

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



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

Presented to the Board of Education

Board Members

Dave Thomas, President

Jane Barnes, First Vice President

Laura Boggs, Second Vice President

Paula Noonan, Treasurer

Robin Johnson, Secretary

Superintendent

Cynthia Stevenson

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

Jefferson County School District, No. R-1

Comprehensive Annual Financial Report

June 30, 2010

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Building Bright Futures

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November 2, 2010

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, 2010, 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, 2010. 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, 2010 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, 2010 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 774 square miles of Jefferson County and 5 square miles of the City and County of Broomfield, Colorado. The District is a legally separate, primary government entity that operates under an elected five member Board of Education. The Board of Education is the policy-making body of the District. The Board is responsible for educational planning and evaluation, staffing and appraisal, school facilities, financial resources and communication. The Board members are elected to alternating four-year terms with elections held every two years. Board members represent a specific area of the county but are elected at large.

The District provides a full range of educational programs and services authorized by Colorado State statute to approximately 84,900 enrolled students. District programs and services include basic K-12 education in elementary, middle, high schools, option schools, special education, vocational education and numerous other programs. There are thirteen charter schools within the District that are legally separate entities. The charter schools are funded based on the Colorado Department of Education stated per pupil revenue. This revenue is directly allocated to each charter school. The charter schools are disclosed as discretely presented component units of the District.

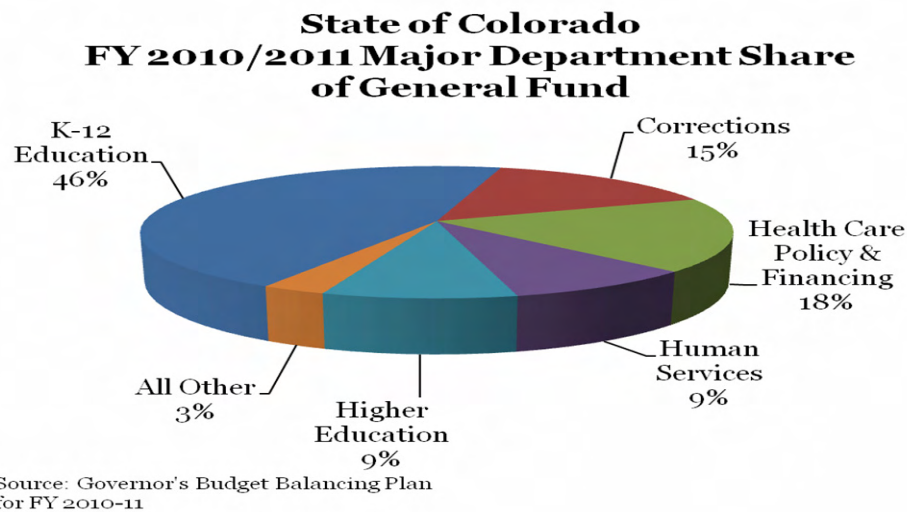
Colorado state statutes require that the District adopt the budget in June prior to the beginning of the subsequent fiscal year. Budget revisions may be adopted prior to January. The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed

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

Assessment of the District’s Economic Condition

The slowing of growth at the national level continues to foster uncertainty at the State level. The State experienced little improvement over the summer, triggering downward revisions to projections from the Office of State Planning and Budgeting (OSPB). As noted in the September 2010 Revenue Forecast, employment continues to decrease in the state, an estimated 1.7 percent for 2010. Growth of 1.7 percent in employment is currently forecasted for 2011 through 2013. Unemployment in Colorado is forecasted to be 7.9 percent in 2010, up .6 percent from 2009. Even with this increase, Colorado’s unemployment is below the national rate of 9.5 percent. The State has seen a small amount of growth in personal income which usually correlates with unemployment. However, wage growth is not the primary factor for this increase in personal income. The increase is mostly attributable to State social benefits. This correlates with the District’s trend of increasing federal funding for students qualifying for free or reduce meals. Colorado personal income is forecast to increase 1.7 percent in 2010. Colorado nonresidential construction continues to decrease with estimates for a 21 percent decrease in 2010. Residential housing permit estimates have been decreased from 44.8 to 19 percent in 2010. The State experienced deflation of .7 percent in 2009. The current estimate from the OSPB is for 1.5 percent in 2010. Population trends for increase have stayed consistent at 1.7 percent.

The affect of this global recession has caused the State to make significant cost avoidance and budget reductions to balance the State budget. Fiscal year 2010 adjustments were made to cover \$2.2 billion in revenue shortfalls and another \$1.3 billion in fiscal 2011. The total State K-12 rescission for fiscal 2010 was \$131 million with \$13 million rescinded from Jeffco. Additional 2011 revenue reductions for Jeffco are currently estimated to be over \$20 million. In the September 2010 State Revenue Forecast report, additional revenue shortfalls for 2011 are being predicted. As the chart below shows the share of each department of the State General Fund, K-12 funding is the largest percentage. State budget balancing efforts will require additional 2011 rescissions. Jeffco has also felt the negative impact of the economic downturn through lower interest earnings and tax collections.



There are three ballot measures for the November 2010 election that if passed, would impact the District. Proposition 101 proposes amending the Colorado statutes to reduce or eliminate various taxes and fees on income, vehicles and telecommunication services. Amendment 61 proposes to amend the state constitution on government borrowing. It would prohibit the District from borrowing after calendar year 2010, unless approved by voters. It would lower the legal debt limit from 20 percent to 10 percent of assessed real property value and allow only borrowing up to ten years. Amendment 60 changes several aspects of Colorado’s property tax system to reduce the amount of property taxes paid by individuals and businesses to school districts, counties, special districts, cities and towns. The impact on the District if all three measures pass is a reduction in funding in excess of \$166 million, assuming the State is unable to back fill.

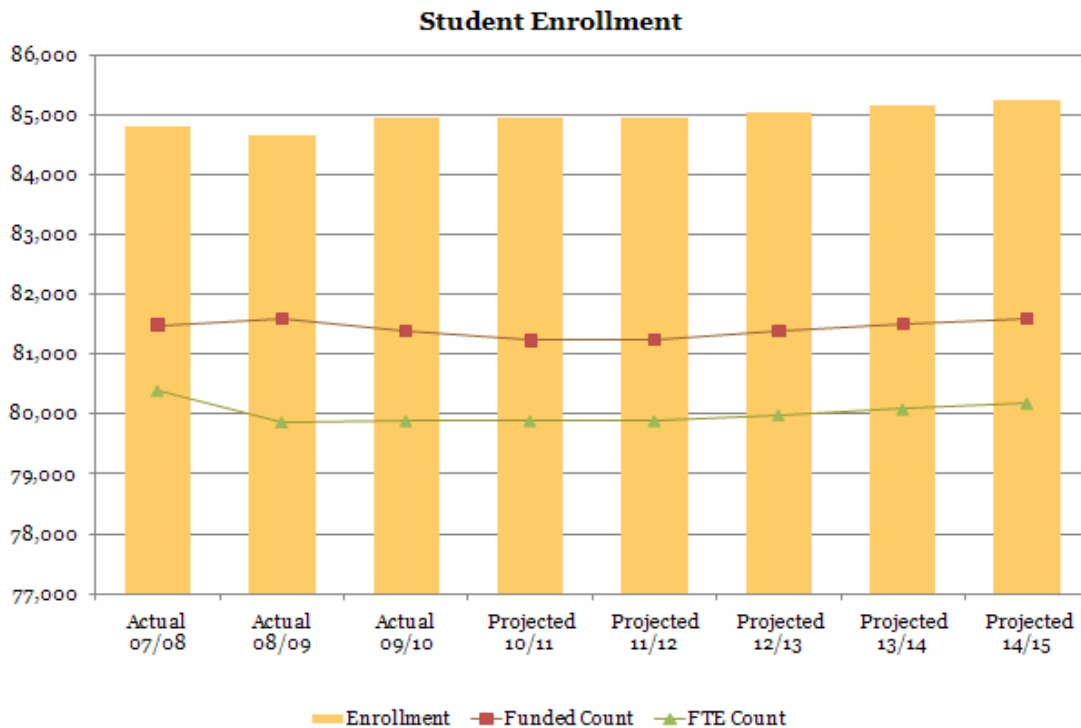
In February 2009, the American Recovery and Reinvestment Act (ARRA) was signed into law. ARRA will provide one-time federal funding beginning in 2010, to make strategic investments in our schools. These funds are mostly restricted to IDEA (special education) and Title I (improving the academic achievement for disadvantaged students) expenditures. The funds cannot be used to cover other shortfalls for operating expenditures anticipated in the general fund. The District will receive \$25 million over two years, the program and funding ends in 2011.

In August 2010, the District received notification that \$16 million in Federal Education Jobs Fund Program funding would be made available in fiscal 2011 through fiscal 2012. These funds may only be used to pay for compensation, benefits and other expenses for employees who provide school-level educational and related services. Both the ARRA and the Education Jobs Funds represent one-time funds that won't be available for ongoing expenditures. The District is being diligent in appropriate utilization of these federal dollars.

For fiscal 2010, the state mandate requiring transfers for funding for capital programs was lifted. Jeffco will continue to transfer revenue to the capital reserve fund in order to maintain existing infrastructure. With the completion of the 2005/2010 bond program, the capital reserve fund will spend between \$14 million and \$17 million each year for capital improvements to schools. The amount, while seemingly large, becomes small when put in the perspective of supporting 94 elementary schools, 19 middle schools, 17 high schools, 15 option/special schools, 4 stadiums, and 9 preschool centers and 16 support facilities. The District's facility master planning will be critical in prioritizing the needs for schools.

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

The District has been experiencing declining enrollment since the school year 2000/2001. Funded pupil count is projected to decline by approximately 168 students in fiscal 2010/2011 from the prior year. The decrease in enrollment will result in a decrease in funding of approximately \$1 million. Based on current county demographics, there will be modest enrollment growth for the next four years. The turbulent economy and likelihood of increases in student mobility may trigger unpredictable impacts on enrollment. 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 07/08	Actual 08/09	Actual 09/10	Projected 10/11	Projected 11/12	Projected 12/13	Projected 13/14	Projected 14/15
Enrollment	84,796	84,657	84,948	84,948	84,948	85,048	85,148	85,248
Funded Count	81,488	81,598	81,396	81,228	81,240	81,397	81,497	81,597
FTE Count	80,401	79,864	79,884	79,884	79,884	79,984	80,084	80,184
Change in Funded Count	(301)	110	(202)	(168)	13	157	100	100

Jeffco continues to forecast and plan to meet these challenges and prepare for change. The current total reduction amount included in the five year projections is greater than \$89 million. Projected reductions only factor in what is known or estimated from the State

funding, projected inflation and other current projected economic changes. Additional reductions will be required depending on Board direction in regards to any cost of living or benefit increase and/or any other legislative mandated expenditure increases such as employer contributions to the Public Employees' Retirement Association (PERA).

Major initiatives

Strategic Plan

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

With two goals;

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

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

Fiscal management and strategic policies

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

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

Budget development process

The budget development process is a long-term initiative that better aligns available resources to positively impact student achievement. The Districts approach encourages communication and leverage between organizational units within the entire District and focuses attention on District goals. Staff and community input during the process is a key component of its success. The District is committed to the continued process of long range planning with the strategic plan as a benchmark for decisions. Please refer to the 2010/2011 Adopted Budget for details on the budgeting process.

Student achievement

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

1) The State Accreditation system is administered by the Colorado Department of Education (CDE). Colorado aims to prepare all students for postsecondary learning or to enter the workforce by the time they graduate from the K-12 system. CDE has defined four performance indicator areas key to achieving this outcome:

- Academic Achievement
- Academic Growth
- Gaps in Academic Growth
- Postsecondary and Workforce Readiness (high school only)

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

2) The Federal Government mandated the Elementary and Secondary Education Act (ESEA) in 2001 which requires states to set student achievement target goals for all public schools, also known as Adequate Yearly Progress. The goal is for 100 percent student proficiency in reading and math by the year 2013/2014. Colorado utilizes CSAP and CSAPA math and reading scores and participation to measure the progress of subgroups toward the targets.

Strategic compensation

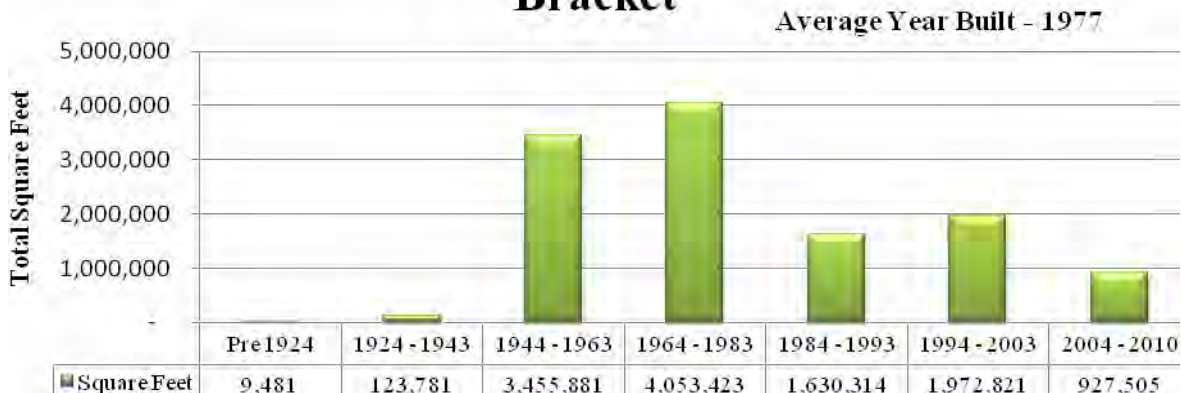
The District received a five year federal Teacher Incentive Fund grant to pilot strategic compensation for licensed staff in high-needs schools. The grant of \$33 million will involve up to 20 schools and allow the District to be at the forefront of developing new ways to compensate educators here and across the nation. Strategic compensation is a cultural shift in how educators are paid and how they navigate their career path. Instead of paying teachers solely based on years of experience and more education, they will be rewarded for outstanding performance. The Districts plan is based on three pillars of educational excellence – student learning, teacher learning and teacher leadership. Educators are rewarded for meeting individual, team and school student achievement goals as well as successful evaluations and taking on leadership roles. The strategic compensation aligns with the state law that goes into effect in 2014, requiring teachers and principals to be evaluated more frequently and that at least half of their evaluations be based on how much students learn from year to year.

21st Century learning environments – Capital improvements

The physical infrastructure is integral to the core mission of Jeffco Public Schools. The capital improvement program includes funding cycles, planning, design, construction and operation of assets. This capital improvement process extends over multiple years to multiple decades and is measured in the context of long-term life-cycle management. Once constructed, a facility has a serviceable life of at least 40 years.

The District’s policy for capital improvement funding has been that all capital improvement projects with an estimated useful life in excess of 20 years are financed through the use of general obligation bonds. Those projects include construction of new facilities, 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. The 2005/2010 capital construction program, funded in large part with voter approved general obligation debt, has completed its fifth year with projects being delivered on time and within budget. 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.

Building Age by Age Bracket



District Wide Facilities Master Plan

In 2009, the District initiated a District Wide Facilities Master Plan in order to support the Jeffco Strategic Plan and prepare for the next Capital Improvement Plan. There are three components for this plan, Capital Asset Planning, Facilities Usage Committee and the State Wide Financial Assistance Priority Assessments. The District selected Jacobs Engineering to coordinate the process of Capital Asset Planning. As the project nears completion in the first half of fiscal 2011, the District will have an up-to-date capital

asset inventory that will be maintained and utilized to provide financial information on capital assets and future needs. The project will provide much needed data and prioritization for long-term and ongoing capital planning.

The Facilities Usage Committee was formed to evaluate the use of District facilities and to provide recommendations for the effective and efficient use of those facilities. The committee was made up of community members, employee association appointees and Board of Education appointees. The outcome of the process resulted in two schools combining into a K-8 program and closure of the existing elementary site, movement of programs in order to close inadequate cottages and temporary buildings, and the evaluation by the facilities department of sites with temporary buildings where permanent space is 92 percent or less utilized.

The third component of the master plan is the State Wide Financial Assistance Priority Assessments. In March 2010, the State assessments were completed and released to the public; this information has been incorporated into the District's assessment information. The combination of these three activities will give the District guidance on building utilization and needs prioritization for ongoing program planning, budgeting and capital improvement planning.

Renewed instructional and business technology systems

In 2007/2008, the District established a Technology Plan. Jeffco Schools has developed this Technology Plan to guide the district through the next three years. The plan objectives, expectations, indicators, targets and action plans are updated and/or expanded on an annual basis to accommodate the changing dynamics associated with technology and education. The Plan is designed to be a living document with annual updates for technology changes and/or funding challenges to allow for the most agility. This Technology Plan articulates a common District vision. The Plan identifies the strategies for the use of technology in promoting guaranteed and viable curriculum standards and for developing critical thinking skills that are essential for academic and workplace success in the 21st century. Funding has been approved in 2010/2011 to continue the process of equalizing technology at all schools, unified communications, hardware upgrades, disaster recovery, instructional technology enhancements, data warehousing, bandwidth expansion and other ongoing upgrades. The District is also providing additional technology support staff at schools.

Awards and Acknowledgements

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Jefferson County School District, No. R-1, for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the twenty-sixth 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.

In addition, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Jefferson County School District, No. R-1, for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This award recognizes the District has met the highest standards of excellence in school financial reporting. A Certificate of Excellence is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Excellence Program's requirements and we are submitting it to the ASBO 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, 2009

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.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

JEFFERSON COUNTY SCHOOL DISTRICT NO. R-1

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

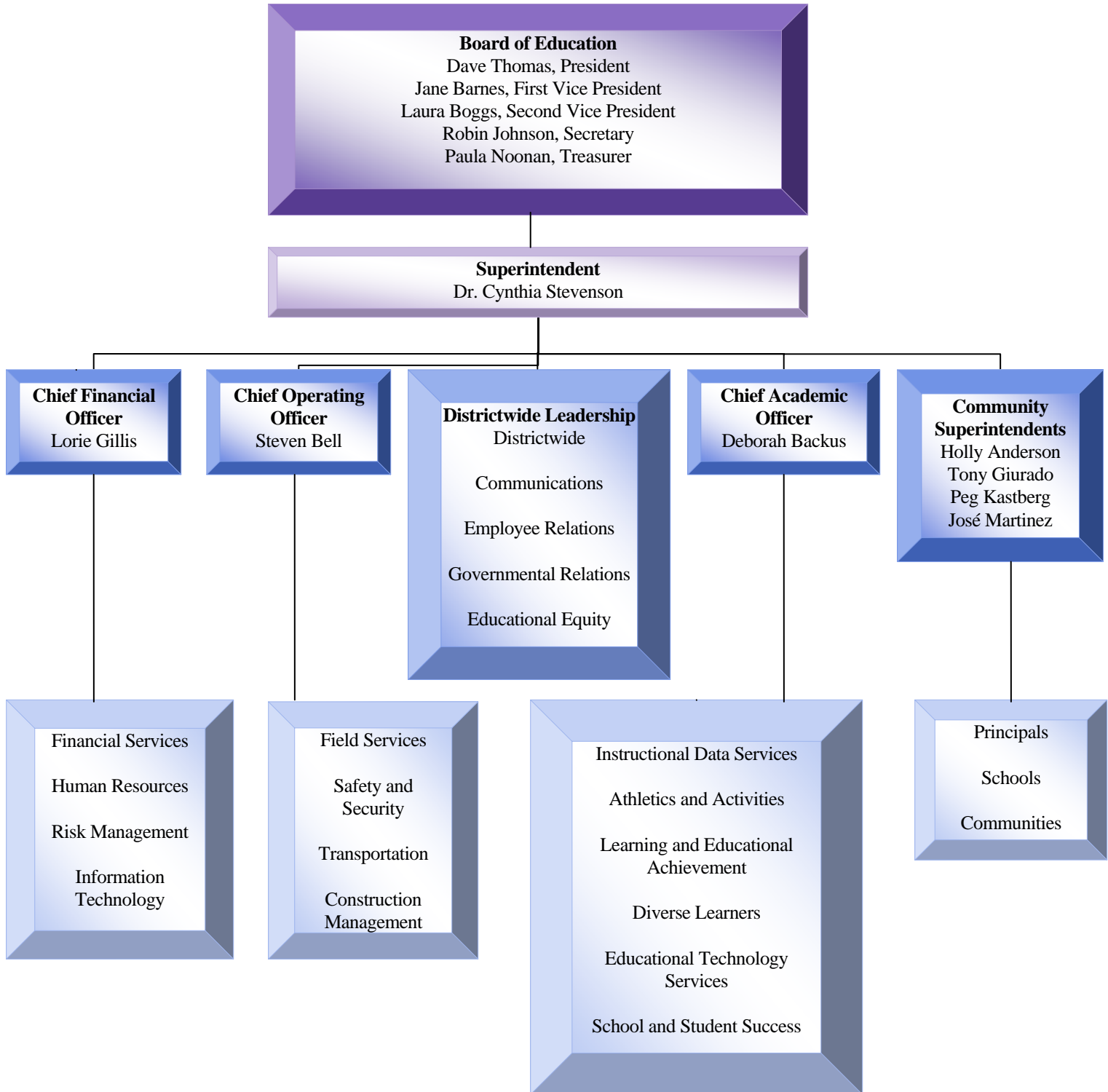
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

A handwritten signature in blue ink that reads "Erin Green".

President

A handwritten signature in blue ink that reads "John De Munn".

Executive Director



Superintendent's Cabinet

Cynthia Stevenson Superintendent
Helen Neal Manager

Debbie Backus Chief Academic Officer
Steven Bell Chief Operating Officer
Lorie Gillis Chief Financial Officer

Lynn Setzer Executive Director – Communications

Holly Anderson Community Superintendent
Tony Giurado Community Superintendent
Peg Kastberg Community Superintendent
José Martinez Community Superintendent

Warren Blair President, JCAA
Allen Taggart Legal Support/Executive Director - Employee Relations

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 (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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 governmental activities, 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, 2010, 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 1, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the 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 the District'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.

