	<u>(46,770,619)</u>	<u>(48,150,652)</u>	<u>(49,600,372)</u>
Total net debt applicable to debt limit	601,091,694	578,492,853	550,558,651	521,328,523
Legal debt limit (c)	845,673,356	852,163,736	958,939,392	987,659,958
Legal debt margin (d)	<u>\$244,581,662</u>	<u>\$273,670,883</u>	<u>\$408,380,741</u>	<u>\$466,331,435</u>
Legal debt margin as a percentage of the debt limit	28.92%	32.11%	42.59%	47.22%

- 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.

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$541,868,460	\$513,529,286	\$480,392,738	\$700,940,289	\$664,553,474	\$693,618,979
1.19%	1.11%	0.88%	1.26%	1.15%	1.19%
1,021	959	897	1,309	1,234	1,292
<u>(48,534,818)</u>	<u>(49,985,495)</u>	<u>(52,208,259)</u>	<u>(57,407,112)</u>	<u>(57,623,732)</u>	<u>(58,083,150)</u>
493,333,642	463,543,791	428,184,479	643,533,177	606,929,742	635,535,829
1,169,047,220	1,194,896,294	1,260,603,585	1,263,992,262	1,324,813,065	1,340,113,353
<u>\$675,713,578</u>	<u>\$731,352,503</u>	<u>\$832,419,106</u>	<u>\$620,459,085</u>	<u>\$717,883,323</u>	<u>\$704,577,524</u>
57.80%	61.21%	66.03%	49.09%	54.19%	52.58%

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>
1997	503,915	\$ 15,556,360	30,871	36	13.1	88,269	2.4 %
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

Sources: Jefferson County

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

Employer	2007				2004			
	Employees	Rank	Percentage of Total County Employment		Employees	Rank	Percentage of Total County Employment	
Denver Federal Center	6,000	1	2.92	%	5,000	3	2.38	%
Lockheed Martin Astronautics of Denver	5,500	2	2.67		5,500	2	2.62	
Coors Brewing Company	1,900	4	0.93		5,500	1	2.62	
Rocky Flats/Kaiser Hill					2,500	5	1.19	
Exempla Healthcare/Lutheran Medical Center	2,500	3	1.22		2,600	4	1.24	
Gambro Companies	1,500	6	0.73		1,300	6	0.62	
Ball Corporation	1,000	8	0.49					
National Renewable Energy Laboratory					960	8	0.46	
CoorsTek, Inc.	1,200	7	0.59		1,000	7	0.48	
AON Innovative Solutions, Inc.					950	9	0.46	
COBE Cardiovascular					750	10	0.36	
King Soopers	1600	5	0.78					
Safeway	1150	9	0.56					
Retail Home Improvement Center	935	10	0.46					

Source: Jefferson Economic Council

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

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

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

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	*	35.54

(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 Four Fiscal Years

	2004	2005	2006	2007
Elementary schools	93	93	93	94
Total square feet	4,160,960	4,160,960	4,298,372	4,366,672
Total program capacity	41,880	41,880	41,880	42,052
Enrollment	40,060	39,123	38,806	39,023
Middle schools	19	19	19	20
Total square feet	1,924,789	1,924,789	2,001,718	2,125,023
Total program capacity	13,759	13,759	14,502	15,062
Enrollment	12,816	12,592	12,182	11,811
High schools	17	17	17	17
Total square feet	3,207,614	3,207,614	3,334,138	3,334,138
Total program capacity	24,959	24,959	25,455	26,759
Enrollment	25,199	25,282	25,293	25,042
Option schools	7	7	8	8
Total square feet	530,178	530,178	720,655	720,655
Enrollment	3,314	4,347	4,571	4,403
Charter schools	11	11	11	12
Enrollment	3,516	4,134	4,231	4,511
Districtwide facilities				
Total square feet	453,228	453,228	460,200	460,200
Support facilities				
Total square feet	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	1637