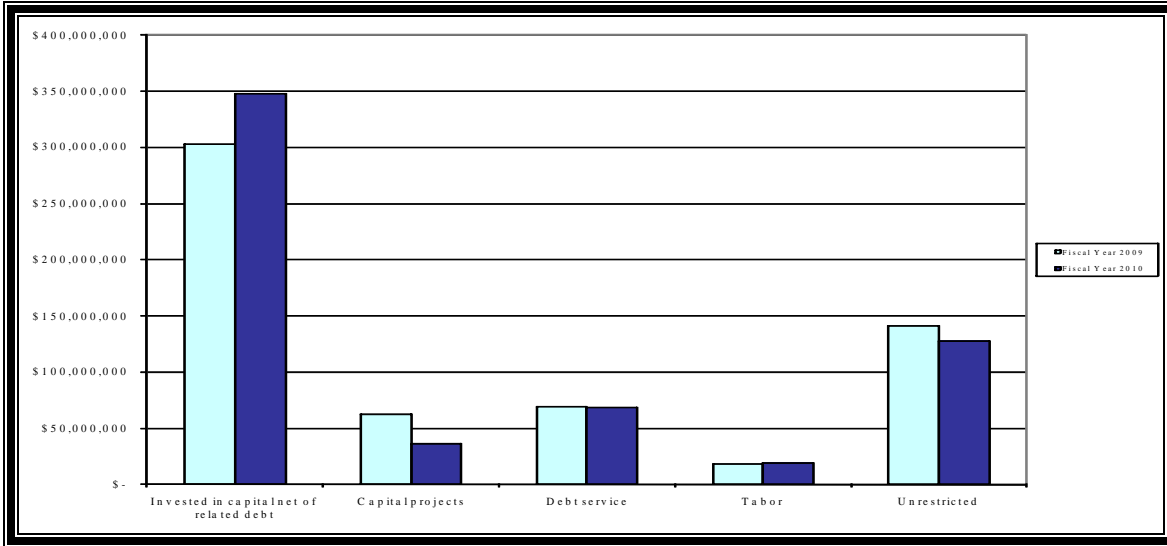
The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Greenwood Village, Colorado
November 1, 2010

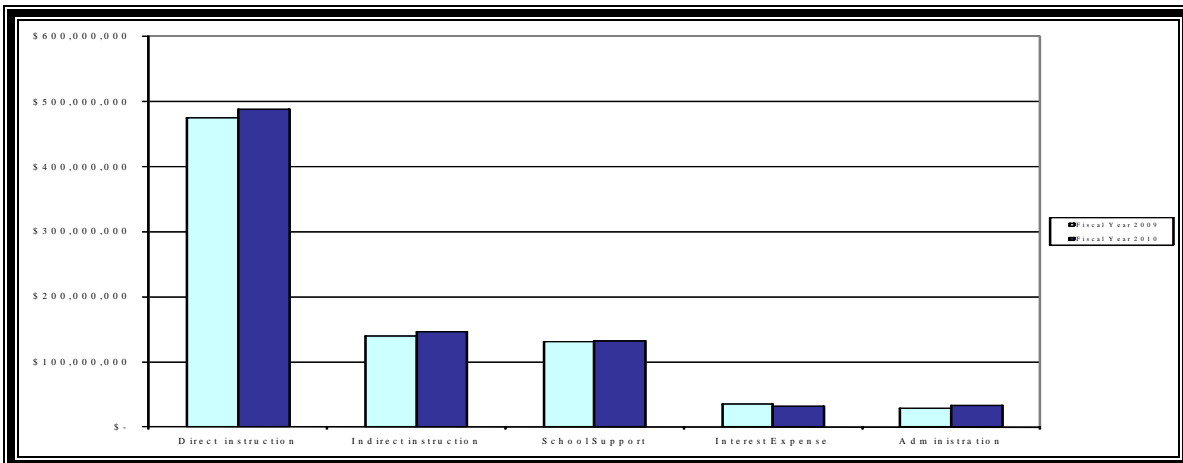
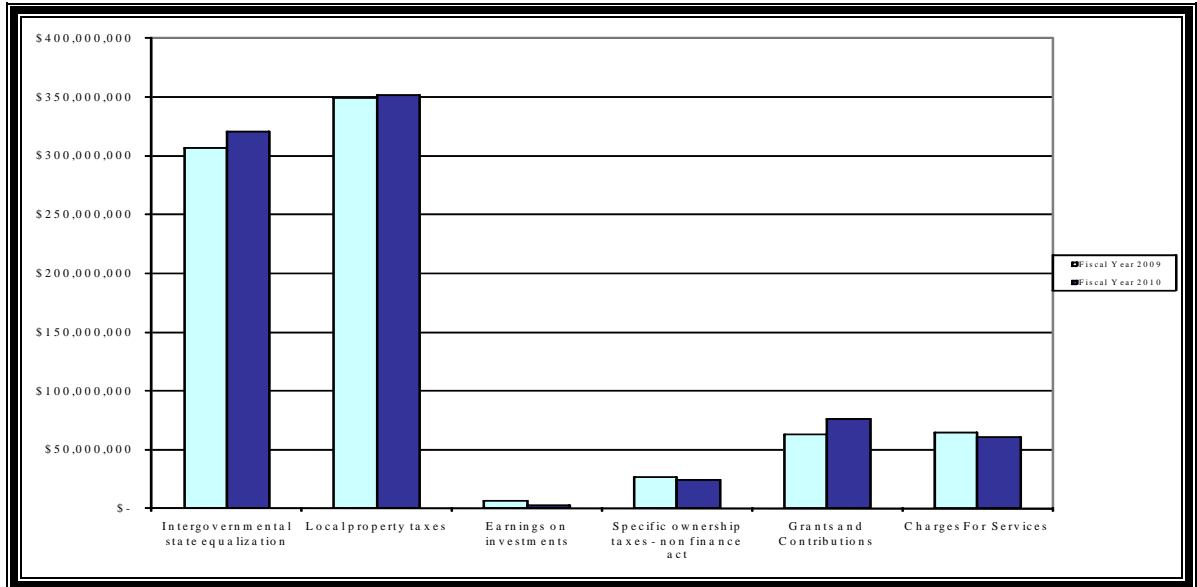
Management's Discussion and Analysis

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2010**



Primary Government Government-wide Net Assets:
Increased \$4 million over prior year.

Primary Government Government-wide Revenues:
Increased \$21 million from the prior year.



Primary Government Government-wide Expenses:
Increased \$24 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, 2010

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, 2010. 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 government-wide net assets increased \$4 million in 2010. \$127 million (21 percent) of the total \$598 million is unrestricted and available to meet ongoing obligations.
- Government-wide current assets decreased \$48 million. Equity in pooled cash decreased \$52 million due to planned spending on capital projects and using general fund reserves. Intergovernmental receivables increased \$6 million over the prior year primarily driven by American Recovery and Reinvestment Act (ARRA) funding in the Grants fund.
- Government-wide total liabilities decreased \$69 million from the prior year. Accounts payable liabilities, including retainage for capital reserve and projects, decreased \$9 million with the completion of major projects. The liability for general obligation debt decreased \$54 million with principal payments and the refunding of a portion of the Series 2006 bonds. The certificates of participation issued for the purchase of busses were paid off early for \$5 million, further reducing the District's liabilities.
- Government-wide revenues increased \$21 million over the prior year. State equalization funding increased \$14 million from inflation adjustments. Grants funding increased \$13 million with the increased ARRA funding and free and reduced lunch reimbursements. These increases were offset by decreases in interest earnings of \$3 million, fees for purchased lunches of \$1 million and decreases in other fees from student activities of \$2 million. Government-wide expenses increased from salary increases and additional grants from ARRA.
- The combined governmental fund balance for fiscal 2010 is \$196 million, a decrease of \$43 million from the prior year. \$46 million of the general fund balance (7 percent of general fund expenditures) is unassigned and available for spending at the District's discretion.

Overview of the financial statements

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 30-70 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves on pages 74-97.

Government-wide financial statements

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

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

The government-wide financial statements consolidate governmental and internal service activities that are supported from taxes and intergovernmental revenues and business-type activities that are intended to recover all or most of their costs from user fees and charges. Governmental activities consolidate governmental funds including the general fund, debt service fund, capital reserve capital projects fund, building fund capital projects fund and special revenue funds with internal services funds

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including the employee benefits fund, the central services fund, the insurance reserve fund and the technology fund. Business-type activities consolidate funds that include the food service fund, the child care fund and property management fund.

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

The only activity of the District's Finance Corporation is to act as a conduit for the transfer of funds relating to the issuance and refunding of COPs. The Corporation has no assets or liabilities at June 30, 2010, and therefore has no financial impact on the District. Financial information for the Charter Schools is presented separately from the primary government because the Charter Schools are considered discrete component units of the District.

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

Fund financial statements

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

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

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

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

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

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

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

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

The basic proprietary fund financial statements are presented on pages 40-45.

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Notes to the basic financial statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 48-70 of this report.

Other information

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

Government-wide financial analysis

Government-wide net assets

The assets of the District are classified as current assets, capital assets and noncurrent assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. Cash and investments account for 90 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 57 percent of the annual property tax assessment between April and June.

Capital assets are used in the operations of the District. These assets are land, construction in progress, buildings, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled Capital Assets and Debt Administration elsewhere in this analysis.

The deferred charges and net pension asset are classified as noncurrent assets as they are not current resources. The pension asset is in association with the District's supplemental retirement plan. The deferred charges are bond issuance costs from issuing general obligation and certificates of participation debt.

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 2011. 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 2011. The \$80 million of accrued salaries as of June 30, 2010 includes \$69 million of earned but unpaid salaries associated with teacher contracts for the 2010 school year requiring resources from fiscal 2011 to liquidate.

The assets of the primary government activities exceed liabilities by \$598 million with an unrestricted net asset balance of \$127 million.

A net investment of \$348 million in land, buildings, equipment, and vehicles, net of debt, to provide the services to the District's 84,900 public school students represents 58 percent of the District's net assets. The capital projects net assets of \$36 million are restricted for construction projects. Debt service net assets of \$68 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.

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

	Fiscal Year 2009			Fiscal Year 2010		
	Governmental Activities	Business-type Activities	Government-Wide	Governmental Activities	Business-type Activities	Government-Wide
Assets:						
Total current assets	\$ 398,958,710	\$ 15,925,458	\$ 414,884,168	\$ 353,817,298	\$ 13,186,803	\$ 367,004,101
Capital assets, net of depreciation	936,250,618	2,702,062	938,952,680	920,831,395	3,642,539	924,473,934
Total noncurrent assets	<u>53,432,136</u>	<u>-</u>	<u>53,432,136</u>	<u>51,341,474</u>	<u>-</u>	<u>51,341,474</u>
Total assets	<u>\$1,388,641,464</u>	<u>\$ 18,627,520</u>	<u>\$ 1,407,268,984</u>	<u>\$ 1,325,990,167</u>	<u>\$ 16,829,342</u>	<u>\$ 1,342,819,509</u>
Liabilities:						
Total current liabilities	\$ 179,845,642	\$ 2,197,493	\$ 182,043,135	\$ 175,937,469	\$ 2,195,080	\$ 178,132,549
Total noncurrent liabilities	<u>630,740,046</u>	<u>175,279</u>	<u>630,915,325</u>	<u>566,083,781</u>	<u>198,967</u>	<u>566,282,748</u>
Total liabilities	<u>810,585,688</u>	<u>2,372,772</u>	<u>812,958,460</u>	<u>742,021,250</u>	<u>2,394,047</u>	<u>744,415,297</u>
Net assets:						
Invested in capital net of related debt	300,549,882	2,702,062	303,251,944	344,003,602	3,642,539	347,646,141
Restricted for:						
Capital projects	62,400,677	-	62,400,677	36,378,765	-	36,378,765
Debt service	68,924,667	-	68,924,667	68,230,744	-	68,230,744
TABOR	17,737,918	781,383	18,519,301	17,983,348	747,019	18,730,367
Unrestricted	<u>128,442,632</u>	<u>12,771,303</u>	<u>141,213,935</u>	<u>117,372,458</u>	<u>10,045,737</u>	<u>127,418,195</u>
Total net assets	<u>578,055,776</u>	<u>16,254,748</u>	<u>594,310,524</u>	<u>583,968,917</u>	<u>14,435,295</u>	<u>598,404,212</u>
Total liabilities and net assets	<u>1,388,641,464</u>	<u>\$ 18,627,520</u>	<u>\$ 1,407,268,984</u>	<u>\$ 1,325,990,167</u>	<u>\$ 16,829,342</u>	<u>\$ 1,342,819,509</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 2009		Fiscal Year 2010	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 936,250,618	\$ 2,702,062	\$ 920,831,395	\$ 3,642,539
Less: General obligation bonds	630,515,736	-	576,827,793	-
Certificates of participation	<u>5,185,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Invested in capital net of related debt	<u>\$ 300,549,882</u>	<u>\$ 2,702,062</u>	<u>\$ 344,003,602</u>	<u>\$ 3,642,539</u>

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Government-wide activities

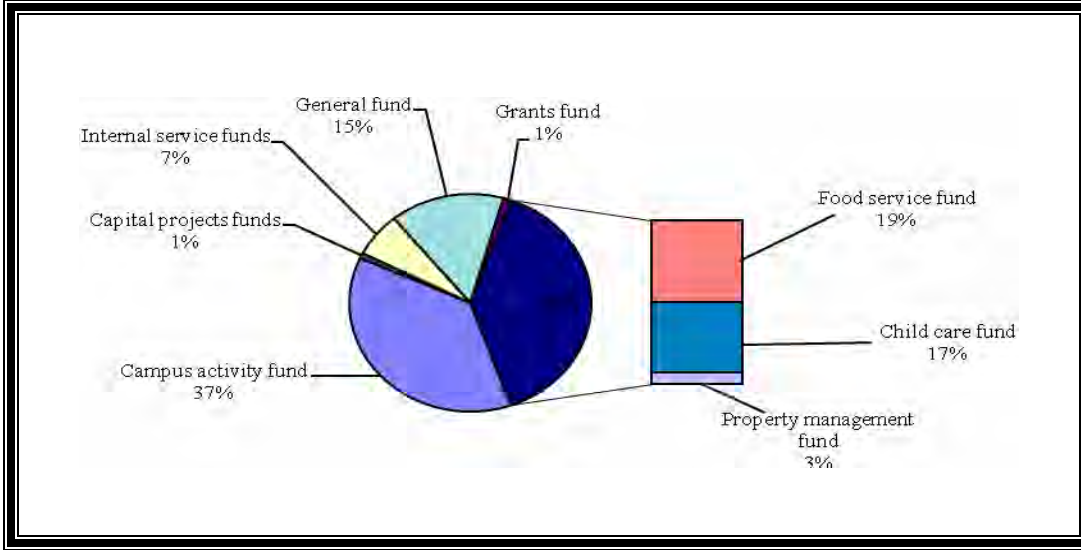
Government-wide activities increased the net assets of the District by \$4 million during the year ended June 30, 2010. The following schedules, charts and analysis focus on this increase.

**Comparative Schedule of Changes in Net Assets
For the fiscal years ended June 30, 2009 and 2010**

	<u>Fiscal Year 2009</u>			<u>Fiscal Year 2010</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	\$ 38,742,782	\$ 25,481,489	\$ 64,224,271	\$ 36,992,375	\$ 23,707,590	\$ 60,699,965
Operating grants and contributions	52,961,796	8,735,385	61,697,181	64,101,505	10,964,421	75,065,926
Capital grants and contributions	-	1,715,380	1,715,380	-	1,172,164	1,172,164
General revenues:						
Taxes:						
Local property taxes	349,209,271	-	349,209,271	351,591,719	-	351,591,719
Automotive ownership taxes	26,428,023	-	26,428,023	24,730,646	-	24,730,646
Intergovernmental state equalization	307,102,545	-	307,102,545	321,046,426	-	321,046,426
Earnings on investments	<u>6,230,214</u>	<u>223,967</u>	<u>6,454,181</u>	<u>3,045,378</u>	<u>48,286</u>	<u>3,093,664</u>
Total revenues	<u>780,674,631</u>	<u>36,156,221</u>	<u>816,830,852</u>	<u>801,508,049</u>	<u>35,892,461</u>	<u>837,400,510</u>
Expenses						
Governmental activities:						
Direct instruction	475,473,399	-	475,473,399	488,851,713	-	488,851,713
Indirect instruction	139,506,864	-	139,506,864	146,058,971	-	146,058,971
Transportation	21,744,799	-	21,744,799	21,105,227	-	21,105,227
Custodial services	27,158,925	-	27,158,925	27,460,710	-	27,460,710
Field services	24,507,637	-	24,507,637	23,020,164	-	23,020,164
Telecommunications, networking and utilities	19,361,791	-	19,361,791	21,021,606	-	21,021,606
Support services	23,191,961	-	23,191,961	25,970,162	-	25,970,162
General administration	3,328,842	-	3,328,842	4,122,191	-	4,122,191
District-wide	1,123,258	-	1,123,258	1,383,435	-	1,383,435
Interest expense, unallocated	34,967,047	-	34,967,047	32,332,211	-	32,332,211
Food services	-	23,425,181	23,425,181	-	25,200,972	25,200,972
Child care	-	14,547,344	14,547,344	-	14,728,222	14,728,222
Property management	-	<u>1,225,624</u>	<u>1,225,624</u>	-	<u>2,051,238</u>	<u>2,051,238</u>
Total expenses	<u>770,364,523</u>	<u>39,198,149</u>	<u>809,562,672</u>	<u>791,326,390</u>	<u>41,980,432</u>	<u>833,306,822</u>
Increase (decrease) in net assets before transfers	<u>10,310,108</u>	<u>(3,041,928)</u>	<u>7,268,180</u>	<u>10,181,659</u>	<u>(6,087,971)</u>	<u>4,093,688</u>
Transfers	<u>(3,667,041)</u>	<u>3,667,041</u>	<u>-</u>	<u>(4,268,518)</u>	<u>4,268,518</u>	<u>-</u>
Increase in net assets	6,643,067	625,113	7,268,180	5,913,141	(1,819,453)	4,093,688
Net assets, July 1	<u>571,412,709</u>	<u>15,629,635</u>	<u>587,042,344</u>	<u>578,055,776</u>	<u>16,254,748</u>	<u>594,310,524</u>
Net assets, June 30	<u>\$ 578,055,776</u>	<u>\$ 16,254,748</u>	<u>\$ 594,310,524</u>	<u>\$ 583,968,917</u>	<u>\$ 14,435,295</u>	<u>\$ 598,404,212</u>

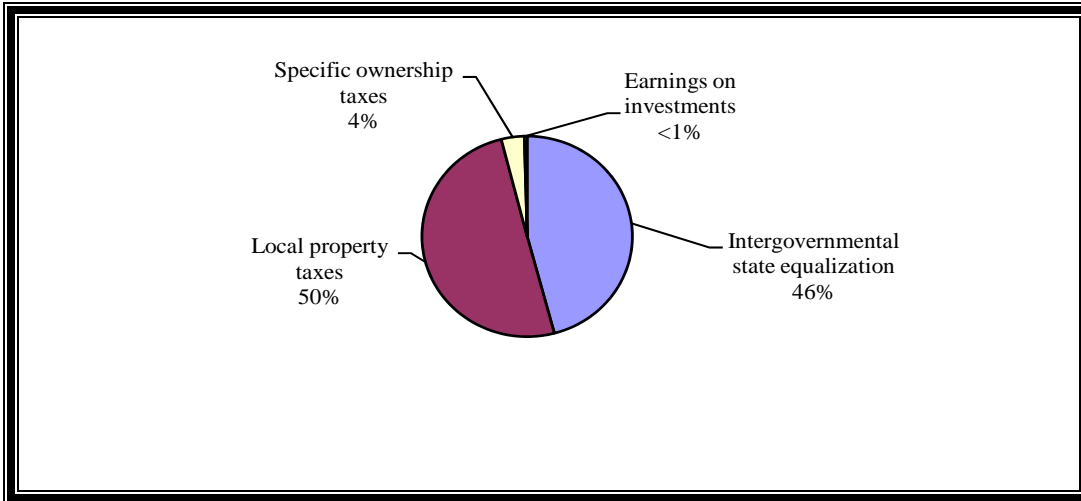
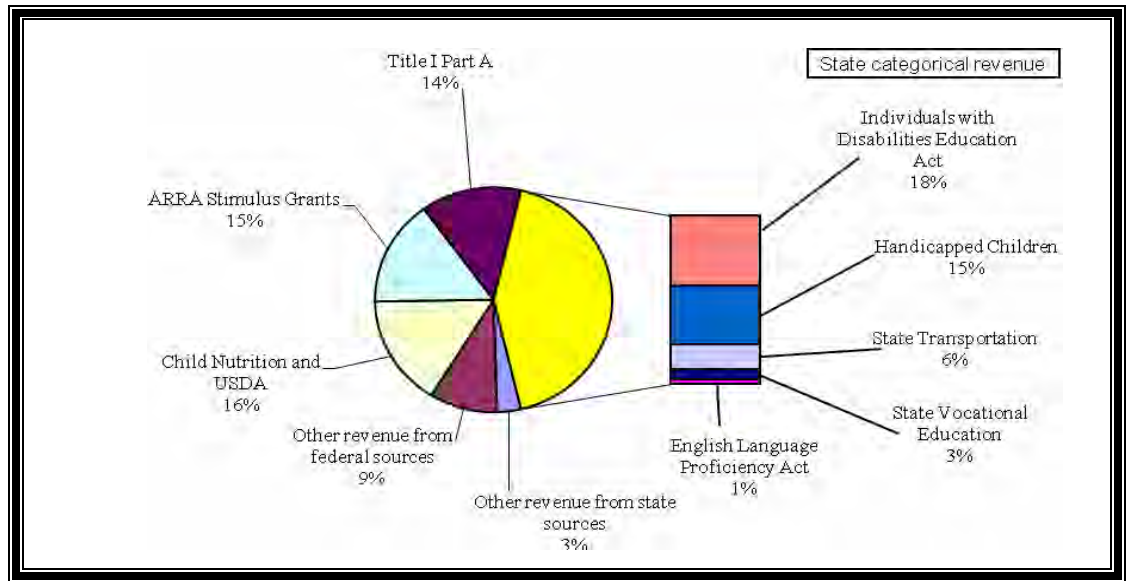
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Analysis of Revenues



**Government-wide
Charges for Services
totals
\$61 million**

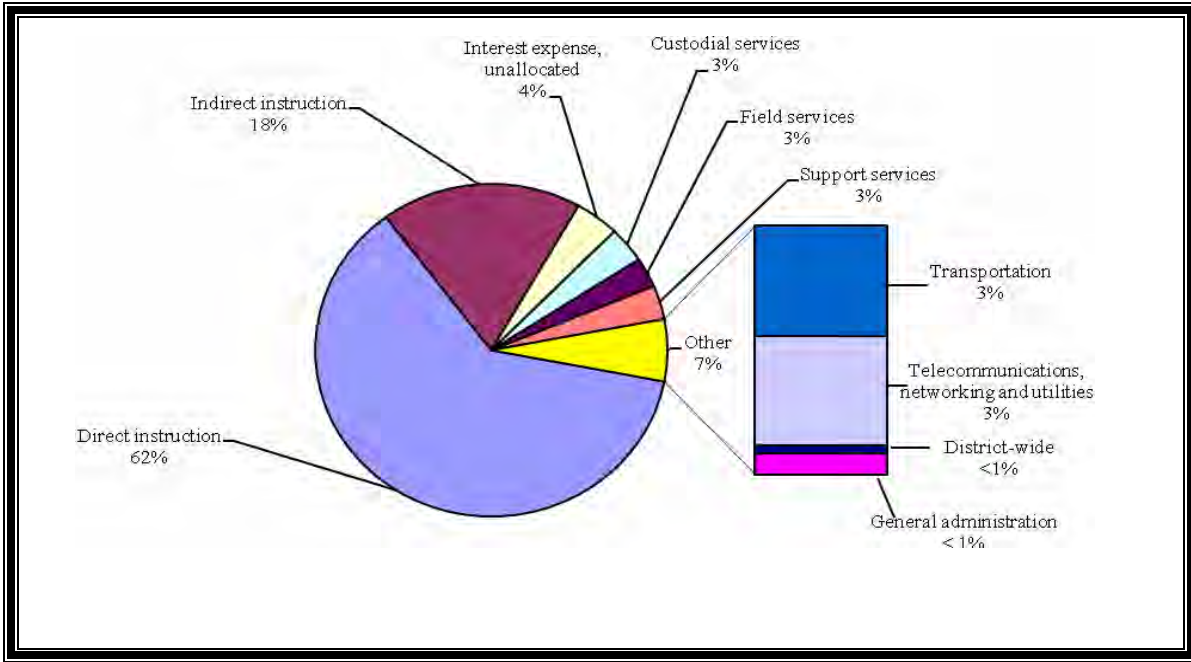
**Government-wide
Operating Grants and
Contributions (includes
Capital grants and
contributions) totals \$76
million**



**Total general
revenues of \$700
million**

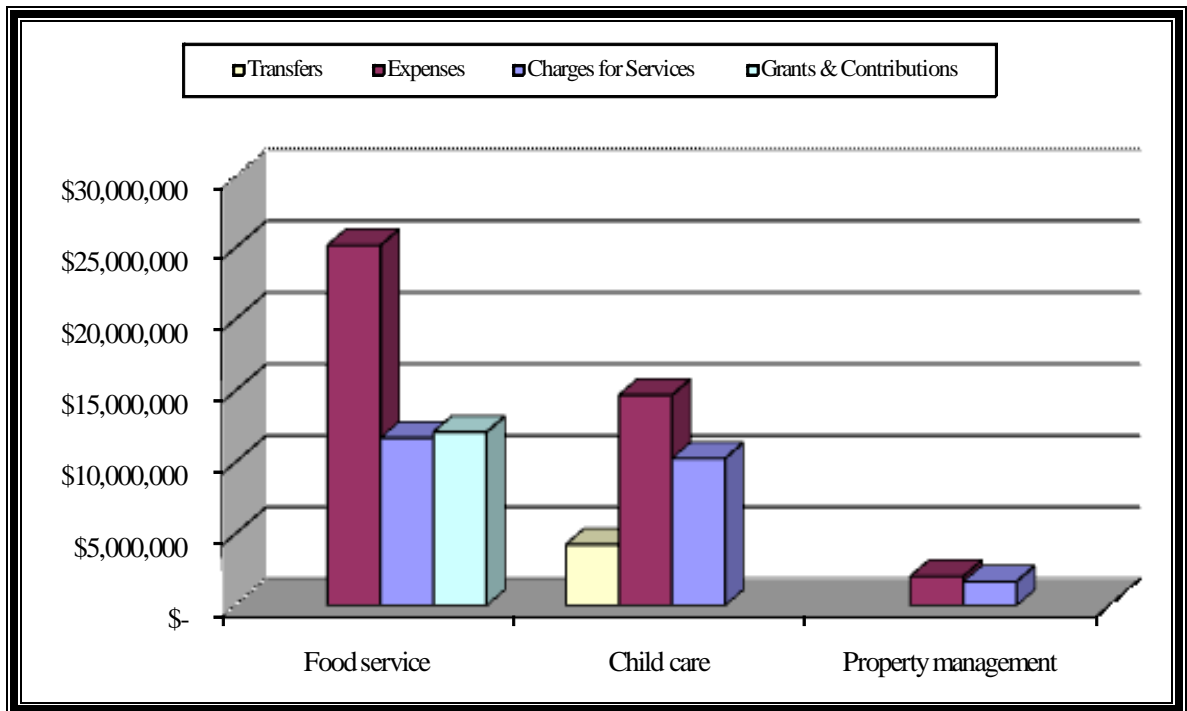
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Analysis of Expenditures



Governmental activities
Expenses total \$791 million

Business-type activities
Expenses and Program revenue



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Government-wide revenues

Government-wide revenues increased \$21 million from the prior year. Charges for services decreased \$3.5 million. \$1.7 million of the decrease was in governmental activities and due to reduced student fund raising and other activities. The business type activities for food service and child care had reduced charges for \$1.7 million. The food service reduction was partially offset with an increased in the federal grant reimbursement for free and reduced lunch. Government-wide operating grants and contributions increased \$13 million over the prior year; \$12 million was from year one of the two year ARRA funding. Intergovernmental state equalization increased \$14 million over the prior year from inflation adjustments. Earnings on investments were \$3 million lower due to lower yields and cash balances.

Government-wide expenses

Government-wide expenses increased \$24 million from the prior year. Salaries and benefits increased \$12 million with increases for cost of living, steps, benefits for public employees' retirement association (PERA), and two, one-time, one percent payments to employees. There were also twenty additional teachers added for all day kindergarten. These increases were offset by reductions in 107 staff positions. Expenses for grants increased \$10 million with the increased funding from ARRA.

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 2010.

- Central services had an increase of \$211,102 in net assets for the year. A reduction of one technician reduced labor costs. School copier utilization was down for the year reducing corresponding expenses.
- The employee benefits fund for dental, vision and group life self insurance ended the year with net asset increase of \$2.2 million. Revenues are down from the prior year due to a reduction of life insurance premium rates. Expenses increased from claims for dental and life insurance.
- The insurance reserve fund had a net asset increase of \$1.4 million. Several large claims increased insurance recovery and claim expense. The District had one property claim from hail damage to multiple properties in excess of \$2 million dollars.
- The technology fund received ERate funding for 2009 and 2010 in the current year. The ERate technology revenue was delayed at the federal level last year with no guarantee of payment. The additional revenue increased net assets by \$1.8 million.

The District's business-type activities decreased net assets by \$1.8 million. Key elements that highlight the activities in fiscal year 2010 are as follows. The basic proprietary fund financial statements are presented on pages 40-45.

- The food services fund had a reduction in net assets of \$1.3 million. The food program costs increased during the year due to changes in products and menu planning. There were also increased costs with staffing and consulting. Revenues for food sales decreased from the prior year but were partially offset with federal reimbursements for free and reduced lunches.
- The child care fund accounts for tuition based all day kindergarten, preschool and before and after care programs. The fund had a slight increase in net assets of \$56,515. Tuition revenues were down but offset with increases from the Colorado Preschool state funding.
- The property management fund accounts for revenues and expenditures related to the public use of District property. Net assets for the fund decreased \$561,967. The fund paid for a portion of the district wide capital asset master planning services in 2010.

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. Unassigned fund balance, in particular, measures the District's net resources available for spending at the end of the fiscal year.

Unassigned fund balance for the District at the end of the fiscal year is comprised of the general fund balance of \$46 million.

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The general fund is the primary operating fund of the District with the majority of funding based on School Finance Act per pupil revenue. Student funded enrollment decreased by 202 students during the fiscal year. This reduction amounts to approximately \$1.3 million in decreases from the state's School Finance Act funding. The immediate effect of this decrease is softened by the four-year average calculation used by the Colorado Department of Education.

The District continues its planned spend down of general fund reserves with a decrease in fund balance of \$18 million at year end. The prior year's fund balance decreased \$13 million. The following factors are key points in the \$5 million additional decrease from the prior year:

- Total revenues increased \$10 million over the prior year. This was primarily due to a \$14 million increase from state equalization funding which was offset by a \$3 million decrease in interest earnings. The \$14 million increase from state equalization was after state equalization rescissions of \$13 million in 2010.
- Salaries and benefits account for 87 percent of the general fund expenditures. Salaries and benefits increased 3 percent (or \$11 million) over the prior year.
- Utility costs increased \$1 million.
- Expenditures for instructional materials and supplies decreased due to budget reductions of \$2 million and turf fields installed in 2009 for \$2 million, but none in 2010.
- Increased transfer to capital reserve for board approved facility changes \$2 million and early payoff for bus COP's \$4 million.

The bond redemption debt service fund has fund balance of \$68 million. This fund accounts for the voter approved property taxes collected to repay general obligation debt. The mill levy to accumulate resources for the June 2011 principal and interest payments will be certified in December 2010. The Series 2004 construction bonds were refunded with 2010 series bonds in March 2010. The refunding used \$9 million in additional funding from the District. In compliance with Senate Bill 237, the District has contracted with a third party custodian to administer bond principal and interest payments.

The capital reserve capital projects fund is now providing the funding to finish the remaining 2004 bond projects as planned. Expenditures have increased from the prior year due to this transition. The building fund capital projects fund was utilized to account for the proceeds of the bond issuance and usage for the 2004 voter approved capital projects program. The building fund capital projects fund was closed in 2010.

The grants fund has had a significant increase in revenues and expenditures due to additional grants through ARRA. The majority of additional funding from ARRA was provided through Title I and IDEA grants with specific guidelines for use. The campus activity fund had decreased revenue and expenditures for the year. The ongoing economic issues continue to effect fundraising opportunities and lower donations.

General fund budgetary highlights

The final budget of the general fund increased the projected loss of fund balance. The major adjustments to the budget are as follows:

- Decreased property tax collections - \$6 million.
- Decreased state of Colorado funding from rescissions - \$8 million.
- Increased compensation expenses for 2010 due to late settlement with the teachers union - \$8 million.
- Increased transfer to capital reserve for COP payoff and facility changes - \$6 million.

The unassigned fund balance for the general fund at the end of the fiscal year is \$46 million. For budgetary purposes, however, the current available resources for the general fund can be computed as follows:

Fund balance-GAAP basis	\$ 79,460,466
Add: Effect of salaries earned but unpaid	<u>69,305,983</u>
Total fund balance (Budgetary basis)	\$148,766,449
Less restricted for: TABOR	17,249,094
Board of education contingency	25,044,587
School carry forward	12,700,000
Maintenance operations	<u>2,000,000</u>
Unreserved fund balance (Budgetary basis)	<u>\$ 91,774,768</u>

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As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total fund expenditures. Actual budget basis expenditures of the general fund including other financing uses - transfers out amounted to \$669 million. Unreserved fund balance (budgetary basis) represents 14 percent of expenditures while total fund balance (budgetary basis) represents 22 percent of budget based expenditures. This is a percentage decrease from the prior year of 3 percent for unreserved fund balance and 4 percent of total fund balance. The passage of the mill levy override in November 2004 resulted in reserves being set aside to help offset future budget reductions. Fiscal 2010 is the second year using these reserves to help mitigate the amount of budget reduction needed to balance the budget.

Capital assets and debt administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2010 decreased to \$924 million (net of accumulated depreciation). The decrease is due to depreciation. The additions for buildings and renovations have slowed down as the end of the 2004 bond program nears completion. 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 \$45 million which include: Connections Learning replacement, Jeffco Open partial replacement, Oberon Middle School renovation, Mandalay Middle renovation and three site energy infrastructure improvements.
- Depreciation of \$61 million for governmental activities and \$368,562 for business-type activities.
- Major transfers from construction in progress to buildings include: Bear Creek High School replacement, Evergreen Middle School addition and Creighton Middle School addition.

	<u>Fiscal Year 2009</u>		<u>Fiscal Year 2010</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Non-depreciable assets:				-
Land	\$ 57,070,963	-	\$ 57,502,661	-
Construction in progress	<u>101,873,722</u>	<u>-</u>	<u>42,379,879</u>	<u>-</u>
Total non-depreciable assets	158,944,685	-	99,882,540	-
Depreciable assets (net of accumulated depreciation):				
Buildings and site improvements	747,050,945	-	793,339,865	-
Equipment and vehicles	<u>30,254,988</u>	<u>\$ 2,702,062</u>	<u>27,608,990</u>	<u>\$ 3,642,539</u>
Total depreciable assets	<u>777,305,933</u>	<u>2,702,062</u>	<u>820,948,855</u>	<u>3,642,539</u>
Total capital assets:	<u>\$ 936,250,618</u>	<u>\$ 2,702,062</u>	<u>\$ 920,831,395</u>	<u>\$ 3,642,539</u>

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

At June 30, 2010, the District had total bonded debt outstanding of \$554 million backed by the full faith and credit of the District. Additionally, the District has long-term debt obligations certificates of participation in the amount of \$34 million for governmental activities still outstanding at the end of the current fiscal year.

General Obligation Bonds, Capital Leases and Certificates of Participation

	<u>Fiscal Year 2009</u>			<u>Fiscal Year 2010</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	\$ 609,570,000	-	\$ 609,570,000	\$ 553,715,000	-	\$ 553,715,000
Certificates of participation	<u>40,910,000</u>	<u>-</u>	<u>40,910,000</u>	<u>34,430,000</u>	<u>-</u>	<u>34,430,000</u>
Total outstanding long-term debt	<u>\$ 650,480,000</u>	<u>-</u>	<u>\$ 650,480,000</u>	<u>\$ 588,145,000</u>	<u>-</u>	<u>\$ 588,145,000</u>

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2010**

The certificates of participation were issued to fund the supplemental retirement program. The District maintains an Aa3 rating from Moody's and an AA- 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 \$1,470,834,296 and the legal debt margin was \$985,350,040.

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

General budgetary highlights and economic factors

For the 2010/2011 budget, the Board of Education established objectives to be met by the budget process. They determined that the budget would:

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

The budget process will continue to:

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

Several factors impact the District's Adopted Budget and are considered when making budget assumptions; public school finance act increases, student funded counts declining, salary and benefit costs increases, reduced specific ownership tax collection, state rescissions, Office of Civil Rights mandates, increased graduation requirements, and retirement savings. For the 2010/2011 adopted budget, \$21.7 million net revenue decrease is projected with \$13.9 million in net expenditure decreases. These changes result in reducing planned incremental utilization of voter-approved mill levy dollars (previously reserved) by \$8 million.

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

Requests for information

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

Kathleen Askelson, Executive Director, Finance
Jefferson County School District, No. R-1
1829 Denver West Drive, Building 27
Golden, Colorado 80401



Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Current assets:				
Cash	\$ 108,619	\$ 4,724	\$ 113,343	\$ 55,871
Restricted cash	102,516	-	102,516	4,717,579
Restricted cash TABOR	-	-	-	1,219,905
Cash held by county treasurer	3,506,877	-	3,506,877	-
Equity in pooled cash and investments	248,270,716	10,237,732	258,508,448	6,947,459
Investments	66,739,425	-	66,739,425	-
Property taxes receivable	15,270,467	-	15,270,467	-
Accounts receivable	2,072,159	241,792	2,313,951	41,540
Intergovernmental receivable	12,528,240	1,212,620	13,740,860	-
Due from component units	131,801	-	131,801	-
Inventories	2,029,601	1,430,074	3,459,675	-
Prepaid expenses	3,056,877	59,861	3,116,738	-
Total current assets	<u>353,817,298</u>	<u>13,186,803</u>	<u>367,004,101</u>	<u>12,982,354</u>
Capital assets:				
Land and construction in progress	99,882,540	-	99,882,540	4,294,935
Depreciable assets	1,448,881,226	8,061,339	1,456,942,565	34,873,878
Accumulated depreciation	(627,932,371)	(4,418,800)	(632,351,171)	(7,391,562)
Capital assets, net of depreciation	<u>920,831,395</u>	<u>3,642,539</u>	<u>924,473,934</u>	<u>31,777,251</u>
Noncurrent assets:				
Deferred charges	1,048,528	-	1,048,528	938,383
Net pension asset	50,292,946	-	50,292,946	-
Total noncurrent assets	<u>51,341,474</u>	<u>-</u>	<u>51,341,474</u>	<u>938,383</u>
Total assets	<u>\$ 1,325,990,167</u>	<u>\$ 16,829,342</u>	<u>\$ 1,342,819,509</u>	<u>\$ 45,697,988</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 13,842,333	\$ 164,765	\$ 14,007,098	\$ 325,708
Accrued salaries and benefits	78,668,887	1,193,640	79,862,527	1,663,360
Payroll withholding	22,048,869	-	22,048,869	-
Due to primary government	-	-	-	131,801
Unearned revenue	3,193,033	836,675	4,029,708	342,324
Liability claims/premiums	4,657,114	-	4,657,114	-
Interest payable	1,242,233	-	1,242,233	304,489
General obligation bonds	50,925,000	-	50,925,000	-
Certificates of participation	1,360,000	-	1,360,000	-
Capital leases and promissory notes	-	-	-	992,482
Total current liabilities	<u>175,937,469</u>	<u>2,195,080</u>	<u>178,132,549</u>	<u>3,760,164</u>
Noncurrent liabilities:				
General obligation bonds	525,902,793	-	525,902,793	-
Certificates of participation	32,814,778	-	32,814,778	-
Capital leases	-	-	-	38,866,205
Early retirement	3,600,000	-	3,600,000	-
Compensated absences	3,766,210	198,967	3,965,177	-
Total noncurrent liabilities	<u>566,083,781</u>	<u>198,967</u>	<u>566,282,748</u>	<u>38,866,205</u>
Total liabilities	<u>742,021,250</u>	<u>2,394,047</u>	<u>744,415,297</u>	<u>42,626,369</u>
Net assets				
Invested in capital assets, net of related debt	344,003,602	3,642,539	347,646,141	(7,983,010)
Restricted for:				
Capital projects	36,378,765	-	36,378,765	515,821
Debt service	68,230,744	-	68,230,744	4,614,153
TABOR	17,983,348	747,019	18,730,367	1,219,905
Unrestricted	117,372,458	10,045,737	127,418,195	4,704,750
Total net assets	<u>583,968,917</u>	<u>14,435,295</u>	<u>598,404,212</u>	<u>3,071,619</u>
Total liabilities and net assets	<u>\$ 1,325,990,167</u>	<u>\$ 16,829,342</u>	<u>\$ 1,342,819,509</u>	<u>\$ 45,697,988</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Activities
Fiscal year ended June 30, 2010

	Net (Expenses) Revenue and Changes in Net Assets							
	Primary Government			Component Units				
	Expenses	Charges For Services	Program Revenues	Capital Grants and Contributions	Governmental Activities	Business-type Activities	TOTAL	Charter Schools
Functions/Programs								
Primary government:								
Governmental activities:								
Direct instruction	\$ 488,851,713	\$ 5,053,827	\$ 49,402,008	-	\$ (434,395,878)	-	\$ (434,395,878)	-
Indirect instruction	146,058,971	27,065,122	9,914,138	-	(109,079,711)	-	(109,079,711)	-
Transportation	21,105,227	400,388	4,785,359	-	(15,919,480)	-	(15,919,480)	-
Custodial services	27,460,710	-	-	-	(27,460,710)	-	(27,460,710)	-
Field services	23,020,164	3,998,449	-	-	(19,021,715)	-	(19,021,715)	-
Telecommunications, networking and utilities	21,021,606	-	-	-	(21,021,606)	-	(21,021,606)	-
Support services	25,970,162	-	-	-	(25,970,162)	-	(25,970,162)	-
General administration	4,122,191	-	-	-	(4,122,191)	-	(4,122,191)	-
District-wide	1,383,435	474,589	-	-	(908,846)	-	(908,846)	-
Interest expense, unallocated	32,332,211	-	-	-	(32,332,211)	-	(32,332,211)	-
Total governmental activities	791,326,390	36,992,375	64,101,505	-	(690,232,510)	-	(690,232,510)	-
Business-type Activities:								
Food services	25,200,972	11,736,773	10,964,421	\$ 1,172,164	-	\$ (1,327,614)	(1,327,614)	-
Child care	14,728,222	10,295,931	-	-	-	(4,432,291)	(4,432,291)	-
Property management	2,051,238	1,674,886	-	-	-	(376,352)	(376,352)	-
Total business-type activities	41,980,432	23,707,590	10,964,421	1,172,164	-	(6,136,257)	(6,136,257)	-
Total primary government	\$ 833,306,822	\$ 60,699,965	\$ 75,065,926	\$ 1,172,164	\$ (690,232,510)	\$ (6,136,257)	\$ (696,368,767)	-
Component units-Charter schools	\$ 39,685,294	\$ 6,532,633	\$ -	\$ -	-	-	\$ (33,152,661)	-
General revenues								
Taxes:								
Local property taxes			351,591,719				351,591,719	-
Automotive ownership taxes			24,730,646				24,730,646	-
Unrestricted intergovernmental state equalization			321,046,426				321,046,426	34,314,650
Unrestricted investment income			3,045,378			48,286	3,093,664	-
Transfers			(4,268,518)			4,268,518	-	-
Total general revenues and transfers			696,145,651			4,316,804	700,462,455	34,314,650
Change in net assets			5,913,141			(1,819,453)	4,093,688	1,161,989
Net assets July 1, 2009			578,055,776			16,254,748	594,310,524	1,909,630
Net assets June 30, 2010			\$ 583,968,917			\$ 14,435,295	\$ 598,404,212	\$ 3,071,619

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Balance Sheet
Governmental Funds
June 30, 2010

	General	Bond Redemption Debt Service
Assets		
Cash	\$ 3,356	\$ -
Restricted Cash	2	-
Cash held by county treasurer	3,201,952	304,925
Equity in pooled cash and investments	140,768,404	-
Investments	-	66,739,425
Property taxes receivable, net of allowance for doubtful collections of \$7,081,332	11,685,402	3,585,065
Accounts, notes, contracts, and interest receivable	1,726,230	-
Intergovernmental receivables	-	-
Due from other funds	5,589,653	-
Due from component units	131,801	-
Inventories	1,476,584	-
Prepaid items	57,113	-
Total assets	\$ 164,640,497	\$ 70,629,415
Liabilities and Fund Balances		
Liabilities:		
Accounts and retainages payable	\$ 4,392,948	\$ -
Accrued salaries, benefits, and compensated absences	70,646,199	-
Due to other funds	-	-
Deferred property tax revenues	7,804,314	2,398,671
Other deferred revenues	2,336,570	-
Total liabilities	85,180,031	2,398,671
Fund balances:		
Nonspendable:		
Inventory	1,476,584	-
Prepaid items	57,113	-
Restricted for:		
TABOR	17,249,094	-
Grants	-	-
Debt service	-	68,230,744
Construction	-	-
Committed to:		
Maintenance operations	2,000,000	-
Assigned to:		
School carry forward	12,700,000	-
Special revenue funds	-	-
Unassigned	45,977,675	-
Total fund balances	79,460,466	68,230,744
Total liabilities and fund balances	\$ 164,640,497	\$ 70,629,415

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	\$ -	\$ 104,663	\$ 108,319
102,514	-	-	102,516
-	-	-	3,506,877
44,345,665	-	10,083,899	195,197,968
-	-	-	66,739,425
-	-	-	15,270,467
54,963	-	23,173	1,804,366
-	-	12,528,240	12,528,240
-	-	-	5,589,653
-	-	-	131,801
-	-	376,747	1,853,331
-	-	866	57,979
<u>\$ 44,503,442</u>	<u>\$ -</u>	<u>\$ 23,117,588</u>	<u>\$ 302,890,942</u>

\$ 7,992,459	\$ -	\$ 593,192	\$ 12,978,599
112,324	-	4,646,593	75,405,116
-	-	5,589,653	5,589,653
-	-	-	10,202,985
-	-	260,571	2,597,141
<u>8,104,783</u>	<u>-</u>	<u>11,090,009</u>	<u>106,773,494</u>

-	-	376,747	1,853,331
-	-	866	57,979
19,894	-	594,407	17,863,395
-	-	2,030,994	2,030,994
-	-	-	68,230,744
36,378,765	-	-	36,378,765
-	-	-	2,000,000
-	-	-	12,700,000
-	-	9,024,565	9,024,565
-	-	-	45,977,675
<u>36,398,659</u>	<u>-</u>	<u>12,027,579</u>	<u>196,117,448</u>
<u>\$ 44,503,442</u>	<u>\$ -</u>	<u>\$ 23,117,588</u>	<u>\$ 302,890,942</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of governmental funds balance sheet to statement of net assets
 June 30, 2010

Governmental funds total fund balances	\$	196,117,448
Add:		
Unearned property tax revenue: Revenues that do not provide current financial resources are unearned on the governmental fund financial statements but recognized on the government-wide financial statements.		10,202,985
Capital assets used in governmental funds are not considered current financial resources and therefore, not reported in the governmental funds.		1,520,636,750
Deferred charges for costs of issuing general obligation and certificates of participation are not considered current financial resources and not reported in the governmental funds.		1,048,528
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.		50,292,946
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.		34,875,033
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.		610,265,069
Long-term liabilities for general obligation debt, net of discounts and premiums (\$576,827,793), certificates of participation net of discounts and premiums (\$34,174,778), early retirement estimate (\$3,600,000), and compensated absences (\$3,094,900) are not due and payable in the current period and, therefore, not reported in the funds.		617,697,471
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.		1,242,233
Governmental activities net assets	<u>\$</u>	<u>583,968,917</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, 2010

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Revenues:			
Taxes	\$ 292,845,756	\$ 81,748,765	\$ -
Intergovernmental	340,083,668	-	-
Investment income	2,849,279	2,877	188,557
Other	15,960,325	-	474,589
Total revenues	<u>651,739,028</u>	<u>81,751,642</u>	<u>663,146</u>
Expenditures:			
Current:			
Direct instruction	403,740,460	-	-
Indirect instruction	104,031,169	-	-
Transportation	20,801,433	-	-
Custodial services	27,170,968	-	-
Field services	19,400,040	-	-
Telecommunications, networking and utilities	20,786,072	-	-
Support services	22,814,261	-	-
General administration	4,119,005	-	-
District-wide	827,863	-	-
Capital outlay	-	-	50,353,580
Debt service:			
Principal retirements	1,295,000	45,120,000	5,185,000
Interest and fiscal charges	1,911,679	28,423,042	164,053
Total expenditures	<u>626,897,950</u>	<u>73,543,042</u>	<u>55,702,633</u>
Excess (deficiency) of revenues over (under) expenditures	24,841,078	8,208,600	(55,039,487)
Other Financing Sources (Uses):			
General obligation bond issuance	-	233,400,000	-
Payment to refunded bond escrow agent	-	(278,158,016)	-
Premium from bond issuance	-	35,855,493	-
Transfers out	(43,147,196)	-	-
Transfers in	-	-	28,980,100
Total other financing sources (uses)	<u>(43,147,196)</u>	<u>(8,902,523)</u>	<u>28,980,100</u>
Net change in fund balances	(18,306,118)	(693,923)	(26,059,387)
Fund balances - July 1, 2009	97,766,584	68,924,667	62,458,046
Fund balances - June 30, 2010	<u>\$ 79,460,466</u>	<u>\$ 68,230,744</u>	<u>\$ 36,398,659</u>

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

Building Fund Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 374,594,521
-	45,064,262	385,147,930
1,605	3,059	3,045,377
-	23,236,556	39,671,470
<u>1,605</u>	<u>68,303,877</u>	<u>802,459,298</u>
-	31,748,376	435,488,836
-	35,532,281	139,563,450
-	-	20,801,433
-	-	27,170,968
-	-	19,400,040
-	-	20,786,072
-	-	22,814,261
-	-	4,119,005
-	-	827,863
1,605	-	50,355,185
-	-	51,600,000
-	-	30,498,774
<u>1,605</u>	<u>67,280,657</u>	<u>823,425,887</u>
-	1,023,220	(20,966,589)
-	-	233,400,000
-	-	(278,158,016)
-	-	35,855,493
-	(32,522)	(43,179,718)
-	729,700	29,709,800
-	697,178	(22,372,441)
-	1,720,398	(43,339,030)
-	10,307,181	239,456,478
<u>\$ -</u>	<u>\$ 12,027,579</u>	<u>\$ 196,117,448</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, 2010

Governmental funds changes in fund balances	\$	(43,339,030)
Add:		
Unearned property tax revenue: Revenues that do not provide current financial resources are unearned on the governmental fund financial statements but recognized on the government-wide financial statements.		10,202,985
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.		310,117,843
Reverse the prior year interest payable accrued to offset current year expenditures.		1,393,581
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.		5,597,092
Less:		
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net assets.		6,485,633
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.		8,475,141
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.		1,242,233
Net additions and amortization of deferred charges from issuing general obligation debt and certificates of participation.		655,474
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (governmental additions \$57,083,804) exceeded capital outlay (governmental additions less construction in progress transfers \$47,397,069) in the current period.		9,686,735
Governmental funds report pension funding in excess of the annual required contribution as expenditures. However, in the statement of activities the cost of pension funding in excess of the annual required contribution should be reported as an asset. This is the reduction of the asset from the prior year.		1,435,187
New issues for debt and related discounts and premiums are recognized in the fund statement but restated as liabilities and offsets for the government-wide.		249,965,369
Amount of long term compensated absences accrued for the current year.		113,558
Governmental activities change in net assets	\$	5,913,141