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



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, 2007

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Building Bright Futures

**Schedule of Expenditures
of Federal Awards**

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2006 through June 30, 2007

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number (1)	Expenditures
<u>U.S Department of Agriculture</u>			
Direct:			
Donated commodities: June 30, 2007	10.550		\$ 1,230,950
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2007	10.553		1,040,930
National school lunch program June 30, 2007	10.555		6,285,505
Summer food service program for children June 30, 2007	10.559		96,059
Child nutrition cluster subtotal			7,422,494
Agency subtotal			8,653,444
<u>U. S. Department of Education</u>			
Direct:			
Indian education-formula grants to LEA and tribal schools	84.060a		144,137
Community Service-Title VII-A	84.184		89,285
Fund for improvement of education	84.215		75,053
Twenty-First century community learning	84.287		1,065,742
Total direct			1,374,217
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B basic state grants	84.027		17,203,792
Individuals with disabilities education act-preschool services	84.173		463,638
Special education cluster subtotal			17,667,430
Adult education-state administered basic grant program	84.002		210,689
Title I grants to local education agencies	84.010		8,069,561
Migrant education – basic state grant program	84.011		844,903
Safe and drug free schools – state grants	84.186		252,710
Education for homeless children and youth	84.196		67,736
Public charter schools	84.282		427,751
Innovative education program strategies	84.298		111,878
Goals 2000-parental assistance	84.310		19,732
Colorado high school online-technology literacy challenge	84.318		80,031
Advanced Placement Test Fee Program - ESCAPE	84.330		4,061
Reading first, NCLB	84.357		43,500
English language acquisition, language enhancement, and academic achievement	84.365		521,344
Title II-B - Math and Science	84.366		303,953
Title II, Part A: (NCLB) teacher and principal training and recruiting fund	84.367		2,644,363
Violence prevention	84.929		28,119
Passed through Colorado Community College and Occupational: Educational			
Vocational and applied technology education-basic state grants	84.048a	98266	377,510
Vocational education-state administered tech prep program	84.243a	98428	109,348
Passed through Colorado Department of Human Services:			
Rehabilitation services – vocational rehabilitation grants to states (SWAP)	84.126	645867	235,861
Passed through.....			
National Science Foundation	47.076		56,888
Agency subtotal			33,451,585

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Schedule of Expenditures of Federal Awards
 Expenditures July 1, 2006 through June 30, 2007

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number (1)</u>	<u>Expenditures</u>
<u>Corporation for National and Community Service</u> Passed through Colorado Department of Local Affairs: AmeriCorp	94.006	C858107	<u>59,155</u>
<u>Colorado Dept. of Transportation</u> Passed through Colorado Dept of Transportation: Highway Planning and Construct	20.205		<u>13,738</u>
<u>U.S. Department of Veteran Affairs</u> Learn and serve America:school and community based programs	94.004		<u>26,275</u>
Total expenditures of federal awards			<u>\$ 42,204,197</u>

(1) All grants that pass through the Colorado Department of Education (CDE) are identified at CDE by the CFDA number.



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2007

(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 \$1,230,950 are valued based on the USDA's Donated Commodity Price List.

(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, 2007.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 42,204,197
Less: USDA *	<u>(8,653,444)</u>
	<u>\$ 33,550,753</u>

Special Revenue Funds

Total expenditures from basic financial statements	\$ 61,924,776
Less: Nonfederal grants expenditures	<u>(28,374,023)</u>
	<u>\$ 33,550,753</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**

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County School District No. R-1 as of and for the year ended June 30, 2007, which collectively comprise Jefferson County School District No. R-1's basic financial statements and have issued our report thereon dated November 15, 2007. 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 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 the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County 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 Henderson LLP

Greenwood Village, Colorado
November 15, 2007

**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**

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

Compliance

We have audited the compliance of Jefferson County School District No. R-1 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Jefferson County 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 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 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 School District No. R-1's compliance with those requirements.

In our opinion, Jefferson County 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, 2007.

Internal Control Over Compliance

The management of Jefferson County 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 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.

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.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

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

Clifton Henderson LLP

Greenwood Village, Colorado
November 15, 2007

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2007

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: NONE REPORTED

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: NO

(g) Major programs:

Individuals with Disabilities Education Act – Part B Basic State Grants	84.027
Individuals with Disabilities Education Act – Preschool Services	84.173
National School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program	10.559

(h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,266,126

(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: NONE REPORTED

(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.