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, 2010

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 272,613,000	\$ 265,903,100	\$ 268,115,110	\$ 2,212,010
Automotive ownership taxes	24,155,000	24,861,500	24,730,646	(130,854)
Total taxes	<u>296,768,000</u>	<u>290,764,600</u>	<u>292,845,756</u>	<u>2,081,156</u>
State of Colorado:				
State equalization	327,428,000	318,943,500	321,046,426	2,102,926
Education of handicapped	11,600,000	11,600,000	11,475,126	(124,874)
Transportation	4,400,000	4,400,000	4,785,359	385,359
Vocational education	4,200,000	4,200,000	1,868,106	(2,331,894)
Other	450,000	450,000	908,651	458,651
Total State of Colorado	<u>348,078,000</u>	<u>339,593,500</u>	<u>340,083,668</u>	<u>490,168</u>
Investment income	3,000,000	1,700,000	2,849,279	1,149,279
Other	12,556,000	14,550,600	15,960,325	1,409,725
Total revenues	<u>660,402,000</u>	<u>646,608,700</u>	<u>651,739,028</u>	<u>5,130,328</u>
Expenditures:				
Current:				
Direct instruction	410,956,673	417,509,570	403,382,086	14,127,484
Indirect instruction	102,608,824	101,184,219	103,784,460	(2,600,241)
Transportation	22,242,692	22,639,010	20,724,672	1,914,338
Custodial services	26,891,045	27,543,948	27,115,015	428,933
Field services and property management	19,945,242	20,650,435	19,400,656	1,249,779
Telecommunications, network and utilities	20,867,200	20,867,180	20,786,072	81,108
Support services	21,533,012	23,103,549	22,781,661	321,888
General administration	4,651,364	4,676,843	4,099,449	577,394
District-wide	1,250,648	795,246	833,926	(38,680)
Debt Service:				
Principal retirements	1,295,000	1,295,000	1,295,000	-
Interest and fiscal charges	1,910,600	1,910,600	1,911,679	(1,079)
Total expenditures	<u>634,152,300</u>	<u>642,175,600</u>	<u>626,114,676</u>	<u>16,060,924</u>
Excess of revenues over expenditures	26,249,700	4,433,100	25,624,352	21,191,252
Other financing sources (uses) -				
Transfers out	(36,355,100)	(43,177,200)	(43,147,196)	30,004
Total other financing uses	<u>(36,355,100)</u>	<u>(43,177,200)</u>	<u>(43,147,196)</u>	<u>30,004</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (10,105,400)</u>	<u>\$ (38,744,100)</u>	<u>(17,522,844)</u>	<u>\$ 21,221,256</u>
Salaries, benefits, and compensated absences earned but unpaid: July 1, 2009			68,522,709	
June 30, 2010			(69,305,983)	
Fund balance - July 1, 2009			97,766,584	
Fund balance - June 30, 2010			<u>\$ 79,460,466</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, 2010

Assets	Business-Type Activities Enterprise Funds	
	Food Services Fund	Child Care Fund
	Current assets:	
Cash	\$ 2,062	\$ 2,662
Equity in pooled cash and investments	2,577,350	4,423,851
Accounts and other receivable	85,475	19,989
Intergovernmental receivables	1,212,620	-
Inventories	1,430,074	-
Prepaid items	57,853	-
Total current assets	5,365,434	4,446,502
Noncurrent assets:		
Capital assets:		
Vehicles and equipment	6,472,713	578,126
Less accumulated depreciation	(3,669,985)	(286,769)
Total capital assets, net of accumulated depreciation	2,802,728	291,357
Total assets	\$ 8,168,162	\$ 4,737,859
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 118,676	\$ 41,636
Accrued salaries, benefits, and compensated absences	805,797	376,985
Payroll withholding	-	-
Other unearned revenues	407,325	429,350
Estimated liability for premiums and claims	-	-
Total current liabilities	1,331,798	847,971
Non-current liabilities:		
Compensated absences	118,000	72,198
Total noncurrent liabilities	118,000	72,198
Total liabilities	1,449,798	920,169
Net assets:		
Invested in capital assets	2,802,728	291,356
Restricted for:		
TABOR	386,900	309,487
Unrestricted	3,528,736	3,216,847
Total net assets	6,718,364	3,817,690
Total liabilities and net assets	\$ 8,168,162	\$ 4,737,859

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

Business-Type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Property Management Fund	Totals	Funds
\$ -	\$ 4,724	\$ 300
3,236,531	10,237,732	53,072,748
136,328	241,792	267,793
-	1,212,620	-
-	1,430,074	176,270
2,008	59,861	2,998,898
<u>3,374,867</u>	<u>13,186,803</u>	<u>56,516,009</u>
1,010,500	8,061,339	28,127,016
(462,046)	(4,418,800)	(17,667,302)
548,454	3,642,539	10,459,714
<u>\$ 3,923,321</u>	<u>\$ 16,829,342</u>	<u>\$ 66,975,723</u>
\$ 4,453	\$ 164,765	\$ 863,734
10,858	1,193,640	3,263,771
-	-	22,048,869
-	836,675	595,892
-	-	4,657,114
<u>15,311</u>	<u>2,195,080</u>	<u>31,429,380</u>
8,769	198,967	671,310
<u>8,769</u>	<u>198,967</u>	<u>671,310</u>
24,080	2,394,047	32,100,690
548,454	3,642,538	10,459,714
50,632	747,019	119,953
3,300,155	10,045,738	24,295,366
3,899,241	14,435,295	34,875,033
<u>\$ 3,923,321</u>	<u>\$ 16,829,342</u>	<u>\$ 66,975,723</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, 2010

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Operating Revenues:		
Food sales	\$ 11,259,632	\$ -
Insurance premiums	-	-
Service contracts	477,141	1,128,846
Tuition	-	9,167,085
Total operating revenues	11,736,773	10,295,931
Operating Expenses:		
Purchased food	9,251,600	-
USDA commodities	1,288,277	-
Salaries and employee benefits	11,478,474	11,637,396
Administration services	964,327	1,577,647
Utilities	358,616	6,868
Supplies	1,384,426	808,669
Repairs and maintenance	154,793	19,510
Rent	-	659,314
Depreciation	290,729	15,639
Other	3,862	3,179
Claim losses	-	-
Premiums paid	-	-
Total operating expenses	25,175,104	14,728,222
Income (loss) from operations	(13,438,331)	(4,432,291)
Non-operating revenues (expenses):		
USDA commodities	1,211,084	-
Reimbursement from government sponsored programs	9,753,337	-
Investment income	13,583	20,288
Loss on sale of capital assets	(25,868)	-
Total non-operating revenues (expenses)	10,952,136	20,288
Loss before transfers and capital contributions	(2,486,195)	(4,412,003)
Capital contributions	1,172,164	-
Transfers out to other funds	-	-
Transfers in from other funds	-	4,468,518
Change in net assets	(1,314,031)	56,515
Total net assets - July 1, 2009	8,032,395	3,761,175
Total net assets - June 30, 2010	\$ 6,718,364	\$ 3,817,690

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
\$ -	\$ 11,259,632	\$ -
-	-	12,878,339
1,674,886	3,280,873	23,083,347
-	9,167,085	-
<u>1,674,886</u>	<u>23,707,590</u>	<u>35,961,686</u>
-	9,251,600	-
-	1,288,277	-
856,478	23,972,348	13,320,954
878,855	3,420,829	4,852,743
181,108	546,592	72,502
48,843	2,241,938	1,892,153
7,663	181,966	3,082,508
-	659,314	-
62,194	368,562	3,453,807
14,539	21,580	9,994
-	-	10,919,964
-	-	2,060,947
<u>2,049,680</u>	<u>41,953,006</u>	<u>39,665,572</u>
<u>(374,794)</u>	<u>(18,245,416)</u>	<u>(3,703,886)</u>
-	1,211,084	-
-	9,753,337	-
14,415	48,286	107,838
(1,558)	(27,426)	(8,260)
<u>12,857</u>	<u>10,985,281</u>	<u>99,578</u>
(361,937)	(7,260,135)	(3,604,308)
-	1,172,164	-
(200,000)	(200,000)	-
-	4,468,518	9,201,400
<u>(561,937)</u>	<u>(1,819,453)</u>	<u>5,597,092</u>
4,461,178	16,254,748	29,277,941
<u>\$ 3,899,241</u>	<u>\$ 14,435,295</u>	<u>\$ 34,875,033</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended June 30, 2010

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Cash flows from operating activities:		
Receipts from customers	\$ 11,698,637	\$ 10,294,910
Payments to employees	(11,424,476)	(11,618,440)
Payments to vendors	(13,604,247)	(3,083,592)
Net cash used for operating activities	<u>(13,330,086)</u>	<u>(4,407,122)</u>
Cash flows from noncapital financing activities:		
Transfers received	-	4,468,518
Transfers out	-	-
Federal reimbursements	10,581,070	-
Net cash provided (used for) by noncapital financing activities	<u>10,581,070</u>	<u>4,468,518</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	<u>(150,183)</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(150,183)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received	<u>13,583</u>	<u>20,288</u>
Net cash provided by noncapital financing activities	<u>13,583</u>	<u>20,288</u>
Net increase (decrease) in cash and cash equivalents	(2,885,616)	81,684
Cash and cash equivalents - July 1, 2009	5,465,028	4,344,829
Cash and cash equivalents - June 30, 2010	<u>\$ 2,579,412</u>	<u>\$ 4,426,513</u>
Reconciliation of cash flows from operating activities:		
Operating Loss	\$ (13,438,331)	\$ (4,432,291)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	290,729	15,639
(Increase) decrease intergovernmental and other receivables	(29,776)	3,161
Decrease in prepaid items	(8,432)	-
Decrease in inventories	(355,321)	-
(Increase) in purchased food and supplies inventories	203,221	-
Increase (decrease) in accounts payable	(37,815)	(8,404)
Increase (decrease) in accrued salaries, benefits, and compensated absences	53,999	18,956
Increase in payroll withholding	-	-
Increase (decrease) in due to other funds	-	-
Increase (decrease) in unearned revenues	(8,360)	(4,183)
Increase in estimated liability for premiums and claims	-	-
Net cash used for operating activities	<u>\$ (13,330,086)</u>	<u>\$ (4,407,122)</u>
Noncash investing, capital, and financing activities:		
Donated commodities acquired and used from USDA	\$ 1,288,277	\$ -
Disposal and write off of capital assets	25,868	-
Capital contributions	1,172,164	-

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

Business-Type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Property Management Fund	Totals	Funds
\$ 1,671,283	\$ 23,664,830	\$ 36,480,235
(853,848)	(23,896,764)	(13,298,625)
(1,128,563)	(17,816,402)	(23,606,202)
<u>(311,128)</u>	<u>(18,048,336)</u>	<u>(424,592)</u>
-	4,468,518	9,201,400
(200,000)	(200,000)	-
-	10,581,070	-
<u>(200,000)</u>	<u>14,849,588</u>	<u>9,201,400</u>
<u>(14,118)</u>	<u>(164,301)</u>	<u>(4,215,212)</u>
<u>(14,118)</u>	<u>(164,301)</u>	<u>(4,215,212)</u>
14,415	48,286	107,838
<u>14,415</u>	<u>48,286</u>	<u>107,838</u>
(510,831)	(3,314,763)	4,669,434
3,747,362	13,557,219	48,403,614
<u>\$ 3,236,531</u>	<u>\$ 10,242,456</u>	<u>\$ 53,073,048</u>
\$ (374,794)	\$ (18,245,416)	\$ (3,703,886)
62,194	368,562	3,453,807
(3,602)	(30,217)	613,560
(2,008)	(10,440)	(156,531)
-	(355,321)	202,714
-	203,221	-
4,452	(41,767)	(900,196)
-	-	-
2,630	75,585	(256,583)
-	-	754,628
-	-	-
-	(12,543)	(95,009)
-	-	(337,096)
<u>\$ (311,128)</u>	<u>\$ (18,048,336)</u>	<u>\$ (424,592)</u>
\$ -	\$ 1,288,277	\$ -
1,558	27,426	8,260
-	1,172,164	-



Notes to Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

June 30, 2010

1. Summary of significant accounting policies

Jefferson County School District, No. R-1 (the District), was formed in 1950 when 39 independent districts were consolidated into a countywide district encompassing the 779 square miles of Jefferson County, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 85,000 students.

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

A) Reporting entity

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (GASB No. 14) 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. Lincoln Academy, Mountain Phoenix, New America, Rocky Mountain Academy of Evergreen and Rocky Mountain Deaf Schools did not issue separate statements for fiscal year 2009.

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 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. Property tax revenues are considered to be available if collected within 60 days after year-end. All other revenues are considered to be available if collected within 120 days after year end. Property and automotive ownership taxes are reported as receivables and unearned revenue when levied and as revenues when due for collection in the following year and determined to be available.

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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 fund - used to account for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
4. Building fund – Capital projects – used to account for resources to be used from the 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.

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 respective average periodic equity in pooled cash. The pooled cash and investments are used essentially as demand deposit accounts and are considered to be cash equivalents for cash flow purposes.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

G) Restricted cash

Certain assets of the General Fund, Capital Reserve Capital Projects fund, 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 2009 but not yet collected in 2010 are identified as property taxes receivable and unearned revenues at June 30, 2010, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$13,740,860 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, 2010, the District had \$13,737,194 and \$3,666 due from the Federal and State government, respectively, reflected as intergovernmental receivables in the accompanying basic financial statements.

I) Deferred charges

Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. As of June 30, 2010 the District had \$1,048,528 and component units \$938,383 in deferred charges.

J) Inventories and prepaid items

Materials and supplies inventories are stated at average cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed. Fund balance is considered nonspendable for the inventory balances as follows: General Fund - \$1,476,584 and Special Revenue Funds - \$376,747.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both government-wide and fund financial statements. Fund balance is nonspendable for the prepaid balances as follows: General Fund - \$57,113 and Special Revenue Funds - \$866.

K) Capital assets

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

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

L) 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.

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

M) Constitutional amendment

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

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to restrict emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These restricted fund balances are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2010, for budgetary purposes the District restricted \$17,249,094 in the General Fund, \$19,894 in the Capital Reserve Capital Projects Fund, \$594,407 in Other Governmental Funds, \$386,900 in the Food Service Fund, \$309,487 in the Child Care Fund, \$50,632 in the Property Management Fund, \$119,953 in Internal Service Funds and \$1,219,905 was restricted in the Component Units Charter Schools for this purpose.

N) Property taxes

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

Levy date	December 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

O) Accumulated sick and personal leave and vacation

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

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Notes to Basic Financial Statements

As of June 30, 2010, accumulated unused benefits are as follows:

Fund Types	Accumulated Vacation		
	Current (Due within one year)	Long-term	Total
<i>Governmental:</i>			
General	\$ 1,468,150	\$ 2,936,740	\$ 4,404,890
Special revenue	21,083	42,172	63,255
Capital projects	57,985	115,988	173,973
Internal service	<u>335,605</u>	<u>671,310</u>	<u>1,006,915</u>
	<u>1,882,823</u>	<u>3,766,210</u>	<u>5,649,033</u>
<i>Proprietary:</i>			
Enterprise	<u>99,476</u>	<u>198,967</u>	<u>298,443</u>
Total	<u>\$1,982,299</u>	<u>\$ 3,965,177</u>	<u>\$ 5,947,476</u>

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

Fund	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
General	\$ 2,810,783	\$ 530,204	\$ (404,247)	\$ 2,936,740
Special revenue	30,815	19,003	(7,646)	42,172
Capital projects	139,744	25,548	(49,304)	115,988
Enterprise	175,279	45,349	(21,661)	198,967
Internal service	<u>653,658</u>	<u>113,171</u>	<u>(95,519)</u>	<u>671,310</u>
	<u>\$ 3,810,279</u>	<u>\$ 733,275</u>	<u>\$ (578,377)</u>	<u>\$ 3,965,177</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.

P) Fund balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Statement No. 54). This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications and by clarifying the definitions of existing governmental fund types.

The District elected to early implement GASB Statement No. 54 for fiscal year June 30, 2009. As a result, fund balances are reported in classifications based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. In accordance with the Statement, fund balances are now classified in one of five categories: 1) nonspendable, 2) restricted, 3) committed, 4) assigned and 5) unassigned. Nonspendable fund balance represents assets that will never be converted to cash. Restricted fund balances reflect resources that are subject to externally enforceable legal restrictions. Committed fund balance is the portion that is limited in use by the Board of Education. Formal Board action is required to remove or adjust this limitation. Assigned fund balance displays the District's intended use of these resources. The Board of Education executive limitations 5 allows for the assignments within the financial planning process. Unassigned fund balance for the general fund represents the net resources in excess of the prior classifications. For restricted, committed, assigned and unreserved fund balance, the District considers the amount spent when an expenditure is incurred when fund balance is available and can be used.

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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	\$ 5,721,454
Elimination of governmental and internal service interfund activity	<u>(5,589,653)</u>
Due to the general fund from component units – governmental activities	<u>\$ 131,801</u>

3. Budgetary information

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

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

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 a non-major special revenue 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.

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Notes to Basic Financial Statements

Individual amendments in the General Fund varied slightly in relation to the original appropriation. The budget for the Grants Fund (non-major special revenue 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, 2010 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Food services fund	\$ 25,271,400	\$25,200,972	\$ 70,428
Child care fund	15,278,200	14,728,222	549,978
Property management fund	2,260,700	2,051,238	209,462
Central services fund	3,792,500	3,524,331	268,169
Employee benefits fund	7,839,300	6,683,174	1,156,126
Insurance reserve fund	11,263,500	9,528,176	1,735,324
Technology fund	21,581,400	19,938,151	1,643,249
Component Units	47,000,000	39,621,757	7,378,243

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:

Governmental Fund Type	Expenditures Reported on a GAAP Basis	Effect of: Salaries and Benefits Earned but Unpaid	Compensated Absences	Expenditures Reported on a Budget Basis
General fund	\$ 626,897,950	\$ (720,307)	\$ (62,969)	\$ 626,114,676
Capital reserve capital projects fund	\$ 55,702,633	\$ 16,803	\$ 11,877	\$ 55,731,313
Component units (charter schools):				
Collegiate Academy of Colorado	\$ 3,744,200	\$ 12,499	-	\$ 3,756,699
Compass Montessori-Wheatridge	3,877,777	(83,038)	-	3,794,739
Compass Montessori-Golden	2,862,263	(33,328)	-	2,828,935
Excel	3,495,092	(8,076)	-	3,487,016
Free Horizon	2,334,850	(16,438)	-	2,318,412
Jefferson	6,195,689	23,888	-	6,219,577
Lincoln Academy	3,876,771	(29,475)	-	3,847,296
Montessori Peaks	3,412,497	(4,310)	-	3,408,187
Mountain Phoenix	242,303	-	-	242,303
New America	1,555,882	(1,222)	-	1,554,660
Rocky Mtn. Academy	3,169,790	(26,362)	-	3,143,428
Rocky Mtn. Deaf School	1,562,939	(7,216)	-	1,555,723
Woodrow Wilson	3,291,704	(3,891)	-	3,287,813
Total component units	\$ 39,621,757	\$ (176,969)	\$ -	\$ 39,444,788

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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	\$ 79,460,466	\$ 69,305,983	\$ 148,766,449
Capital reserve capital projects funds	<u>36,398,659</u>	<u>112,324</u>	<u>36,510,983</u>
Total governmental funds	<u>\$ 115,859,125</u>	<u>\$ 69,418,307</u>	<u>\$ 185,277,432</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	\$ 908,121	\$ 145,923	\$ 1,054,044
Compass Montessori – Wheatridge	303,929	214,532	518,461
Compass Montessori - Golden	699,163	156,619	855,782
Excel	1,808,679	132,948	1,941,627
Free Horizon	448,994	97,432	546,426
Jefferson	494,922	285,424	780,346
Lincoln Academy	1,168,247	175,474	1,343,721
Montessori Peaks	1,368,033	154,279	1,522,312
Mountain Phoenix	(87,435)	-	(87,435)
New America	503,762	38,105	541,867
Rocky Mtn. Academy	792,213	135,479	927,692
Rocky Mtn. Deaf School	(49,381)	66,968	17,587
Woodrow Wilson	<u>2,159,914</u>	<u>56,718</u>	<u>2,216,632</u>
Total component units	<u>\$ 10,519,161</u>	<u>\$ 1,659,901</u>	<u>\$12,179,062</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, 2010, 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 \$69,305,983 to be permanently deferred and therefore available for budgetary purposes.

5. Excess expenditures over appropriations and deficit fund equity

As of June 30, 2010, two Component Unit Charter Schools had accumulated deficits of \$136,816. Mountain Phoenix was approved by the Board of Education to borrow \$95,000. The loan is to be repaid in full by 2014. The charter schools review their budgets with management and are monitored closely.

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Notes to Basic Financial Statements

6. Deposits and investments

Deposits:	Government-wide Statement of Net Assets		
	Primary Government	Component Units	Total
Cash	\$ 113,343	\$ 55,871	\$ 169,214
Restricted cash and cash held by third parties	3,609,393	5,937,484	9,546,877
Equity in pooled cash and investments	258,508,448	6,947,459	265,455,907
Investments	<u>66,739,425</u>	<u>-</u>	<u>66,739,425</u>
Total cash and investments	<u>\$ 328,970,609</u>	<u>\$ 12,940,814</u>	<u>\$ 341,911,423</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$12,041,585.

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2010, \$6,753,394 of the District and the discretely presented component unit's bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$6,203,623 are collateralized with securities held by the pledging financial institution through PDPA. Deposits of \$549,771 are insured under FDIC. The District's investment policy calls for minimizing this risk by pre-qualifying financial institutions.

Cash held in trust:

As of June 30, 2010 the District had \$3,506,877 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, 2010, the District (including the primary government and component units) had the following investments:

Investment Type	Fair Market Value	Weighted Average Maturities (yrs)	Ratings	
			S&P	Moody's
Money Market Mutual Funds	\$ 3,283,875	Overnight	AAA	Aaa
Colorado Local Government Liquid Asset Trust	201,460,544	Under 60 days	AAAm	Aaa
FFCB	10,324,627	.76	AAA	Aaa
FNMA	9,182,814	.76	AAA	Aaa
FHLMC	5,842,198	.33	AAA	Aaa
FHLB	17,524,117	.59	AAA	Aaa
US Treasury T-Note	4,329,639	1.29	AAA	Aaa
Forward delivery agreement (U.S. Instrumentality)	66,739,425	Less than 1 year	N/A	N/A
Repurchase agreement	<u>11,182,599</u>	Overnight Sweep	N/A	N/A
	<u>\$ 329,869,838</u>			

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Notes to Basic Financial Statements

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.

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

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

Concentration of Credit Risk – The District has investments in FHLB that are greater than 5.3 percent of the total portfolio. The District does diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. District policy states that securities shall not exceed the following maximum limits as a percentage of the total portfolio.

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

Aggregate investments in commercial paper, corporate bonds, and municipal bonds shall not exceed 25% of the District's total portfolio.

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

7. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>
Non-depreciable assets:				
Land	\$ 57,070,963	\$ 431,698	\$ -	\$ 57,502,661
Construction in progress	<u>101,873,722</u>	<u>44,752,396</u>	<u>(104,246,239)</u>	<u>42,379,879</u>
Total non-depreciable assets	<u>\$ 158,944,685</u>	<u>\$45,184,094</u>	<u>\$(104,246,239)</u>	<u>\$ 99,882,540</u>
Depreciable assets:				
Buildings and site improvements	\$1,271,550,266	\$103,839,250	\$ (14,247,943)	\$1,361,141,573
Equipment and vehicles – Internal service funds	25,395,904	4,215,212	(1,484,100)	28,127,016
Equipment and vehicles	<u>64,101,059</u>	<u>2,619,964</u>	<u>(7,108,386)</u>	<u>59,612,637</u>
Total depreciable assets	<u>\$1,361,047,229</u>	<u>\$110,674,426</u>	<u>\$(22,840,429)</u>	<u>\$1,448,881,226</u>
Less accumulated depreciation for:	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>
Building and site improvements	\$ (524,499,321)	\$ (54,257,936)	\$ 10,955,549	\$ (567,801,708)
Equipment and vehicles – Internal service funds	(15,689,335)	(3,453,807)	1,475,840	(17,667,302)
Equipment and vehicles	<u>(43,552,640)</u>	<u>(2,825,868)</u>	<u>3,915,147</u>	<u>(42,463,361)</u>
Total accumulated depreciation	<u>\$ (583,741,296)</u>	<u>\$ (60,537,611)</u>	<u>\$ 16,346,536</u>	<u>\$ (627,932,371)</u>
Total capital assets, net	<u>\$ 936,250,618</u>	<u>\$95,320,909</u>	<u>\$(110,740,132)</u>	<u>\$ 920,831,395</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>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>
Equipment	\$ 5,292,996	\$ 1,322,347	\$ (142,630)	\$ 6,472,713
Accumulated depreciation	<u>(3,496,018)</u>	<u>(290,729)</u>	<u>116,762</u>	<u>(3,669,985)</u>
Total	<u>\$ 1,796,978</u>	<u>\$ 1,031,618</u>	<u>\$ (25,868)</u>	<u>\$ 2,802,728</u>

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

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>
Equipment	\$ 599,828	\$ -	\$ (21,702)	\$ 578,126
Accumulated depreciation	<u>(292,832)</u>	<u>(15,639)</u>	<u>21,702</u>	<u>(286,769)</u>
Total	<u>\$ 306,996</u>	<u>\$ (15,639)</u>	<u>\$ -</u>	<u>\$ 291,357</u>

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Notes to Basic Financial Statements

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

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Equipment	\$ 1,001,433	\$ 14,118	\$ (5,051)	\$ 1,010,500
Accumulated depreciation	<u>(403,345)</u>	<u>(62,194)</u>	<u>3,493</u>	<u>(462,046)</u>
Total	<u>\$ 598,088</u>	<u>\$ (48,076)</u>	<u>\$ (1,558)</u>	<u>\$ 548,454</u>

Total capital assets being depreciated, business-type activities	\$ 8,061,339
Accumulated depreciation	<u>(4,418,800)</u>
Business-type activities capital assets, net	<u>\$ 3,642,539</u>

Discretely presented component units

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

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Non-depreciable assets:				
Land	\$ 4,294,935	\$ -	\$ -	\$ 4,294,935
Construction in progress	<u>4,085</u>	<u>-</u>	<u>(4,085)</u>	<u>-</u>
Total Non-depreciable assets:	<u>\$ 4,299,020</u>	<u>\$ -</u>	<u>\$ (4,085)</u>	<u>\$ 4,294,935</u>
Depreciable assets:				
Buildings and equipment	\$ 34,554,248	\$ 351,991	\$ (32,361)	\$ 34,873,878
Accumulated depreciation	<u>(6,129,791)</u>	<u>(1,294,132)</u>	<u>32,361</u>	<u>(7,391,562)</u>
Total	<u>\$ 32,723,477</u>	<u>\$ (942,141)</u>	<u>\$ (4,085)</u>	<u>\$ 31,777,251</u>

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

Governmental activities:

Direct instruction	\$ 43,443,965
Indirect instruction	8,843,240
Field services	3,802,206
Support services	10,616
General administration	14,779
District-wide (non-departmental)	968,998
Capital assets held by the District's internal service funds	<u>3,453,807</u>
Total depreciation expense – governmental activities	<u>\$ 60,537,611</u>

Business-type activities:

Food services	\$ 290,729
Child care	15,639
Property management	<u>62,194</u>
Total depreciation expense – business-type activities	<u>\$ 368,562</u>

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Notes to Basic Financial Statements

Construction commitments

The District has active construction projects as of June 30, 2010. 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, 2010, are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Jeffco Open Partial Replacement	\$11,162,817	\$2,260,205
Arvada K-8 Site Improvements	923,409	1,258,125
District Wide Energy Projects	1,234,946	751,249
Columbine HS Roof Replacement	870,218	621,085
District Wide Metasys	121,387	460,422
Wheat Ridge MS Improvements	207,493	441,026
District Wide Roofing 3 Schools	339,445	391,469
Jefferson HS Improvements	211,530	371,616
Witt ES Roof Replacement	79,196	331,665
Standley Lake HS Improvements	156,707	328,163

8. Interfund receivables and payables

The following identifies amounts due to and from individual funds at June 30, 2010:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General fund	\$ 5,589,653	\$ -
Governmental fund:		
Nonmajor Governmental Funds	-	<u>5,589,653</u>
	<u>\$5,589,653</u>	<u>\$5,589,653</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.

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Notes to Basic Financial Statements

9. Transfers

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. At June 30, 2010 the detail for these transfers is as follows:

Non-major governmental fund	\$ 497,178
Capital reserve capital projects fund	<u>28,980,100</u>
Net transfers within the governmental funds	<u>29,477,278</u>
Child care fund	4,468,518
Internal service funds	<u>9,201,400</u>
Net transfers into the proprietary funds	<u>13,669,918</u>
Total transfers out from the General fund	<u>\$ 43,147,196</u>
Property management fund transfer out	<u>\$ 200,000</u>
Non-major governmental fund transfer in	<u>\$ 200,000</u>

A transfer was made from the grants special revenue fund to the campus activity special revenue fund for \$32,522, a net zero transfer between the non-major governmental funds.

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

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, 2010, are comprised of the following:

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	Outstanding <u>June 30, 2010</u>	<u>Current Portion</u>
<u>Governmental activities</u>					
Bus – 2003 COP's	\$ 5,185,000	\$ -	\$ (5,185,000)	\$ -	\$ -
Supplemental Retirement 2006A COP's	23,510,000	-	(850,000)	22,660,000	890,000
Supplemental Retirement 2006B COP's	12,215,000	-	(445,000)	11,770,000	470,000
Less deferred amounts:					
For discounts	<u>(270,690)</u>	<u>\$ -</u>	<u>15,468</u>	<u>(255,222)</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 40,639,310</u>	<u>\$ -</u>	<u>\$ (6,464,532)</u>	<u>\$ 34,174,778</u>	<u>\$ 1,360,000</u>

The 2006A and 2006B COP's were issued to apply towards the Supplemental Retirement Plan unfunded actuarial accrued liability. The security for the COP's consists of nine schools, the net book value as of June 30, 2010 was \$17,630,886.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

<u>Component unit activities:</u>	Balance			Outstanding	
	<u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2010</u>	<u>Current Portion</u>
Component units – Buildings/Capital leases	\$ 42,967,685	\$ -	\$ (918,977)	\$ 42,048,708	\$ 952,627
Less deferred amounts:					
For discounts, premiums and losses	<u>(2,379,464)</u>	<u>-</u>	<u>91,794</u>	<u>(2,287,670)</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 40,588,221</u>	<u>\$ -</u>	<u>\$ (827,183)</u>	<u>\$ 39,761,038</u>	<u>\$ 952,627</u>
Component Units - Promissory notes	<u>\$ 187,740</u>	<u>\$ -</u>	<u>\$ (90,091)</u>	<u>\$ 97,649</u>	<u>\$ 39,855</u>

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

Capital leases have the following minimum annual lease payments:

Capital leases

Fiscal Year Ending <u>June 30</u>	Governmental Activities		Component Units	
	<u>COP's</u>		<u>Charter Schools</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,360,000	\$ 1,845,481	\$ 952,627	\$ 2,308,503
2012	1,425,000	1,776,859	981,581	2,264,616
2013	1,490,000	1,704,834	1,025,862	2,218,999
2014	1,575,000	1,628,233	1,080,498	2,170,754
2015	1,655,000	1,546,531	1,125,520	2,119,202
2016-2020	9,700,000	6,309,415	6,193,777	9,675,499
2021-2025	12,700,000	3,301,368	7,808,913	7,791,025
2026-2030	4,525,000	255,603	11,584,534	5,045,984
2031-2035	-	-	10,119,862	1,887,990
2036	<u>-</u>	<u>-</u>	<u>1,175,534</u>	<u>59,571</u>
Total	<u>\$34,430,000</u>	<u>\$18,368,323</u>	<u>\$42,048,708</u>	<u>\$35,542,143</u>

Promissory note

Fiscal Year Ending <u>June 30</u>	Component Units	
	<u>Charter Schools</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 39,855	\$ 6,948
2012	43,533	3,270
2013	<u>14,261</u>	<u>499</u>
Total	<u>\$ 97,649</u>	<u>\$ 10,716</u>

The District has appropriated amounts from 2011 revenues in the General Fund and Capital Reserve Capital Projects Fund to meet the lease payments for the COP principal and interest which is due in 2011.

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, 2010 are comprised of the following:

\$309,885,000 1997 Series Refunding Bonds due in semi-annual installments with annual payments of \$1,145,300 to \$36,385,300 through December 15, 2011. Interest rate: 5.00% to 6.50%. \$37,525,000 of these bonds was refunded and defeased with the 2007 series refunding bonds. \$ 68,380,000

\$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%. 34,680,000

\$2,230,000 in registered coupons issued in 2003 with final payment due on December 15, 2009 for \$235,000. -

\$257,000,000 2004 Series Bonds due in semi-annual installments with annual payments of \$49,500 to \$5,610,125 through December 15, 2024. Interest rate: 3.50% to 5.00%. \$244,135,000 of the bonds was refunded and defeased with Series 2010 Refunding Bonds. 12,865,000

\$63,440,000 2004 Series A Refunding Bonds due in semi-annual installments with annual payments of \$456,375 to \$18,711,375 through December 15, 2015. Interest rate: 2.00% to 5.25%. 62,680,000

\$39,595,000 2005 Series A Refunding Bonds due in semi-annual installments with annual payments of \$499,625 to \$20,484,625 through December 15, 2017. Interest rate: 3.00% to 5.00%. 39,020,000

\$66,800,000 2006 Series bonds due in semi-annual installments with annual payments of \$1,753,500 to \$35,154,194 through December 15, 2026. Interest rate: 5.25%. 66,800,000

\$35,890,000 2007 Series Refunding Bonds due in semi-annual installments with annual payments of \$857,800 to \$36,747,800 through December 15, 2012. Interest rate: 4.00% to 5.00% 35,890,000

\$233,400,000 2010 Series Refunding Bonds due in semi-annual installments with annual payments of \$844,400 to \$35,335,375 through December 15, 2027. Interest rate: 2.00% to 5.00%. 233,400,000

Total \$ 553,715,000

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

	Balance July 1, <u>2009</u>	New and Refunding Issues	Payments & Amortization of Discount	Balance June 30, <u>2010</u>	Current Portion
<u>General obligation bonds:</u>					
Refunding – 1997	\$ 99,630,000	\$ -	\$ (31,250,000)	\$ 68,380,000	\$ 33,140,000
Refunding – 2003	48,315,000	-	(13,635,000)	34,680,000	40,000
Registered coupons 2003	235,000	-	(235,000)	-	-
Construction – 2004	257,000,000	-	(244,135,000)	12,865,000	-
Refunding – 2004	62,680,000	-	-	62,680,000	14,090,000
Refunding – 2005	39,020,000	-	-	39,020,000	-
Construction – 2006	66,800,000	-	-	66,800,000	-
Refunding – 2007	35,890,000	-	-	35,890,000	-
Refunding – 2010	-	233,400,000	-	233,400,000	3,655,000
Less deferred amounts:					
On refunding, discounts and premiums	<u>20,945,736</u>	<u>16,565,369</u>	<u>(14,398,311)</u>	<u>23,112,793</u>	<u>-</u>
	<u>\$ 630,515,736</u>	<u>\$ 249,965,369</u>	<u>\$ (303,653,311)</u>	<u>\$ 576,827,793</u>	<u>\$ 50,925,000</u>

Future year's general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 50,925,000	\$ 26,982,038
2012	50,080,000	23,999,638
2013	51,465,000	21,217,444
2014	22,100,000	19,438,000
2015	23,125,000	18,359,175
2016-2020	128,485,000	73,818,375
2021-2025	160,735,000	38,350,050
2026-2027	<u>66,800,000</u>	<u>3,551,886</u>
Total	<u>\$ 553,715,000</u>	<u>\$ 225,716,606</u>

The bonds are secured by the District's covenant to certify a rate of levy sufficient to meet the principal and interest payments with respect to the bonds.

Payment of principal and interest for general obligation bonds is made from the Bond Redemption Debt Service Fund. The legal debt limit and debt margin as of June 30, 2010, are \$1,470,834,296 and \$985,350,040, respectively. Management of the District believes it is in compliance with the legal debt limit.

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Notes to Basic Financial Statements

On March 15, 2010, \$233,400,000 in general obligation bonds with a true interest cost of 3.33 percent were issued to advance refund \$244,135,000 of outstanding bonds with a true interest cost of 4.38 percent. The net proceeds of \$278,158,016 (after payment of \$1,097,476 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next fourteen years by \$23,491,425 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,325,578.

12. Defeased debt

The District has issued bonds for the purpose of refunding portions of the 2004 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, 2010 the defeased debt and respective assets and liabilities are as follows:

<u>Refunding Series</u>	<u>Amount Financed</u>	<u>Escrow Disbursement Completion</u>	<u>Assets in Trust</u>	<u>Principal Outstanding</u>
2010	\$244,135,000	December, 2014	\$273,515,106	\$244,135,000

13. Risk management

The Employee Benefits Fund and Insurance Reserve Fund are provided to maintain and to account for insurance reserves on a self-insurance basis and other benefits provided to employees. The Insurance Reserve Fund was established in 1981 by the Colorado Legislature to provide insurance reserves to fund certain liability, property and workers' compensation claims, including estimates for incurred but not reported claims, premiums and applicable administrative costs. The Insurance Reserve Fund allows the District to manage its exposure to risk, i.e., loss of assets by fire, weather, etc., loss through third party litigation, and work place injury obligations based on statutory requirements imposed by the Workers' Compensation Act. This is accomplished by self-insuring the retention of risk and the purchase of appropriate 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 \$450,000 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 \$3,442,732 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2010. Claim liabilities are calculated considering the effects of inflation and claim settlement trends that include such factors as pay-out amounts and economic and social indicators. The incurred but not reported amount was calculated by Aon Global Risk Consulting/Arm Tech at the request of the District. It is contained in the Unpaid Loss and Allocated Loss Adjustment Expense Reserve Review as of June 30, 2010 for Jefferson County School District.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

Balance July 1, 2009	\$ 3,860,094
Increase (Decrease) in estimated claims:	
Estimated property claims	49,818
Automobile claims	274,640
General liability claims	(136,190)
Workers' compensation claims	<u>(605,630)</u>
Balance June 30, 2010	<u>\$ 3,442,732</u>

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

	<u>2009</u>	<u>2010</u>
Amount of claims liabilities at July 1	\$ 4,094,135	\$ 3,860,094
Incurred claims and change in reserve	3,030,261	5,169,196
Payments on claims	<u>(3,264,302)</u>	<u>(5,586,558)</u>
Amount of claims liabilities at June 30	<u>\$ 3,860,094</u>	<u>\$ 3,442,732</u>

The Employee Benefits Fund was established in 1984 to account for the District's previous self-insured medical plan and retired paid-up life insurance programs for eligible employees, retirees, dependents, and other approved individuals. The Employee Benefits Fund is reimbursed by the other funds based on predetermined rates or allowances. Included in the current liability total in the Employee Benefits Fund is \$299,440 and \$45,738 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2010, related to the District's self-insured dental and vision plans respectively and \$869,204 for medical insurance and other benefit premiums.

	<u>2009</u>	<u>2010</u>
Amount of claims liabilities at July 1	\$ 821,090	\$ 794,000
Incurred claims and change in reserve	5,416,591	5,750,768
Payments on claims	<u>(5,443,681)</u>	<u>(6,199,590)</u>
Amount of claims liabilities at June 30	<u>\$ 794,000</u>	<u>\$ 345,178</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).

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Notes to Basic Financial Statements

Plan members and the District are required to contribute to the CSSDTF at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The

contribution rate for members is 8.0 percent and for the District the fiscal year 2010 rate changed from 12.95 percent to 13.85 percent on January 1, 2010. 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, 2008, 2009 and 2010 were \$56,029,057 and \$62,511,295, and \$68,447,923 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, 2008, 2009 and 2010 were \$4,842,225, \$5,031,947, and \$5,147,482 respectively, equal to their required contributions for each year.

Additionally, Trust members for the District may voluntarily contribute to the Voluntary Investment Program (VIP), an internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from others made to PERA. Statutes have assigned the State Legislature the authority to establish VIP plan provisions. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$15,500 in 2008, \$16,500 in 2009, and \$16,500 in 2010).

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 program. Subsequently, the Board adopted the Supplemental Retirement Plan (the Plan) effective August 31, 1999. Participation in the Plan was immediately frozen and included only those employed on 8/31/1999 in full-time or approved job-share positions and whose participation was covered under the Plan provisions. The Plan has subsequently been amended and restated, most recently as of September 2008 with a subsequent amendment adopted as of April 16, 2009. In February of 2009, the Plan received its most recent IRS determination letter. The Supplemental Retirement plan is a single employer defined benefit plan qualified under Section 401(a) of the Internal Revenue Service Code. A participant reaches normal retirement under the plan at age 55 with 20 years of eligible service; reduced early retirement benefits are available with attainment of age 50 provided the service requirement has been met. The Plan's benefit formula is currently .257 percent multiplied by the applicable years of service as of 8/31/1999 (capped at 20 years) and the scheduled salary as of 8/31/1999. In late 2006, certificates of participation were issued and used to make additional employer contributions to the Plan. Subsequently, in an effort to improve the Plan's funded status, in the spring of 2007, existing retirees in receipt and those fully vested employees currently employed by the District, were offered the ability to take a voluntary lump-sum payout of their remaining Plan benefits. For participants who vest and retire after 9/01/2007, benefits are payable in the form of a one-time, lump-sum payout, or in 120 monthly payments. The Board approves funding of the plan each year with the budget adoption. The plan financials are available from Key Bank. To obtain a copy, contact Key Bank at 4900 Tiedeman Road, M/C OH-01-49-0118, Brooklyn, OH 44144 216-813-4373.

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

Annual required contributions (ARC)	\$ 772,846
Actual annual contribution for fiscal year 2009	<u>(500,000)</u>
Decrease in net pension obligation (Asset)	272,846
Interest on net pension obligation	(3,362,329)
Adjustment on annual required contribution	4,524,670
Net pension asset, beginning of year	<u>(51,728,133)</u>
Net pension asset, end of year	<u>\$ (50,292,946)</u>

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

Trend information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contributions	Percentage of APC Contributed	Net Pension Obligation (Asset)
August 31, 2007	\$613,184	\$697,029	113.7%	\$ (49,368,571)
August 31, 2008	1,632,034	633,936	38.8	(51,728,133)
August 31, 2009	1,935,187	500,000	25.8	(50,292,946)

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, 2007	\$12,172,850	\$21,866,736	\$9,693,886	55.7%	\$138,394,263	7.0%
August 31, 2008	13,357,446	20,796,503	7,439,057	64.2	101,810,221	7.3
August 31, 2009	10,118,882	18,954,414	8,835,532	53.4	96,143,874	9.2

Payment of unused sick and personal leave in the amount of \$1,124,645 was paid to early retirees in fiscal year 2010. The Board has appropriated \$3,500,000 for its early retirement programs to be paid in Fiscal year 2011. Budgeted expenditures for unused sick and personal leave for Fiscal year 2011 is \$3,000,000. The remaining \$500,000 will be paid to the supplemental retirement program.

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

17. Subsequent Event

On July 7th, 2010, Free Horizon Montessori, a discretely presented component unit of the District, entered into a capital lease agreement with the Colorado Educational and Cultural Facilities Authority. Proceeds from the agreement were \$6,658,335 and were used to purchase the building they currently occupy and finance renovations. The capital lease matures in June 2040.

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, 2010

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Grants Fund</u>	<u>Campus Activity Fund</u>	
Assets			
Cash	\$ -	\$ 104,663	\$ 104,663
Equity in pooled cash and investments	-	10,083,899	10,083,899
Accounts and interest receivable	13,341	9,832	23,173
Intergovernmental receivables:			
From the federal government	12,524,574	-	12,524,574
From the state government	3,666	-	3,666
Inventories	-	376,747	376,747
Prepaid items	-	866	866
Total assets	<u>\$ 12,541,581</u>	<u>\$ 10,576,007</u>	<u>\$ 23,117,588</u>
Liabilities			
Accounts payable	\$ 279,062	\$ 314,130	\$ 593,192
Accrued salaries and benefits	4,641,872	4,721	4,646,593
Due to other funds	5,589,653	-	5,589,653
Unearned revenues	-	260,571	260,571
Total liabilities	<u>10,510,587</u>	<u>579,422</u>	<u>11,090,009</u>
Fund Balances:			
Nonspendable:			
Inventory	-	376,747	376,747
Prepaid items	-	866	866
Restricted for:			
TABOR	-	594,407	594,407
Grants	2,030,994	-	2,030,994
Assigned to:			
Special revenue funds	-	9,024,565	9,024,565
Total fund balance	<u>2,030,994</u>	<u>9,996,585</u>	<u>12,027,579</u>
Total liabilities and fund balances	<u>\$ 12,541,581</u>	<u>\$ 10,576,007</u>	<u>\$ 23,117,588</u>

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, 2010

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Grants Fund	Campus Activity Fund	
Revenues:			
Intergovernmental:			
Federal government	\$ 42,577,618	\$ -	\$ 42,577,618
State of Colorado	2,486,644	-	2,486,644
Other:			
Interest	-	3,059	3,059
Gifts and grants	639,765	-	639,765
Student activities	-	5,979,390	5,979,390
Fundraising	-	4,597,050	4,597,050
Fees and dues	-	6,854,129	6,854,129
Donations	-	2,797,171	2,797,171
Miscellaneous	-	2,369,051	2,369,051
Total revenues	45,704,027	22,599,850	68,303,877
Expenditures:			
Current:			
Elementary instruction	8,018,701	-	8,018,701
Middle level instruction	1,312,299	-	1,312,299
Senior high instruction	447,907	-	447,907
Athletics and activities	-	22,497,219	22,497,219
Instructional services	13,035,061	-	13,035,061
Intervention services	21,969,470	-	21,969,470
Total expenditures	44,783,438	22,497,219	67,280,657
Excess of revenues over (under) expenditures	920,589	102,631	1,023,220
Other financing sources (uses):			
Transfers out	(32,522)		(32,522)
Transfers in	-	729,700	729,700
Total other financing sources (uses)	(32,522)	729,700	697,178
Excess of revenues and other financing sources over (under) expenditures	888,067	832,331	1,720,398
Fund balances - July 1, 2009	1,142,927	9,164,254	10,307,181
Fund balances - June 30, 2010	\$ 2,030,994	\$ 9,996,585	\$ 12,027,579

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, 2010

Bond Redemption Debt Service Fund				
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Budget Basis	
Revenues:				
Taxes:				
Property taxes	\$ 81,600,000	\$ 81,600,000	\$ 81,748,765	\$ 148,765
Interest	-	25,000	2,877	(22,123)
Total taxes	81,600,000	81,625,000	81,751,642	126,642
Expenditures:				
Debt Service				
Principal retirement	45,120,000	45,120,000	45,120,000	-
Interest and fiscal charges	30,595,800	28,424,984	28,423,042	1,942
Total expenditures	75,715,800	73,544,984	73,543,042	1,942
Excess of revenues over expenditures	5,884,200	8,080,016	8,208,600	128,584
Other financing sources (uses):				
General obligation bond proceeds	-	233,400,000	233,400,000	-
Payment to refunded bond escrow agent	-	(278,158,016)	(278,158,016)	-
Premium from refunding bonds	-	35,855,500	35,855,493	(7)
Total other financing sources (uses)	-	(8,902,516)	(8,902,523)	(7)
Excess of revenues over expenditures	\$ 5,884,200	\$ (822,500)	(693,923)	\$ 128,577
Fund balances - July 1, 2009			68,924,667	
Fund balances - June 30, 2010			\$ 68,230,744	

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, 2010

Capital Reserve Capital Projects Fund				
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 225,000	\$ 225,000	\$ 188,557	\$ (36,443)
Other	350,000	350,000	474,589	124,589
Total revenues	575,000	575,000	663,146	88,146
Expenditures:				
Capital outlay:				
New buildings and land	48,201,600	69,179,500	8,341,042	60,838,458
School additions and improvements	-	-	29,259,380	(29,259,380)
Grounds improvements	-	-	943,169	(943,169)
Mechanical and electrical improvements	-	-	8,288,540	(8,288,540)
Roof replacement	-	-	1,908,946	(1,908,946)
Vehicles and large equipment	1,032,800	1,032,800	1,641,183	(608,383)
Debt Service:				
Principal retirements	1,235,000	5,185,000	5,185,000	-
Interest	166,100	238,200	164,053	74,147
Total expenditures	50,635,500	75,635,500	55,731,313	19,904,187
Excess of revenues over (under) expenditures	(50,060,500)	(75,060,500)	(55,068,167)	19,992,333
Other financing sources:				
Transfers in	22,858,000	28,980,100	28,980,100	-
Total other financing sources	22,858,000	28,980,100	28,980,100	-
Excess of revenues and other financing sources over expenditures	\$ (27,202,500)	\$ (46,080,400)	(26,088,067)	\$ 19,992,333
Salaries, benefits, and compensated absences earned but unpaid:				
July 1, 2009			141,004	
June 30, 2010			(112,324)	
Fund balance - July 1, 2009			62,458,046	
Fund balance - June 30, 2010			\$ 36,398,659	

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, 2010

Building Fund - Capital Projects				
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ -	\$ 1,700	\$ 1,605	\$ (95)
Total revenues	<u>-</u>	<u>1,700</u>	<u>1,605</u>	<u>(95)</u>
Expenditures:				
Capital outlay:				
New buildings and land	-	1,700	1,605	95
School additions and improvements	-	-	-	-
Grounds improvements	-	-	-	-
Mechanical and electrical improvements	-	-	-	-
Total expenditures	<u>-</u>	<u>1,700</u>	<u>1,605</u>	<u>95</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - July 1, 2009			<u>-</u>	
Fund balance - June 30, 2010			<u>\$ -</u>	