PART III – Federal Award Findings and Questioned Costs

There were no findings required to be reported relating to federal awards for the fiscal year ended June 30, 2007.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2007

PART IV – Federal Award Findings and Questioned Costs

Pass through Colorado Department of Education

Finding 2006-1 CFDA Nos. 10.553, 10.555 and 10.559 Child Nutrition Cluster

Eligibility
Reportable Condition and Noncompliance

Criteria: Title 7 Part 245 of the Code of Federal Regulations outlines regulations for eligibility relating to child nutrition based on income levels and number of members in the household.

Condition: Two instances of overpayments of benefits occurred.

Questioned Costs: \$1,077. The costs include known and likely errors of \$855 that were found by the District based on their self-audit.

Context: We reviewed 25 case files relating to the program. The total amount of program payments tested was \$5,034 and the related error amount was \$222.

Effect: Failure to properly calculate benefits to participants may result in overpayments or underpayments of benefits. The cost of the assistance may be disallowed.

Cause: System errors caused by MCS (Merrill Computing Services) system..

Recommendation: The District should strengthen controls to monitor eligibility to ensure that all participants are properly processed and paid based on their eligibility status.

Management Response: Jeffco has a record of excellence in application processing. We continually review our practices and evaluate our accuracy, especially with employees new to processing positions.

Food and Nutrition Services conducted a self audit of early processing consisting of 550 applications in 2005. Results of the audit revealed a sensitivity of the MCS scanning program that interpreted writing into a blank space or information crossed out, as an additional household member, possibly altering the approved status. This sensitivity was immediately conveyed to MCS and immediately corrected by requiring an edit check on household members. All known errors were corrected at once. This issue also affected the instances encountered by Clifton Gunderson.

All employees are highly motivated to be efficient and precise in free and reduced eligibility processing. Every effort is made to update systems and review practices, take immediate action as needed to make appropriate and timely changes to reach errorless processing. We will continue to review our work through self-audits, reviews, training and random cross checks of our practices and procedures. We will maintain close oversight of personnel to evaluate consistency and accuracy in all processing.

We encountered no system issues during processing for the fiscal year 2006. The self-audit for 2006 demonstrates the normal accuracy achieved in Jeffco processing. As self-review of 500 applications yielded two errors, which were immediately corrected with no affect on claims.

Current Status: The program was tested this year and there were no findings noted in the current year.

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



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Colorado Department of Education
Fiscal Year 2006-2007
Colorado School District/BOCES
Auditor's Integrity Report

JEFFERSON JEFFERSON COUNTY
District Code:

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	72,096,440	621,763,062	588,286,739	105,572,763
18 Risk Mgmt Sub-Fund of General Fund	0	5,884,300	5,884,300	0
19 Colorado Preschool Program Fund	-0	2,717,145	2,717,144	0
Subtotal	72,096,440	630,364,507	596,888,183	105,572,763
11 Charter School Fund	8,442,371	47,563,389	47,635,782	8,369,978
20 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	2,714,438	36,063,830	37,034,251	1,744,017
23 Pupil Activity Special Revenue Fund	8,900,904	25,166,924	24,890,526	9,177,302
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	57,623,732	74,942,210	74,482,792	58,083,150
41 Building Fund	188,032,013	81,074,475	124,621,410	144,485,078
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	46,998,258	22,928,294	6,127,593	63,798,958
TOTALS	384,808,154	918,103,628	911,680,536	391,231,246
Proprietary				
51 Food Service Fund	6,423,104	22,049,461	21,215,751	7,256,815
50 Other Enterprise Funds	4,974,645	11,878,110	10,741,077	6,111,679
64 (63) Risk-Related Activity Fund	906,743	2,436,233	225,556	3,117,420
60.65-69 Other Internal Service Funds	14,976,556	3,482,947	991,155	17,468,348
TOTALS	27,281,049	39,846,752	33,173,539	33,954,262
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
74 Foundations	0	0	0	0
85 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.