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, 2010

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Budget Basis	
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government	\$ 44,940,000	\$ 42,560,000	\$ 42,577,618	\$ 17,618
State of Colorado	820,000	2,490,000	2,486,644	(3,356)
Other:				
Gifts and grants	2,210,000	650,000	639,765	(10,235)
Total revenues	47,970,000	45,700,000	45,704,027	4,027
Expenditures:				
Current:				
Elementary instruction	13,700,000	8,033,700	8,018,701	14,999
Middle level instruction	980,000	1,314,800	1,312,299	2,501
Senior high instruction	380,000	448,700	447,907	793
Instructional services	8,110,000	13,055,100	13,035,061	20,039
Intervention services	24,090,000	22,007,700	21,969,470	38,230
Total expenditures	47,260,000	44,860,000	44,783,438	76,562
Excess of revenues over (under) expenditures	710,000	840,000	920,589	80,589
Other financing uses:				
Transfers out	-	(40,000)	(32,522)	7,478
Total other financing uses	-	(40,000)	(32,522)	7,478
Excess of revenues over (under) expenditures	<u>\$ 710,000</u>	<u>\$ 800,000</u>	888,067	<u>\$ 88,067</u>
Fund balance - July 1, 2009			<u>1,142,927</u>	
Fund balance - June 30, 2010			<u>\$ 2,030,994</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Campus Activity Special Revenue Fund
Fiscal Year Ended June 30, 2010

	Campus Activity Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final	Budget Basis	
Revenues:				
Interest	\$ 5,000	\$ 5,000	\$ 3,059	\$ (1,941)
Student activities	7,366,000	7,366,000	5,979,390	(1,386,610)
Fund raising	5,484,000	5,484,000	4,597,050	(886,950)
Fees and dues	6,609,000	6,609,000	6,854,129	245,129
Donations	1,915,000	1,915,000	2,797,171	882,171
Miscellaneous	5,079,000	5,079,000	2,369,051	(2,709,949)
Total revenues	26,458,000	26,458,000	22,599,850	(3,858,150)
Expenditures:				
Current:				
Athletics and activities	26,383,000	26,383,000	22,497,219	3,885,781
Total expenditures	26,383,000	26,383,000	22,497,219	3,885,781
Excess of revenues over (under) expenditures	75,000	75,000	102,631	27,631
Other financing sources:				
Transfers in	200,000	765,000	729,700	(35,300)
Total other financing sources (uses)	200,000	765,000	729,700	(35,300)
Excess of revenues and other financing sources over (under) expenditures	\$ 275,000	\$ 840,000	832,331	\$ (7,669)
Fund balance - July 1, 2009			9,164,254	
Fund balance - June 30, 2010			\$ 9,996,585	

Internal Service Funds

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

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

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

<u>Assets</u>	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Current assets:			
Cash	\$ 300	\$ -	\$ -
Equity in pooled cash and investments	1,374,686	39,778,356	10,161,209
Accounts and other receivable	26,658	13,274	47,788
Inventories	119,565	-	-
Prepaid items	-	-	1,763,515
Total current assets	<u>1,521,209</u>	<u>39,791,630</u>	<u>11,972,512</u>
Capital assets:			
Vehicles and equipment	2,450,267	-	139,290
Less accumulated depreciation	<u>(1,783,473)</u>	<u>-</u>	<u>(46,610)</u>
Total capital assets net of accumulated depreciation	666,794	-	92,680
Total assets	<u>\$ 2,188,003</u>	<u>\$ 39,791,630</u>	<u>\$ 12,065,192</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	\$ 136,437	\$ -	\$ 61,258
Accrued salaries, benefits, and compensated absences	66,354	2,479,177	133,239
Payroll withholding	-	22,048,869	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	1,214,382	3,442,732
Total current liabilities	<u>202,791</u>	<u>25,742,428</u>	<u>3,637,229</u>
Non-current liabilities:			
Compensated absences	53,133	1,064	123,992
Total non-current liabilities	<u>53,133</u>	<u>1,064</u>	<u>123,992</u>
Total liabilities	<u>255,924</u>	<u>25,743,492</u>	<u>3,761,221</u>
<u>Net Assets</u>			
Invested in capital assets net of related debt	666,794	-	92,680
Restricted for:			
TABOR	1,845	57,882	1,845
Unrestricted	1,263,440	13,990,256	8,209,446
Total net assets	<u>1,932,079</u>	<u>14,048,138</u>	<u>8,303,971</u>
Total liabilities and net assets	<u>\$ 2,188,003</u>	<u>\$ 39,791,630</u>	<u>\$ 12,065,192</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
1,758,497	53,072,748
180,073	267,793
56,705	176,270
1,235,383	2,998,898
<u>3,230,658</u>	<u>56,516,009</u>
25,537,459	28,127,016
<u>(15,837,219)</u>	<u>(17,667,302)</u>
9,700,240	10,459,714
<u>\$ 12,930,898</u>	<u>\$ 66,975,723</u>

\$ 666,039	\$ 863,734
585,001	3,263,771
-	22,048,869
595,892	595,892
-	4,657,114
<u>1,846,932</u>	<u>31,429,380</u>

493,121	671,310
<u>493,121</u>	<u>671,310</u>
2,340,053	32,100,690

9,700,240	10,459,714
58,381	119,953
832,224	24,295,366
<u>10,590,845</u>	<u>34,875,033</u>
<u>\$ 12,930,898</u>	<u>\$ 66,975,723</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, 2010

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Revenues:			
Insurance premiums	\$ -	\$ 8,840,289	\$ 4,038,050
Service contracts	3,729,903	-	50,513
Total revenues	<u>3,729,903</u>	<u>8,840,289</u>	<u>4,088,563</u>
Expenses:			
Salaries and employee benefits	1,090,519	65,469	2,013,508
Administration services	223,396	548,959	569,455
Utilities	9,169	-	-
Supplies	1,349,615	-	-
Repairs and maintenance	612,305	-	-
Depreciation	234,813	-	27,357
Other	1,945	-	-
Claim losses	-	5,750,768	5,169,196
Premiums paid	-	317,978	1,742,969
Total expenses	<u>3,521,762</u>	<u>6,683,174</u>	<u>9,522,485</u>
Income (loss) from operations	<u>208,141</u>	<u>2,157,115</u>	<u>(5,433,922)</u>
Non-operating revenues (expenses):			
Interest revenues	5,530	55,659	43,572
Gain (loss) on sale of capital assets	(2,569)	-	(5,691)
Total non-operating revenues (expenses)	<u>2,961</u>	<u>55,659</u>	<u>37,881</u>
Income (loss) before transfers	211,102	2,212,774	(5,396,041)
Transfers from the general fund	-	-	6,751,400
Change in net assets	<u>211,102</u>	<u>2,212,774</u>	<u>1,355,359</u>
Net assets - July 1, 2009	1,720,977	11,835,364	6,948,612
Net assets - June 30, 2010	<u>\$ 1,932,079</u>	<u>\$ 14,048,138</u>	<u>\$ 8,303,971</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 12,878,339
19,302,931	23,083,347
<u>19,302,931</u>	<u>35,961,686</u>
10,151,458	13,320,954
3,510,933	4,852,743
63,333	72,502
542,538	1,892,153
2,470,203	3,082,508
3,191,637	3,453,807
8,049	9,994
-	10,919,964
-	2,060,947
<u>19,938,151</u>	<u>39,665,572</u>
<u>(635,220)</u>	<u>(3,703,886)</u>
3,077	107,838
-	(8,260)
<u>3,077</u>	<u>99,578</u>
(632,143)	(3,604,308)
2,450,000	9,201,400
<u>1,817,857</u>	<u>5,597,092</u>
8,772,988	29,277,941
<u>\$ 10,590,845</u>	<u>\$ 34,875,033</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2010

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,733,083	\$ 8,841,483	\$ 4,671,800
Cash paid to employees	(1,091,420)	(64,954)	(1,989,654)
Cash paid to vendors	(2,162,029)	(6,061,721)	(8,086,791)
Net cash provided by (used for) in operating activities	<u>479,634</u>	<u>2,714,808</u>	<u>(5,404,645)</u>
Cash flows from noncapital financing activities:			
Transfers in and (out)	-	-	6,751,400
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>6,751,400</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(327,749)	-	-
Net cash (used for) in capital and related financing activities	<u>(327,749)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	5,530	55,659	43,572
Net cash provided by noncapital financing activities	<u>5,530</u>	<u>55,659</u>	<u>43,572</u>
Net increase in cash and cash equivalents	157,415	2,770,467	1,390,327
Cash and cash equivalents - July 1, 2009	1,217,571	37,007,889	8,770,882
Cash and cash equivalents - June 30, 2010	<u>\$ 1,374,986</u>	<u>\$ 39,778,356</u>	<u>\$ 10,161,209</u>
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ 208,141	\$ 2,157,115	\$ (5,433,922)
Cash flows from operating activities:			
Depreciation	234,813	-	27,357
(Increase) decrease intergovernmental and other receivables	3,180	1,196	583,237
(Increase) decrease in prepaid items	4,419	-	(170,262)
(Increase) decrease in other inventories	(6,426)	-	-
Increase (decrease) in accounts payable	36,408	-	(17,547)
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	(901)	(278,397)	23,854
Increase in payroll withholding	-	754,628	-
Increase (decrease) in due to other funds	-	-	-
Increase in deferred revenues	-	-	-
Increase (decrease) in estimated liability for premiums and claims	-	80,266	(417,362)
Net cash provided by (used for) in operating activities	<u>\$ 479,634</u>	<u>\$ 2,714,808</u>	<u>\$ (5,404,645)</u>
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ 2,569	\$ -	\$ 5,691

Technology Fund	Governmental Activities - Internal Service Funds
\$ 19,233,869	\$ 36,480,235
(10,152,597)	(13,298,625)
(7,295,661)	(23,606,202)
<u>1,785,611</u>	<u>(424,592)</u>
2,450,000	9,201,400
<u>2,450,000</u>	<u>9,201,400</u>
(3,887,463)	(4,215,212)
<u>(3,887,463)</u>	<u>(4,215,212)</u>
3,077	107,838
<u>3,077</u>	<u>107,838</u>
351,225	4,669,434
<u>1,407,272</u>	<u>48,403,614</u>
<u>\$ 1,758,497</u>	<u>\$ 53,073,048</u>
\$ (635,220)	\$ (3,703,886)
3,191,637	3,453,807
25,947	613,560
9,312	(156,531)
209,140	202,714
(919,057)	(900,196)
(1,139)	(256,583)
-	754,628
-	-
(95,009)	(95,009)
-	(337,096)
<u>\$ 1,785,611</u>	<u>\$ (424,592)</u>
\$ -	\$ 8,260



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, 2010

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Assets					
Current assets:					
Cash	\$ 300	\$ 700	\$ 50,271	\$ 500	\$ 500
Restricted cash	759,381	-	685,042	745,371	-
Restricted cash for TABOR	113,180	117,695	86,774	107,775	79,188
Equity in pooled cash and investments	189,323	502,004	87,340	1,154,033	620,540
Accounts receivable	-	1,405	5,213	141	-
Total current assets:	<u>1,062,184</u>	<u>621,804</u>	<u>914,640</u>	<u>2,007,820</u>	<u>700,228</u>
Noncurrent assets:					
Deferred charges	127,777	-	94,588	184,435	-
Nondepreciable assets	650,000	-	913,508	235,981	-
Depreciable assets	5,123,500	85,993	4,464,440	5,001,484	157,399
Accumulated depreciation	(1,345,857)	(18,512)	(894,652)	(859,409)	(23,885)
Total noncurrent assets:	<u>4,555,420</u>	<u>67,481</u>	<u>4,577,884</u>	<u>4,562,491</u>	<u>133,514</u>
Total assets	<u>\$ 5,617,604</u>	<u>\$ 689,285</u>	<u>\$ 5,492,524</u>	<u>\$ 6,570,311</u>	<u>\$ 833,742</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 6,655	\$ 22,465	\$ 9,988	\$ 66,193	\$ 12,002
Accrued salaries and benefits	145,923	214,532	156,619	132,948	97,432
Due to the general fund	-	-	-	-	-
Unearned revenues	1,485	80,878	48,870	-	141,800
Accrued interest	15,095	86	126,670	30,446	84
Current capital leases and promissory notes	215,000	10,146	110,000	165,000	29,709
Total current liabilities:	<u>384,158</u>	<u>328,107</u>	<u>452,147</u>	<u>394,587</u>	<u>281,027</u>
Noncurrent liabilities:					
Capital Leases and promissory notes	6,840,802	22,322	5,372,012	6,059,594	35,474
Total Noncurrent liabilities:	<u>6,840,802</u>	<u>22,322</u>	<u>5,372,012</u>	<u>6,059,594</u>	<u>35,474</u>
Total liabilities	<u>7,224,960</u>	<u>350,429</u>	<u>5,824,159</u>	<u>6,454,181</u>	<u>316,501</u>
Net Assets					
Invested in capital net of debt	(2,628,159)	35,013	(998,716)	(1,846,538)	68,331
Restricted for:					
Capital projects	-	-	-	-	-
Debt service	759,381	-	680,042	745,371	-
TABOR	113,180	117,695	86,774	107,775	79,188
Unrestricted	148,242	186,148	(99,735)	1,109,522	369,722
Total net assets	<u>(1,607,356)</u>	<u>338,856</u>	<u>(331,635)</u>	<u>116,130</u>	<u>517,241</u>
Total liabilities and net assets	<u>\$ 5,617,604</u>	<u>\$ 689,285</u>	<u>\$ 5,492,524</u>	<u>\$ 6,570,311</u>	<u>\$ 833,742</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
\$ 1,300	\$ 700	\$ 500	\$ -	\$ 300	\$ 300	\$ -	\$ 500	\$ 55,871
417,243	319,642	830,019	-	-	282,549	-	678,332	4,717,579
184,888	108,936	108,242	6,517	51,694	97,168	46,195	111,653	1,219,905
212,102	931,046	597,913	-	573,275	578,539	-	1,501,344	6,947,459
1,256	8,590	2,979	-	-	-	21,956	-	41,540
<u>816,789</u>	<u>1,368,914</u>	<u>1,539,653</u>	<u>6,517</u>	<u>625,269</u>	<u>958,556</u>	<u>68,151</u>	<u>2,291,829</u>	<u>12,982,354</u>
97,810	72,594	89,895	-	-	101,388	-	169,896	938,383
40,638	394,000	1,099,229	-	-	79,925	-	881,654	4,294,935
3,276,487	3,025,450	4,629,403	78,966	164,970	3,893,819	6,427	4,965,540	34,873,878
(933,329)	(810,449)	(868,553)	(5,264)	(61,355)	(783,969)	(5,785)	(780,543)	(7,391,562)
<u>2,481,606</u>	<u>2,681,595</u>	<u>4,949,974</u>	<u>73,702</u>	<u>103,615</u>	<u>3,291,163</u>	<u>642</u>	<u>5,236,547</u>	<u>32,715,634</u>
<u>\$ 3,298,395</u>	<u>\$ 4,050,509</u>	<u>\$ 6,489,627</u>	<u>\$ 80,219</u>	<u>\$ 728,884</u>	<u>\$ 4,249,719</u>	<u>\$ 68,793</u>	<u>\$ 7,528,376</u>	<u>\$ 45,697,988</u>
\$ 36,443	\$ 14,537	\$ 9,141	\$ 239	\$ 83,402	\$ 1,021	\$ 9,017	\$ 54,605	\$ 325,708
285,424	175,474	154,279	3,459	38,105	135,479	66,968	56,718	1,663,360
-	-	-	90,254	-	-	41,547	-	131,801
-	10,656	8,200	-	-	29,843	-	20,592	342,324
6,969	31,472	65,326	-	-	4,265	-	24,076	304,489
65,000	90,000	130,000	-	-	47,627	-	130,000	992,482
<u>393,836</u>	<u>322,139</u>	<u>366,946</u>	<u>93,952</u>	<u>121,507</u>	<u>218,235</u>	<u>117,532</u>	<u>285,991</u>	<u>3,760,164</u>
2,777,905	1,940,886	6,097,840	-	-	3,791,082	-	5,928,288	38,866,205
<u>2,777,905</u>	<u>1,940,886</u>	<u>6,097,840</u>	<u>-</u>	<u>-</u>	<u>3,791,082</u>	<u>-</u>	<u>5,928,288</u>	<u>38,866,205</u>
3,171,741	2,263,025	6,464,786	93,952	121,507	4,009,317	117,532	6,214,279	42,626,369
(459,109)	578,115	(1,367,761)	73,702	103,615	(550,508)	642	(991,637)	(7,983,010)
308,672	-	-	-	104,578	102,571	-	-	515,821
417,243	319,642	830,019	-	-	184,123	-	678,332	4,614,153
184,888	108,936	108,242	6,517	51,694	97,168	46,195	111,653	1,219,905
(325,040)	780,791	454,341	(93,952)	347,490	407,048	(95,576)	1,515,749	4,704,750
<u>126,654</u>	<u>1,787,484</u>	<u>24,841</u>	<u>(13,733)</u>	<u>607,377</u>	<u>240,402</u>	<u>(48,739)</u>	<u>1,314,097</u>	<u>3,071,619</u>
<u>\$ 3,298,395</u>	<u>\$ 4,050,509</u>	<u>\$ 6,489,627</u>	<u>\$ 80,219</u>	<u>\$ 728,884</u>	<u>\$ 4,249,719</u>	<u>\$ 68,793</u>	<u>\$ 7,528,376</u>	<u>\$ 45,697,988</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Activities
Component Units
Fiscal year ended June 30, 2010

	Expenses	Charges For Services	Governmental Activities
Schools			
Collegiate Academy of Colorado	\$ 3,725,107	\$ 274,569	\$ (3,450,538)
Compass Montessori - Wheatridge	3,871,764	791,474	(3,080,290)
Compass Montessori - Golden	2,872,104	645,678	(2,226,426)
Excel Charter School	3,541,372	458,572	(3,082,800)
Free Horizon	2,318,249	772,351	(1,545,898)
Jefferson Academy	6,223,576	328,066	(5,895,510)
Lincoln Academy Charter School	3,652,675	263,095	(3,389,580)
Montessori Peaks	3,485,674	842,180	(2,643,494)
Mountain Phoenix	247,567	28,123	(219,444)
New America	1,571,429	79,657	(1,491,772)
Rocky Mountain Academy Evergreen	3,187,514	550,178	(2,637,336)
Rocky Mountain Deaf School	1,563,582	1,147,541	(416,041)
Woodrow Wilson Academy	3,424,681	351,149	(3,073,532)
Total Expenditures	39,685,294	6,532,633	(33,152,661)
General Revenues			
School finance act:			
Collegiate Academy of Colorado			3,513,993
Compass Montessori - Wheatridge			3,150,872
Compass Montessori - Golden			2,274,642
Excel Charter School			3,135,790
Free Horizon			1,867,259
Jefferson Academy			5,874,980
Lincoln Academy Charter School			3,371,567
Montessori Peaks			2,793,464
Mountain Phoenix			206,625
New America			1,643,460
Rocky Mountain Academy Evergreen			2,700,274
Rocky Mountain Deaf School			400,748
Woodrow Wilson Academy			3,380,976
Total General Revenues			34,314,650
Change in net assets			1,161,989
Net Assets Beginning			1,909,630
Net Assets Ending			\$ 3,071,619

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
All Component Units
Combining Balance Sheet
June 30, 2010

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Assets					
Assets:					
Cash	\$ 300	\$ 700	\$ 50,271	\$ 500	\$ 500
Restricted Cash	872,561	117,695	771,816	853,146	79,188
Equity in pooled cash and investments	189,323	502,004	87,340	1,154,033	620,540
Accounts, notes, contracts, and interest receivable	-	1,405	5,213	141	-
Total Assets	<u>\$ 1,062,184</u>	<u>\$ 621,804</u>	<u>\$ 914,640</u>	<u>\$ 2,007,820</u>	<u>\$ 700,228</u>
Liabilities and fund balances (deficit)					
Liabilities:					
Accounts and retainages payable	\$ 6,655	\$ 22,465	\$ 9,988	\$ 66,193	\$ 12,002
Accrued salaries, benefits, and compensated absences	145,923	214,532	156,619	132,948	97,432
Due to primary government	-	-	-	-	-
Unearned revenues	1,485	80,878	48,870	-	141,800
Total Liabilities	<u>154,063</u>	<u>317,875</u>	<u>215,477</u>	<u>199,141</u>	<u>251,234</u>
Fund balances:					
Restricted for:					
TABOR	113,180	117,695	86,774	107,775	79,188
Debt service	759,381	-	680,042	745,371	-
Construction	-	-	-	-	-
Unassigned	35,560	186,234	(67,653)	955,533	369,806
Total fund balances (deficit)	<u>908,121</u>	<u>303,929</u>	<u>699,163</u>	<u>1,808,679</u>	<u>448,994</u>
Total liabilities and fund balances	<u>\$ 1,062,184</u>	<u>\$ 621,804</u>	<u>\$ 914,640</u>	<u>\$ 2,007,820</u>	<u>\$ 700,228</u>
Amounts reported for component unit activities in the statement of net assets are different because:					
Component units total fund balance	\$ 908,121	\$ 303,929	\$ 699,163	\$ 1,808,679	\$ 448,994
Add: Capital assets	5,773,500	85,993	5,377,948	5,237,465	157,399
Deferred charges	127,777	-	94,588	184,435	-
Less: Accumulated depreciation	(1,345,857)	(18,512)	(894,652)	(859,409)	(23,885)
Long-term liabilities	(7,055,802)	(32,468)	(5,482,012)	(6,224,594)	(65,183)
Accrued interest	(15,095)	(86)	(126,670)	(30,446)	(84)
Net assets of component unit activities	<u>\$(1,607,356)</u>	<u>\$ 338,856</u>	<u>\$ (331,635)</u>	<u>\$ 116,130</u>	<u>\$ 517,241</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
\$ 1,300	\$ 700	\$ 500	\$ -	\$ 300	\$ 300	\$ -	\$ 500	\$ 55,871
602,131	428,578	938,261	6,517	51,694	379,717	46,195	789,985	5,937,484
212,102	931,046	597,913	-	573,275	578,539	-	1,501,344	6,947,459
1,256	8,590	2,979	-	-	-	21,956	-	41,540
<u>\$ 816,789</u>	<u>\$ 1,368,914</u>	<u>\$ 1,539,653</u>	<u>\$ 6,517</u>	<u>\$ 625,269</u>	<u>\$ 958,556</u>	<u>\$ 68,151</u>	<u>\$ 2,291,829</u>	<u>\$ 12,982,354</u>
\$ 36,443	\$ 14,537	\$ 9,141	\$ 239	\$ 83,402	\$ 1,021	\$ 9,017	\$ 54,605	\$ 325,708
285,424	175,474	154,279	3,459	38,105	135,479	66,968	56,718	1,663,360
-	-	-	90,254	-	-	41,547	-	131,801
-	10,656	8,200	-	-	29,843	-	20,592	342,324
<u>321,867</u>	<u>200,667</u>	<u>171,620</u>	<u>93,952</u>	<u>121,507</u>	<u>166,343</u>	<u>117,532</u>	<u>131,915</u>	<u>2,463,193</u>
184,888	108,936	108,242	6,517	51,694	97,168	46,195	111,653	1,219,905
417,243	319,642	830,019	-	-	184,123	-	678,332	4,614,153
308,672	-	-	-	104,578	102,571	-	-	515,821
(415,881)	739,669	429,772	(93,952)	347,490	408,351	(95,576)	1,369,929	4,169,282
<u>494,922</u>	<u>1,168,247</u>	<u>1,368,033</u>	<u>(87,435)</u>	<u>503,762</u>	<u>792,213</u>	<u>(49,381)</u>	<u>2,159,914</u>	<u>10,519,161</u>
<u>\$ 816,789</u>	<u>\$ 1,368,914</u>	<u>\$ 1,539,653</u>	<u>\$ 6,517</u>	<u>\$ 625,269</u>	<u>\$ 958,556</u>	<u>\$ 68,151</u>	<u>\$ 2,291,829</u>	<u>\$ 12,982,354</u>
\$ 494,922	\$ 1,168,247	\$ 1,368,033	\$ (87,435)	\$ 503,762	\$ 792,213	\$ (49,381)	\$ 2,159,914	\$ 10,519,161
3,317,125	3,419,450	5,728,632	78,966	164,970	3,973,744	6,427	5,847,194	39,168,813
97,810	72,594	89,895	-	-	101,388	-	169,896	938,383
(933,329)	(810,449)	(868,553)	(5,264)	(61,355)	(783,969)	(5,785)	(780,543)	(7,391,562)
(2,842,905)	(2,030,886)	(6,227,840)	-	-	(3,838,709)	-	(6,058,288)	(39,858,687)
(6,969)	(31,472)	(65,326)	-	-	(4,265)	-	(24,076)	(304,489)
<u>\$ 126,654</u>	<u>\$ 1,787,484</u>	<u>\$ 24,841</u>	<u>\$ (13,733)</u>	<u>\$ 607,377</u>	<u>\$ 240,402</u>	<u>\$ (48,739)</u>	<u>\$ 1,314,097</u>	<u>\$ 3,071,619</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, 2010

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon
Revenues:					
Intergovernmental	\$ 3,513,993	\$ 3,150,872	\$ 2,274,642	\$ 3,135,790	\$ 1,867,259
Other revenue	274,569	791,474	645,678	458,572	772,351
Total revenues	<u>3,788,562</u>	<u>3,942,346</u>	<u>2,920,320</u>	<u>3,594,362</u>	<u>2,639,610</u>
Expenditures:					
Current:					
Salaries and benefits	2,240,358	2,523,820	1,660,164	1,996,241	1,518,573
Purchased services	714,132	1,058,091	557,017	799,343	695,092
Materials and supplies	212,087	283,633	139,815	171,496	86,615
Capital outlay	-	-	18,563	-	-
Debt service	577,623	12,233	486,704	528,012	34,570
Total other instructional programs	<u>3,744,200</u>	<u>3,877,777</u>	<u>2,862,263</u>	<u>3,495,092</u>	<u>2,334,850</u>
Excess of revenues over (under) expenditures	44,362	64,569	58,057	99,270	304,760
Fund balance (deficit) - July 1, 2009	863,759	239,360	641,106	1,709,409	144,234
Fund balance (deficit) - June 30, 2010	<u>\$ 908,121</u>	<u>\$ 303,929</u>	<u>\$ 699,163</u>	<u>\$ 1,808,679</u>	<u>\$ 448,994</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	\$ 44,362	\$ 64,569	\$ 58,057	\$ 99,270	\$ 304,760
Less: Depreciation expense	(175,288)	(3,530)	(147,507)	(166,303)	(10,494)
Other sources - debt and amortization of issuance costs	(11,046)	-	(26,060)	(40,410)	-
Change in accrued interest	427	53	2,163	433	35
Add: Net capital outlay asset additions	-	-	18,563	-	-
Principal payment on long-term liabilities	205,000	9,490	143,000	160,000	27,060
Change in net assets of component unit activities	<u>\$ 63,455</u>	<u>\$ 70,582</u>	<u>\$ 48,216</u>	<u>\$ 52,990</u>	<u>\$ 321,361</u>

Jefferson Academy	Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Woodrow Wilson Academy	Total Charter Schools
\$ 5,874,980	\$ 3,371,567	\$ 2,793,464	\$ 206,625	\$ 1,643,460	\$ 2,700,274	\$ 400,748	\$ 3,380,976	\$ 34,314,650
328,066	263,095	842,180	28,123	79,657	550,178	1,147,541	351,149	6,532,633
<u>6,203,046</u>	<u>3,634,662</u>	<u>3,635,644</u>	<u>234,748</u>	<u>1,723,117</u>	<u>3,250,452</u>	<u>1,548,289</u>	<u>3,732,125</u>	<u>40,847,283</u>
4,327,227	2,505,474	2,202,003	156,879	798,102	1,829,835	1,085,202	2,003,102	24,846,980
1,257,204	712,844	566,444	73,094	658,962	801,574	424,301	720,640	9,038,738
355,279	216,914	120,345	12,330	82,831	175,693	53,436	152,173	2,062,647
20,685	253,974	-	-	-	9,684	-	-	302,906
235,294	187,565	523,705	-	15,987	353,004	-	415,789	3,370,486
<u>6,195,689</u>	<u>3,876,771</u>	<u>3,412,497</u>	<u>242,303</u>	<u>1,555,882</u>	<u>3,169,790</u>	<u>1,562,939</u>	<u>3,291,704</u>	<u>39,621,757</u>
7,357	(242,109)	223,147	(7,555)	167,235	80,662	(14,650)	440,421	1,225,526
487,565	1,410,356	1,144,886	(79,880)	336,527	711,551	(34,731)	1,719,493	9,293,635
<u>\$ 494,922</u>	<u>\$ 1,168,247</u>	<u>\$ 1,368,033</u>	<u>\$ (87,435)</u>	<u>\$ 503,762</u>	<u>\$ 792,213</u>	<u>\$ (49,381)</u>	<u>\$ 2,159,914</u>	<u>\$ 10,519,161</u>
\$ 7,357	\$ (242,109)	\$ 223,147	\$ (7,555)	\$ 167,235	\$ 80,662	\$ (14,650)	\$ 440,421	\$ 1,225,526
(106,527)	(115,508)	(159,031)	(5,264)	(31,141)	(112,470)	(643)	(260,426)	(1,294,132)
(7,170)	(5,419)	(40,271)	-	-	(3,963)	-	2,136	(132,203)
125	1,049	1,125	-	53	48	-	313	5,824
20,685	253,974	-	-	-	54,684	-	-	347,906
65,000	90,000	125,000	-	15,541	43,977	-	125,000	1,009,068
<u>\$ (20,530)</u>	<u>\$ (18,013)</u>	<u>\$ 149,970</u>	<u>\$ (12,819)</u>	<u>\$ 151,688</u>	<u>\$ 62,938</u>	<u>\$ (15,293)</u>	<u>\$ 307,444</u>	<u>\$ 1,161,989</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 Ten 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	<u>(41,998,453)</u>	<u>(25,682,188)</u>	<u>(36,083,924)</u>	<u>(11,550,151)</u>
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	<u>(424,161)</u>	<u>1,522,123</u>	<u>3,052,250</u>	<u>3,175,818</u>
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	<u>(42,422,614)</u>	<u>(24,160,065)</u>	<u>(33,031,674)</u>	<u>(8,374,333)</u>
Total primary government net assets	<u>\$ 289,022,610</u>	<u>\$ 290,036,705</u>	<u>\$ 316,286,072</u>	<u>\$ 353,110,645</u>

Fiscal Year

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 270,489,848	\$ 272,131,267	\$ 279,690,380	\$ 282,779,947	\$ 300,549,882	\$ 344,003,602
111,961,310	119,886,342	137,222,692	157,681,790	149,063,262	122,592,857
44,946,760	82,472,483	84,308,430	130,950,972	128,442,632	117,372,458
<u>\$ 427,397,918</u>	<u>\$ 474,490,092</u>	<u>\$ 501,221,502</u>	<u>\$ 571,412,709</u>	<u>\$ 578,055,776</u>	<u>\$ 583,968,917</u>
\$ 2,887,640	\$ 2,610,619	\$ 2,524,688	\$ 2,399,710	\$ 2,702,062	\$ 3,642,539
688,076	709,513	758,429	799,858	781,383	747,019
5,240,516	8,077,616	10,085,377	12,430,067	12,771,303	10,045,737
<u>\$ 8,816,232</u>	<u>\$ 11,397,748</u>	<u>\$ 13,368,494</u>	<u>\$ 15,629,635</u>	<u>\$ 16,254,748</u>	<u>\$ 14,435,295</u>
\$ 273,377,488	\$ 274,741,886	\$ 282,215,068	\$ 285,179,657	\$ 303,251,944	\$ 347,646,141
112,649,386	120,595,855	137,981,121	158,481,648	149,844,645	123,339,876
50,187,276	90,550,099	94,393,807	143,381,039	141,213,935	127,418,195
<u>\$ 436,214,150</u>	<u>\$ 485,887,840</u>	<u>\$ 514,589,996</u>	<u>\$ 587,042,344</u>	<u>\$ 594,310,524</u>	<u>\$ 598,404,212</u>

Financial Trend Schedule 2
 Jefferson County School District, No.R-1
 Changes in Net Assets, Last Ten 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
Property management	-	-	-	-
Other enterprise	-	-	15,000	-
Total business-type activities program revenues	28,596,018	29,443,221	29,975,760	30,163,170
Total primary government program revenues	\$ 110,599,105	\$ 120,605,050	\$ 126,845,959	\$ 129,832,055
Net (Expense)/Revenue				
Governmental activities	\$ (541,189,465)	\$ (543,862,217)	\$ (544,659,095)	\$ (538,547,848)
Business-type activities	(1,434,273)	(803,795)	(642,962)	(640,436)
Total primary government net expense	\$ (542,623,738)	\$ (544,666,012)	\$ (545,302,057)	\$ (539,188,284)
General revenues and other changes in net assets				
Taxes				
Local property taxes	\$ 251,029,568	\$ 262,928,865	\$ 271,609,501	\$ 274,625,109
Automotive ownership taxes	31,070,522	32,091,124	31,043,970	30,794,472
School finance act	247,112,253	244,648,985	262,962,410	268,567,509
Earnings on investments	10,752,832	5,972,439	3,089,821	2,023,751
Special Item	-	-	-	-
Transfers (a)	(14,023,264)	(2,081,126)	(1,934,501)	(891,052)
Total governmental activities	525,941,911	543,560,287	566,771,201	575,119,789
Business-type activities:				
Earnings on investments	-	38,694	9,527	2,016
Transfers	1,663,457	2,081,126	1,934,501	891,052
Total business-type activities	1,663,457	2,119,820	1,944,028	893,068
Total primary government	\$ 527,605,368	\$ 545,680,107	\$ 568,715,229	\$ 576,012,857
Change in Net Assets				
Governmental activities	\$ (15,247,554)	\$ (301,930)	\$ 22,112,106	\$ 36,571,941
Business-type activities	229,184	1,316,025	1,301,066	252,632
Total primary government	\$ (15,018,370)	\$ 1,014,095	\$ 23,413,172	\$ 36,824,573

a) Transfers in 2001 include transfers to component units.

Fiscal Year

	2005	2006	2007	2008	2009	2010
\$	389,330,732	\$ 420,089,848	\$ 436,859,865	\$ 441,488,697	\$ 475,473,399	\$ 488,851,713
	120,382,252	126,074,406	124,087,808	125,534,158	139,506,864	146,058,971
	17,269,372	18,779,643	19,993,110	20,201,331	21,744,799	21,105,227
	23,354,067	24,209,356	25,002,154	26,277,156	27,158,925	27,460,710
	18,665,080	21,508,695	20,441,219	21,725,526	24,507,637	23,020,164
	16,500,402	19,653,828	17,523,410	18,945,386	19,361,791	21,021,606
	18,753,372	18,789,170	18,212,328	21,950,387	23,191,961	25,970,162
	2,859,645	2,894,361	3,127,500	2,575,859	3,328,842	4,122,191
	2,374,468	1,548,547	1,624,570	2,296,287	1,123,258	1,383,435
	31,651,073	36,819,243	37,525,398	36,810,282	34,967,047	32,332,211
	641,140,463	690,367,097	704,397,362	717,805,069	770,364,523	\$ 791,326,390
	19,130,176	19,750,220	21,215,750	22,169,060	23,425,181	25,200,972
	9,899,843	11,039,953	12,138,653	13,611,593	14,547,344	14,728,222
	1,466,991	1,125,385	1,319,568	1,356,529	1,225,624	2,051,238
	-	-	-	-	-	-
	30,497,010	31,915,558	34,673,971	37,137,182	39,198,149	41,980,432
\$	671,637,473	\$ 722,282,655	\$ 739,071,333	\$ 754,942,251	\$ 809,562,672	\$ 833,306,822
\$	4,366,210	\$ 4,329,271	\$ 4,847,435	\$ 4,149,185	\$ 4,323,891	\$ 5,053,827
	32,540,920	29,837,974	30,532,826	31,273,508	30,296,343	27,065,122
	229,677	502,601	435,245	446,566	384,133	400,388
	3,258,778	2,292,589	3,255,854	11,994,896	3,169,242	3,998,449
	2,744,283	3,537,713	1,993,172	1,969,309	569,173	474,589
	37,005,381	41,131,579	45,512,301	43,214,748	41,273,450	49,402,008
	6,038,113	7,020,660	7,729,655	7,350,301	7,225,032	9,914,138
	4,393,792	4,234,626	4,081,376	4,302,427	4,463,314	4,785,359
	90,577,154	92,887,013	98,387,864	104,700,940	91,704,578	101,093,880
	12,705,589	12,906,439	13,222,800	13,233,844	12,732,788	11,736,773
	8,383,059	8,669,515	9,747,943	11,285,473	11,019,746	10,295,931
	1,802,491	1,906,311	1,937,185	1,921,999	1,728,955	1,674,886
	-	-	-	-	-	-
	6,360,540	7,092,392	7,414,794	7,758,304	8,735,385	10,964,421
	1,011,907	1,405,393	1,281,906	1,981,771	1,682,642	1,172,164
	-	-	-	-	32,738	-
	-	-	-	-	-	-
	30,263,586	31,980,050	33,604,628	36,181,391	35,932,254	35,844,175
\$	120,840,740	\$ 124,867,063	\$ 131,992,492	\$ 140,882,331	\$ 127,636,832	\$ 136,938,055
\$	(550,563,309)	\$ (597,480,084)	\$ (606,009,498)	\$ (613,104,129)	\$ (678,659,945)	\$ (690,232,510)
	(233,424)	64,492	(1,069,343)	(955,791)	(3,265,895)	(6,136,257)
\$	(550,796,733)	\$ (597,415,592)	\$ (607,078,841)	\$ (614,059,920)	\$ (681,925,840)	\$ (696,368,767)
\$	319,150,542	\$ 321,679,910	\$ 323,604,561	\$ 351,299,729	\$ 349,209,271	\$ 351,591,719
	30,817,445	30,814,386	29,414,761	28,858,670	26,428,023	24,730,646
	273,963,074	281,173,393	289,340,251	293,763,172	307,102,545	321,046,426
	9,924,454	13,237,589	16,617,507	14,824,519	6,230,214	3,045,378
	-	-	(36,049,258)	(2,620,742)	-	-
	(1,733,944)	(2,333,020)	(2,717,145)	(2,830,012)	(3,667,041)	(4,268,518)
	632,121,571	644,572,258	620,210,677	683,295,336	685,303,012	\$ 696,145,651
	44,723	184,004	322,944	386,920	223,967	48,286
	1,733,944	2,333,020	2,717,145	2,830,012	3,667,041	4,268,518
	1,778,667	2,517,024	3,040,089	3,216,932	3,891,008	4,316,804
\$	633,900,238	\$ 647,089,282	\$ 623,250,766	\$ 686,512,268	\$ 689,194,020	\$ 700,462,455
\$	81,558,262	\$ 47,092,174	\$ 14,201,179	\$ 70,191,207	\$ 6,643,067	\$ 5,913,141
	1,545,243	2,581,516	1,970,746	2,261,141	625,113	(1,819,453)
\$	83,103,505	\$ 49,673,690	\$ 16,171,925	\$ 72,452,348	\$ 7,268,180	\$ 4,093,688

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	31,643,631	28,570,597	21,624,045	17,845,224	20,017,939
Unreserved	<u>(39,309,021)</u>	<u>(30,852,000)</u>	<u>(38,036,687)</u>	<u>(32,447,844)</u>	<u>22,912,895</u>
Total general fund	<u>\$ (7,665,390)</u>	<u>\$ (2,281,403)</u>	<u>\$ (16,412,642)</u>	<u>\$ (14,602,620)</u>	<u>\$ 42,930,834</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Reserved	157,990,772	113,334,703	106,172,193	92,998,438	359,255,671
Unreserved, reported in:					
Special revenue funds	<u>6,913,002</u>	<u>6,931,972</u>	<u>6,367,463</u>	<u>6,005,720</u>	<u>6,625,601</u>
Total all other governmental funds	<u>\$ 164,903,774</u>	<u>\$ 120,266,675</u>	<u>\$ 112,539,656</u>	<u>\$ 99,004,158</u>	<u>\$ 365,881,272</u>

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

Fiscal Year

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ -	\$ -	\$ -	\$ 1,859,185	\$ 1,533,697
-	-	-	16,943,784	17,249,094
-	-	-	15,700,000	2,000,000
-	-	-	6,476,265	12,700,000
-	-	-	56,787,350	45,977,675
21,464,542	22,281,498	24,531,395	-	-
50,631,896	83,291,265	85,945,926	-	-
<u>\$ 72,096,438</u>	<u>\$ 105,572,763</u>	<u>\$ 110,477,321</u>	<u>\$ 97,766,584</u>	<u>\$ 79,460,466</u>
\$ -	\$ -	\$ -	\$ 374,986	\$ 377,613
-	-	-	133,186,115	107,254,805
-	-	-	8,128,793	9,024,564
297,538,614	270,407,102	194,021,205	-	-
6,730,727	6,881,402	6,574,094	-	-
<u>\$ 304,269,341</u>	<u>\$ 277,288,504</u>	<u>\$ 200,595,299</u>	<u>\$ 141,689,894</u>	<u>\$ 116,656,982</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenues				
Taxes	\$ 280,398,987	\$ 296,701,600	\$ 299,934,107	\$ 304,409,919
Intergovernmental	283,309,206	290,600,006	310,966,205	318,211,869
Interest	12,480,360	5,800,179	3,089,821	2,023,751
Other	42,606,199	42,320,764	44,976,788	46,339,211
Total revenues	<u>618,794,752</u>	<u>635,422,549</u>	<u>658,966,921</u>	<u>670,984,750</u>
Expenditures				
Direct instruction	319,062,589	335,287,629	362,594,502	363,285,730
Indirect instruction	104,332,068	112,558,563	118,402,775	112,680,365
Transportation	14,480,978	15,081,315	16,461,189	16,513,997
Custodial services	19,012,889	20,678,375	22,662,070	22,739,292
Field services	14,915,622	15,392,722	16,641,671	16,809,203
Telecommunications, networking and utilities	15,282,320	14,274,105	15,764,323	15,940,510
Support services	15,455,206	15,908,474	16,386,545	17,036,206
General administration	3,493,917	3,639,111	2,978,076	2,016,778
Districtwide	2,396,936	1,000,370	1,179,969	828,320
Capital outlay	87,807,935	64,750,148	42,385,785	37,025,914
Debt service				
Principal	31,975,000	33,420,000	35,110,000	38,625,000
Interest	32,740,950	31,172,723	28,609,813	28,106,178
Total expenditures	<u>660,956,410</u>	<u>663,163,535</u>	<u>679,176,718</u>	<u>671,607,493</u>
Excess of revenues over (under) expenditures	(42,161,658)	(27,740,986)	(20,209,797)	(622,743)
Other financing sources (uses)				
Certificates of participation proceeds	-	-	11,695,000	-
Arbitrage expenses	-	-	(2,802,549)	-
General obligation bond proceeds	-	-	50,545,000	-
Payment to refunded escrow agent	-	-	(57,471,000)	-
Premium from bonds	-	-	7,312,299	-
Transfers out	(38,405,083)	(30,169,184)	(33,179,406)	(32,587,152)
Transfers in	18,450,819	18,657,058	19,416,000	21,484,419
Total other financing sources (uses)	<u>(19,954,264)</u>	<u>(11,512,126)</u>	<u>(4,484,656)</u>	<u>(11,102,733)</u>
Special Item: Supplemental Retirement Contribution	-	-	-	-
Net change in fund balances	<u>\$ (62,115,922)</u>	<u>\$ (39,253,112)</u>	<u>\$ (24,694,453)</u>	<u>\$ (11,725,476)</u>
Debt service as a percentage of noncapital expenditures	11.5%	10.6%	10.0%	10.5%

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 351,941,711	\$ 352,032,843	\$ 356,019,175	\$ 376,039,826	\$ 375,892,943	\$ 374,594,521
321,400,360	333,560,257	346,663,583	348,630,647	360,064,341	385,147,930
9,924,454	13,237,590	16,617,508	14,824,519	6,230,214	3,045,377
47,875,643	46,436,068	41,217,685	43,162,248	41,339,653	39,671,470
<u>731,142,168</u>	<u>745,266,758</u>	<u>760,517,951</u>	<u>782,657,240</u>	<u>783,527,151</u>	<u>802,459,298</u>
358,618,075	377,762,106	392,101,766	410,321,635	421,454,600	435,488,836
115,402,442	120,459,541	119,231,799	128,922,159	136,721,737	139,563,450
17,027,582	18,502,815	18,898,149	21,046,842	21,630,426	20,801,433
23,053,952	23,956,510	24,942,750	27,375,447	26,858,804	27,170,968
16,600,149	17,608,414	18,584,068	19,260,767	21,002,692	19,400,040
16,424,892	19,606,348	17,218,062	19,441,113	19,036,775	20,786,072
16,297,504	17,482,207	17,755,527	19,506,311	22,895,006	22,814,261
2,721,353	2,716,752	3,135,039	2,666,852	3,348,044	4,119,005
678,239	662,017	735,878	1,380,883	980,999	827,863
42,507,356	91,940,532	129,343,041	109,400,964	87,808,282	50,355,185
36,215,000	37,935,000	39,885,000	42,600,000	44,810,000	51,600,000
39,781,092	36,890,523	37,562,972	38,479,744	35,439,587	30,498,774
<u>685,327,636</u>	<u>765,522,765</u>	<u>819,394,051</u>	<u>840,402,717</u>	<u>841,986,952</u>	<u>823,425,887</u>
45,814,532	(20,256,007)	(58,876,100)	(57,745,477)	(58,459,801)	(20,966,589)
-	-	38,670,000	-	-	-
-	-	-	-	-	-
360,035,000	-	66,800,000	35,890,000	-	233,400,000
(104,775,000)	-	-	(37,762,766)	-	(278,158,016)
30,240,565	-	7,030,291	2,139,650	-	35,855,493
(27,642,544)	(30,898,320)	(30,287,445)	(33,097,312)	(35,484,341)	(43,179,718)
20,738,015	18,708,000	19,208,000	21,408,000	22,328,000	29,709,800
<u>278,596,036</u>	<u>(12,190,320)</u>	<u>101,420,846</u>	<u>(11,422,428)</u>	<u>(13,156,341)</u>	<u>(22,372,441)</u>
-	-	(36,049,258)	(2,620,742)	-	-
<u>\$ 324,410,568</u>	<u>\$ (32,446,327)</u>	<u>\$ 6,495,488</u>	<u>\$ (71,788,647)</u>	<u>\$ (71,616,142)</u>	<u>\$ (43,339,030)</u>
11.8%	11.1%	11.1%	11.1%	10.6%	10.6%

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

Fiscal Year Ended June 30,	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Agriculture Property (1)	Natural Resources (1)
2001	2,934,559	1,410,795	408,361	17,089	5,664
2002	3,548,445	1,636,541	471,096	21,551	5,934
2003	3,610,972	1,633,992	470,016	22,025	5,998
2004	3,784,449	1,744,314	506,747	23,037	7,371
2005	3,828,912	1,750,309	496,363	24,538	6,929
2006	3,935,613	1,970,232	502,297	25,275	7,971
2007	3,989,081	1,953,258	502,370	26,349	8,503
2008	4,270,101	2,174,353	564,280	30,685	8,986
2009	4,308,594	2,178,628	586,701	31,576	6,701
2010	4,238,350	2,249,807	606,931	33,911	5,255

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

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

<u>Public Utilities (1)</u>	<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value (2)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
201,555	4,978,023	50.87	35,640,463	13.97
215,468	5,899,035	45.20	45,361,477	13.00
231,254	5,974,257	45.39	46,108,599	12.96
246,370	6,312,288	43.85	54,763,946	11.53
221,699	6,328,750	51.10	55,709,328	11.36
223,203	6,664,591	48.34	57,874,509	11.52
230,513	6,710,074	48.48	58,481,141	11.48
242,326	7,290,731	47.50	62,853,282	11.60
244,200	7,356,400	47.60	63,428,368	11.60
271,355	7,405,609	47.35	63,105,199	11.74



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
2001	38.54	12.34	50.88	24.69	-
2002	35.20	10.00	45.20	22.42	27.23
2003	35.24	10.15	45.39	23.54	27.23
2004	33.70	10.15	43.85	23.87	27.23
2005	39.85	11.25	51.10	24.35	27.24
2006	37.80	11.25	49.05	24.35	27.24
2007	37.78	11.25	49.03	24.35	27.23
2008	36.87	11.25	48.12	24.35	27.23
2009	37.03	11.25	48.28	24.35	27.23
2010	36.90	11.25	48.15	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
Most Recent Full Calendar Year and Nine Years Ago

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
MillerCoors LLC/Coors Brewing Company	\$ 137,324,340	1	1.9 %	\$ 137,518,080	3	2.8 %
Public Service Co of Colorado	119,142,700	2	1.6	203,636,460	1	4.1
Qwest Corp	66,243,000	3	0.9			
Plains End LLC	34,351,500	4	0.5			
Colorado Mills Mall Limited Partnership	33,350,000	5	0.5			
Martin Marietta Corporation	32,045,000	6	0.4	69,698,440	4	1.4
SP4 Westmoor LP	28,332,920	7	0.4			
Denver West Office	26,571,470	8	0.4	32,170,030	5	0.7
Ball Metal Beverage Container Corp	24,928,290	9	0.3			
Belmar Mainstreet Holdings I LLC	21,913,680	10	0.3			
US West				182,019,700	2	3.7
KN Interstate Gas Transmission CO				22,882,000	6	0.5
Southwest Plaza Mall				20,555,840	7	0.4
Ball Corporation				18,628,960	8	0.4
Westmoor Business Park				12,951,900	9	0.3
Continuum Lakewood Realty				12,325,000	10	0.3
Total	<u>\$ 524,202,900</u>		<u>7.1 %</u>	<u>\$ 712,386,410</u>		<u>14.3 %</u>

Source: Jefferson County

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collected	(1) Total Tax Collections	% of Total Tax Collected to Tax Levy
2001	251,226,125	235,469,913	93.7	13,622,581	249,092,494	99.2
2002	264,210,517	250,017,865	94.6	14,358,902	264,376,767	100.0
2003	271,163,790	256,050,652	94.4	12,387,911	268,438,563	99.0
2004	276,374,730	260,315,593	94.2	13,212,875	273,528,468	99.0
2005	322,746,732	306,490,187	95.0	14,333,830	320,824,017	99.4
2006	324,930,276	308,601,938	95.0	12,188,005	320,789,943	98.8
2007	328,515,387	314,407,449	95.7	11,733,893	326,141,342	99.3
2008	349,794,736	331,199,301	94.7	15,536,805	346,736,106	99.1
2009	353,658,743	333,495,499	94.3	15,482,126	348,977,625	98.7
2010	354,066,586	332,813,015	94.0	16,555,364	349,368,379	98.7

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
2001	\$ 570,928,895	\$ 12,565,000	\$ 2,307,585	\$ 1,161,067
2002	541,868,460	8,535,000	1,732,500	852,101
2003	513,529,286	16,045,000	2,155,014	525,432
2004	480,392,738	10,930,000	1,422,926	180,045
2005	700,940,289	9,825,000	763,744	-
2006	664,553,474	8,700,000	362,374	-
2007	693,618,979	45,670,000	156,530	-
2008	651,955,000	43,335,000	-	-
2009	609,570,000	40,910,000	-	-
2010	553,715,000	34,430,000	-	-

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

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

*Not available

<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>	<u>Percentage of Personal Income</u>
\$ 586,962,547	11.79%	\$ 1,109	529,401	3.3 %
552,988,061	9.37%	1,042	530,821	2.7
532,254,732	8.91%	994	535,658	2.5
492,925,709	7.81%	920	535,657	2.3
711,529,033	11.24%	1,328	535,657	3.2
673,615,848	10.11%	1,251	538,556	2.9
739,445,509	11.02%	1,378	536,748	3.0
695,290,000	9.54%	1,291	538,371	2.7
650,480,000	8.84%	1,197	543,278	2.2
588,145,000	7.94%	1,074	547,728	*



Debt Capacity Schedule 10
Jefferson County School District, No.R-1
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

	Estimated Outstanding General Obligation Debt	Percentage Applicable to Jefferson County School District	Estimated Amount Applicable to Jefferson County School District
<u>Direct Debt</u>			
Jefferson County School District, No. R-1	\$ 553,715,000	100%	\$ 553,715,000
<u>Overlapping Debt</u>			
Plaza Metro District No. 1	92,210,000	100%	92,210,000
Denver West Metro District	57,820,000	100%	57,820,000
South Suburban Park & Rec District	32,420,000	0.91%	295,022
Countrydale Metro District	26,750,000	100%	26,750,000
Foothills Park & Rec District	18,115,000	100%	18,115,000
APEX Park & Rec District	14,920,000	100%	14,920,000
Bowles Metro District	23,810,000	48.56%	11,562,136
Evergreen Park & Rec District	13,815,000	100%	13,815,000
Mount Carbon Metro District	16,000,000	100%	16,000,000
Confier Metro District	13,000,000	100%	13,000,000
Kipling Ridge Metro District	14,600,000	100%	14,600,000
Mountain Shadows Metro District	11,400,000	100%	11,400,000
West Metro Fire Protection District	41,305,000	96.14%	39,710,627
North Metro Fire Rescue District	24,425,000	9.73%	2,376,553
Other	115,380,911	100%	115,380,911
Total Overlapping Debt	<u>515,970,911</u>		<u>447,955,249</u>
Total Direct and Overlapping Debt	<u>\$ 1,069,685,911</u>		<u>\$ 1,001,670,249</u>

Note: Although the District has attempted to obtain accurate information as to the outstanding debt of such governmental entities, it does not represent its completeness or accuracy as there is no central reporting entity which has this information available and the statistics are based on information supplied by others. This table, however, should provide a reasonable representation of the overlapping debt which affects the District. This information was taken from the Series 2010 General Obligation Refunding Statement.

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General bonded debt outstanding				
General obligation debt	\$570,928,895	\$541,868,460	\$513,529,286	\$480,392,738
Percentage of estimated property value (a)	1.60%	1.19%	1.11%	0.88%
Per capita (b)	1,078	1,021	959	897
Less: Amounts set aside to repay general debt	(49,600,372)	(48,534,818)	(49,985,495)	(52,208,259)
Total net debt applicable to debt limit	521,328,523	493,333,642	463,543,791	428,184,479
Legal debt limit (c)	987,659,958	1,169,047,220	1,194,896,294	1,260,603,585
Legal debt margin (d)	\$466,331,435	\$675,713,578	\$731,352,503	\$832,419,106
Legal debt margin as a percentage of the debt limit	47.22%	57.80%	61.21%	66.03%

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

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

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

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

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

Fiscal Year

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$700,940,289	\$664,553,474	\$693,618,979	\$651,955,000	\$609,570,000	\$553,715,000
1.26%	1.15%	1.19%	1.04%	0.96%	0.88%
1,309	1,234	1,292	1,211	1,122	1,011
(57,407,112)	(57,623,732)	(58,083,150)	(63,022,587)	(68,924,667)	(68,230,744)
643,533,177	606,929,742	635,535,829	588,932,413	540,645,333	485,484,256
1,263,992,262	1,324,813,065	1,340,113,353	1,453,903,886	1,464,620,756	1,470,834,296
\$620,459,085	\$717,883,323	\$704,577,524	\$864,971,473	\$923,975,424	\$985,350,040
49.09%	54.19%	52.58%	59.49%	63.09%	66.99%

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>
2000	527,056	\$ 17,081,358	\$ 32,409	37	13.1	87,832	2.0 %
2001	529,401	17,946,694	33,900	41	13.1	87,240	3.2
2002	530,821	20,280,547	38,206	42	14.5	86,613	5.1
2003	535,658	21,105,997	39,402	42	14.5	85,700	5.6
2004	531,424	21,594,414	40,635	38	14.5	85,478	4.4
2005	538,556	22,547,185	41,866	38	14.5	85,083	4.2
2006	536,748	23,445,309	43,680	39	14.5	84,790	4.2
2007	538,371	24,810,381	46,084	39	14.5	86,200	3.9
2008	543,278	25,471,483	46,885	40	14.5	84,796	4.7
2009	547,728	26,617,700	48,597	40	14.5	84,948	7.5

Sources: Jefferson County

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

Employer	2010			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Denver Federal Center	6,200	1	2.93 %	5,000	3	2.38 %
Lockheed Martin Astronautics of Denver	5,500	2	2.60	5,500	2	2.62
Exempla Healthcare/Lutheran Medical Center	2,401	3	1.13	2,600	4	1.24
MillerCoors Brewing Company	1,950	4	0.92	5,500	1	2.62
Caridian BCT	1,720	5	0.81	1,300	6	0.62
King Soopers	1,600	6	0.76			
United Launch Alliance (ULA)	1,220	7	0.58			
CoorsTek, Inc.	1,200	8	0.57	1,000	7	0.48
Ball Corporation	1,200	9	0.57			
Safeway	1,150	10	0.54			
Rocky Flats				2,500	5	1.19
National Renewable Energy Laboratory				960	8	0.46
AON Innovative Solutions, Inc.				950	9	0.45
COBE Cardiovascular				750	10	0.36

Source: Jefferson Economic Council

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

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

Employee Category	As of June 30				
	2004	2005	2006	2007	2008
Educational services					
Chief academic officer	1	1	1	1	1
Community superintendents	7	7	6	4	4
Executive director	2	1	1	5	6
Principals	138	138	141	141	141
Assistant principals	120	118	123	128	136
Teachers	4,600	4,508	4,656	4,693	4,713
Counselors	127	129	130	128	134
Library media specialists	139	128	127	118	130
Social workers	60	57	62	66	63
Secretaries	393	375	375	378	380
Campus supervisors	48	46	59	65	65
Directors/assistant directors	43	37	51	49	48
Physical/occupational/speech therapists	144	148	159	163	163
Psychologists	79	82	79	76	80
Nurses	28	29	28	30	32
Technicians/specialists classified	66	55	46	81	45
Childcare specialists classified	165	166	261	182	203
Managers	7	6	0	0	1
Coordinators	17	4	8	15	17
Other	39	19	19	16	7
Total educational services	6,223	6,054	6,332	6,338	6,369
Support services					
Chief financial officer	0	1	1	1	1
Chief information officer	0	0	0	1	2
Executive director	7	4	11	11	9
Assistant superintendent	1	1	0	0	0
Directors/assistant directors	11	31	38	40	41
Supervisor	8	7	6	7	7
Manager	33	30	40	41	42
Technical specialist - administrative	58	63	60	65	65
Coordinator level/consultant	0	18	24	34	33
Technicians/specialists classified	122	156	186	159	150
Secretaries	25	32	26	19	19
Custodians	496	482	490	494	497
Trades technicians	216	214	204	209	213
Food service managers	134	132	130	128	122
Food service hourly worker	145	135	123	134	138
Security officer/alarm monitor	10	10	14	16	18
Bus drivers	229	235	212	220	227
Other	42	45	50	52	73
Total support services and human resources	1,537	1,596	1,615	1,632	1,657
Districtwide leadership					
Superintendent	1	1	1	1	1
Chief operating officer	1	1	1	1	1
Executive director	1	1	2	2	3
Administrative assistant to superintendent/BOE	0	1	0	3	5
Coordinator level/consultant	0	1	1	0	1
Manager	3	4	7	6	4
Secretaries	4	1	1	2	1
Technicians/specialists classified	1	1	3	1	0
Other	1	2	2	2	6
Total districtwide	12	13	18	17	22
Grand total	7,772	7,663	7,965	7,987	8,048

Source: Jefferson County Schools employee management analysis from the 4th quarter report.
Note: Staffing information prior to 2004 is not available at this level of detail.

<u>2009</u>	<u>2010</u>
1	1
4	4
6	5
141	143
140	138
4,767	4,609
132	137
130	134
63	60
380	364
66	66
18	17
163	164
71	68
34	35
40	35
183	154
1	2
21	17
48	185
<u>6,406</u>	<u>6,335</u>

1	1
0	1
10	11
0	0
37	37
4	4
43	36
64	62
26	22
153	154
19	31
510	486
209	200
120	123
145	178
18	18
221	224
76	68
<u>1,655</u>	<u>1,656</u>

1	1
1	2
2	2
4	5
1	2
5	5
0	0
0	0
7	9
<u>21</u>	<u>26</u>
<u>8,083</u>	<u>8,017</u>

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

<u>Fiscal Year</u>	<u>Expenditures (1)</u>	<u>Enrollment (2)</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (3)</u>	<u>Pupil Teacher Ratio</u>	<u>Graduation Rate (2)</u>	<u>Percent of Free and Reduced Students in the Lunch Program</u>
2003	\$ 553,610,400	86,613	\$ 6,392	8.42%	4,695	18.45	81.8 %	25.69 %
2004	544,494,799	85,700	6,353	7.77%	4,600	18.63	76.3	28.47
2005	539,480,892	85,478	6,311	-0.66%	4,508	18.96	75.0	31.04
2006	571,792,503	85,083	6,720	6.48%	4,656	18.27	75.3	33.35
2007	582,524,925	84,790	6,870	2.23%	4,693	18.07	76.1	35.54
2008	625,381,812	84,796	7,375	7.35%	4,715	17.98	77.1	36.02
2009	654,203,800	84,643	7,729	4.80%	4,767	17.75	81.3	39.85
2010	670,045,146	84,948	7,888	2.05%	4,609	18.43	*	42.95

(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 Seven Fiscal Years

	2004	2005	2006	2007	2008	2009	2010
Elementary/Pre-K schools	97	97	97	98	98	98	98
Total square feet	4,160,960	4,160,960	4,298,372	4,366,672	4,406,573	4,430,062	4,567,419
Total program capacity	41,880	41,880	41,880	42,052	43,475	44,330	45,142
Enrollment	40,060	39,123	38,806	39,023	40,532	40,053	40,947
Middle schools	19	19	19	20	20	20	20
Total square feet	1,924,789	1,924,789	2,001,718	2,125,023	2,150,314	2,176,013	2,152,600
Total program capacity	13,759	13,759	14,502	15,062	15,626	15,812	16,710
Enrollment	12,816	12,592	12,182	11,811	11,537	11,209	10,770
High schools	17	17	17	17	17	17	17
Total square feet	3,207,614	3,207,614	3,334,138	3,334,138	3,523,481	3,595,258	3,692,357
Total program capacity	24,959	24,959	25,455	26,759	27,796	28,680	29,765
Enrollment	25,199	25,282	25,293	25,042	24,623	24,108	23,939
Option schools/Districtwide	10	10	11	11	11	11	12
Total square feet	703,629	703,629	894,106	894,106	894,106	894,106	900,062
Enrollment	3,314	4,347	4,571	4,403	3,239	4,321	4,094
Charter schools	11	11	11	12	13	13	13
Enrollment	3,516	4,134	4,231	4,511	4,865	4,952	5,198
Support facilities							
Total square feet	419,518	419,518	419,518	419,518	419,518	419,518	468,413

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

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

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

Fiscal Year	Non-Degree Vocational	Bachelor's Degree	Bachelor's Degree Plus 20 semester hours (undergraduate or graduate)	Bachelor's Degree Plus 40 semester hours (undergraduate or graduate)
2004	15	772	586	1,392
2005	15	708	574	1,373
2006	17	786	566	1,566
2007	17	737	552	1,637
2008	17	755	518	1,612
2009	17	582	475	1,517
2010	18	522	440	1,484

Source: Jefferson County Schools human resources and budget departments.

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

Bachelor's Degree Plus 60 semester hours (30 credits must be graduate level) Must include masters degree	Bachelor's Degree Plus 75 semester hours (37.5 credits must be graduate level) Must include masters degree	Salary Ranges	Average Salary
464	2,182	\$27,501 to \$82,002	\$ 50,100
449	2,250	27,707 to 82,617	50,800
524	2,199	28,542 to 85,106	51,500
566	2,372	31,162 to 87,659	53,100
567	2,358	32,408 to 91,165	55,400
535	2,499	33,283 to 93,626	57,200
512	2,698	33,616 to 94,562	57,700



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, 2010

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**Schedule of Expenditures
of Federal Awards**

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2009 through June 30, 2010

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>U.S Department of Agriculture</u>			
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2010	10.553		1,655,555
National school lunch program June 30, 2010	10.555		8,973,288
Summer food service program for children June 30, 2010	10.559		109,917
Child nutrition cluster subtotal			10,738,760
ARRA - National School Lunch Equipment Assistance	10.579	4579	150,164
Agency subtotal			10,888,924
<u>U. S. Department of Education</u>			
Direct:			
Title VII - Indian education-formula grants to LEA and tribal schools	84.060a	4060	120,576
Fund for improvement of education	84.215	5215/6215	62,725
Twenty-First century community learning	84.287	5287	506,737
Total direct			690,038
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B	84.027	4027	13,408,462
Individuals with disabilities education act-preschool services	84.173	4173	299,021
ARRA Individuals with disabilities education act-part B	84.391	4391	6,081,483
ARRA Individuals with disabilities education act-preschool services	84.392	4392	159,023
Special education cluster subtotal			19,947,989
Title I grants to local education agencies	84.010	4010/5010/7010	10,474,697
ARRA - Title I-A & Title I-D	84.389	4389/7389	5,255,576
Title I cluster subtotal			15,730,273
Title II-D - Enhancing Educational Technology	84.318	4318	115,400
ARRA - Title II -D - Enhancing Educational Technology	84.386	4386	93,116
Title II cluster subtotal			208,516
Adult education-state administered basic grant program	84.002	6002	199,778
Title I-C Migrant Education	84.011	4011	315,307
Title IV-A - Safe and drug free schools – state grants	84.186	4186	178,136
McKinney Homeless - education for children and youth	84.196	5196	44,000
Public charter schools	84.282	5282	93,797
Goals 2000-parental assistance	84.310	6310	19,349
Title III - English language acquisition, enhancement, and academic achievement	84.365	4365/7365	598,679
Title II - B - Math and Science	84.366	5366	185,441
Title II - A - teacher quality	84.367	4367/6367	2,405,972
School violence prevention	84.929	6929	22,813
ARRA - McKinney Vento	84.387	5387	16,780
ARRA - National Board Teacher Stipend & Alternative Compensation	84.397	5397/6397	134,885
Passed through Colorado Community College and Occupational: Educational			
Vocational and applied technology education-basic state grants	84.048a	4048	444,149
Passed through Colorado Department of Human Services:			
Rehabilitation services – vocational rehabilitation grants to states (SWAP)	84.126	6126	402,001

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2009 through June 30, 2010

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
Passed through University of Colorado National Science Foundation	47.076	7076	6,479
Agency subtotal			<u>41,644,382</u>
<u>Corporation for National and Community Service</u>			
Passed through Colorado Department of Local Affairs: AmeriCorp	94.006	7006	<u>59,458</u>
<u>Jefferson County Human Services</u>			
Temporary Assistance for Needy Families (TANF)	93.558	8558	<u>141,052</u>
<u>Red Rocks Community College Early Childhood Council</u>			
Childcare Quality Improvement	93.596	7596	<u>84,500</u>
Total expenditures of federal awards			<u>\$ 52,818,316</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2010

(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 \$1,211,084 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch program (10.555).

(4) Reconciliation to basic financial statements

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

The following analysis reconciles amounts in the accompanying Schedule to the District's basic financial statements of the special revenue funds for the year ended June 30, 2010.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 52,818,316
Less: USDA *	<u>(10,888,924)</u>
	<u>\$ 41,929,392</u>

Special Revenue Funds

Total expenditures from basic financial statements	\$ 67,280,658
Less: Nonfederal grants expenditures	<u>(25,351,266)</u>
	<u>\$ 41,929,392</u>

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





**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County Public School District No. R-1 (the District) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 1, 2010. 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 the District'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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 management, Board of Education, Financial Oversight Committee, 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 Gunderson LLP

Greenwood Village, Colorado
November 1, 2010



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

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

Compliance

We have audited the compliance of Jefferson County Public School District No. R-1 (the District) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The District'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 the District's management. Our responsibility is to express an opinion on the District'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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-01 and 2010-02.

Internal Control Over Compliance

The management of the District 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 the

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District'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-01 and 2010-02. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Education, Financial Oversight Committee, management, 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 Gunderson LLP

Greenwood Village, Colorado
November 1, 2010

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2010

PART I

(1) **Summary of Auditors' Results
Financial Statements**

- (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

Federal Awards

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

School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
Title I Grants to Local Education Agencies	84.010
Title I-A and Title I-D, ARRA	84.389
Special Education – Grants to States (IDEA, Part B)	84.027
Special Education – Preschool Grants (IDEA, Preschool)	84.173
Special Education – Grants to States (IDEA, Part B), ARRA	84.391
Special Education – Preschool Grants (IDEA Preschool), ARRA	83.392
Title II-D Enhancing Educational Technology 8	84.318
Title II-D Enhancing Educational Technology, ARRA	84.386

- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,584,550
- (i) Auditee qualified as a low-risk auditee under section .530 of OMB Circular A-133: YES

PART II – Findings Related to Financial Statements

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2010

PART III – Federal Award Findings and Questioned Costs

US Department of Agriculture
Pass through Colorado Department of Education

Finding 2010-1

National School Lunch Program (10.553), School Breakfast Program (10.555), and Summer Food Service Program for Children (10.559)

Eligibility

Significant Deficiency and Noncompliance

Criteria:	Circular A-133, <i>Audits of States, Local Governments and Non-Profit Organizations</i> , requires a grantee to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. Effective controls ensure persons determining eligibility are adequately trained and supervised, that eligibility determinations are made in accordance with regulations, and that information entered into MCS, the third party software provider, is accurate and supported.
Condition:	Controls in place are not adequate to ensure applications are properly entered into the MCS.
Effect:	Individuals may be determined as eligible when they are not, or individuals may be categorized as eligible to receive free lunch benefits when they should be categorized as reduced.
Questioned Costs:	None
Context:	During eligibility testing, one instance was noted in which the batch cover sheet was unsigned. Signing the batch cover sheet documents the review of the applications in that batch. In addition, batches are signed by the same person processing the batch. Lastly, one instance was noted in which the income reported on the application did not agree with the income entered into MCS. (It should be noted that the incorrect income reported on the application did not change the eligibility status of the applicant).
Cause:	The large volume of applications to be processed in a short period of time may have led to this finding.
Recommendation:	We recommend that the District implement controls to ensure the information on the applications agrees with the information in MCS to ensure proper eligibility is determined.
Managements Response:	Jeffco Food and Nutrition Services have an outstanding record of excellence in application processing. Practices and procedures are reviewed on an ongoing basis within our department as well as with the

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

**Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2010**

Finding 2010-1(continued)

Food and Nutrition Unit of the Colorado Department of Education to assure compliance with all regulations. Food and Nutrition Services will immediately implement a policy that requires verification of all batches by a second party prior to filing. The initials of the second party will serve as verification that all applications in the batch are indeed present and that the cover sheet has been signed by the batch processor.

The application that was noted had a negative amount entered on the application, based on income tax return for self employment. The MCS does not presently handle a negative, so the amount was entered into MCS as a positive. We will report the problem to MCS and follow up to see if an adjustment can be made to the program to deal with negatives.

Food and Nutrition Services will conduct a yearly self-audit of early processing that will consist of 550 applications. The self-audit will help identify weaknesses in the scanning and approval process. Noted weaknesses will be corrected with further training of employees involved in the approval process. We will maintain close oversight of personnel to evaluate consistency and accuracy in all application processing.

Finding 2010-2

National School Lunch Program (10.553), School Breakfast Program (10.555), and Summer Food Service Program for Children (10.559)

**Special Tests and Provisions
Significant Deficiency and Noncompliance**

Criteria:	7 CFR Section 245.6a requires the local education agency (LEA) (or State in certain cases) verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals through written evidence, collateral contacts, and system records. The regulation further requires written evidence includes written confirmation of a household's circumstances, such as wage stubs, award letters, and letters from employers and all verified applications must be readily retrievable by school and include all documents submitted by the household in an effort to confirm eligibility.
Condition:	Documentation supporting the verification was inadequate or missing.
Effect:	Noncompliance with verification compliance requirements.
Questioned Costs:	\$80
Context:	During the testing of the verification compliance requirement, we noted one instance out of the forty tested in which the income support was hand written by the applicant and the amounts written did not sum to the amount entered into MCS. We also noted one instance out of forty in which the supporting income documentation could not be located; however, MCS noted the information had been received.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2010

Finding 2010-2 (continued)

Cause: The large volume of verifications to be processed and/or lack of understanding of the compliance requirements may have led to this finding.

Recommendation: We recommend the District obtain support for income that is in line with the regulations and that such support be retained.

Managements Response: After discussion with the Colorado Department of Education, employees involved in the application processing/verification process are now aware that hand written documentation is not acceptable during the verification process. Handwritten documentation will be followed up with further contact with the parties involved.

Food and Nutrition Services will immediately implement a policy that requires verification of the presence of all required documentation before an application/verification request is filed. The cover sheet attached to each application will have the verification date highlighted prior to filing indicating that a second check has been conducted to verify that all required documentation is attached to the original application.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

**Summary of Schedule of Prior Year Audit Findings
Fiscal year ended June 30, 2010**

PART III – Federal Award Findings and Questioned Costs

US Department of Education
Pass through Colorado Department of Education

Finding 2009-1

CFDA #84.010 Title I – Part A – Grants to Local Education Agencies

Significant Deficiency and Noncompliance

Summary: During our testing of allowable costs at the District, it was noted that contract services were not reviewed for suspension and debarment. Of the ten contract services tested, three were not reviewed for suspension and debarment.

Status: Implemented.



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

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



Colorado Department of Education
Fiscal Year 2009-2010
Colorado School District/BOCES
Auditor's Integrity Report

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	97,766,583	608,591,833	626,897,950	79,460,466
18 Risk Mgmt Sub-Fund of General Fund	-0	6,751,400	6,751,400	0
19 Colorado Preschool Program Fund	0	4,468,518	4,468,519	0
Subtotal	97,766,584	619,811,751	638,117,869	79,460,466
11 Charter School Fund	9,293,630	40,723,888	39,498,358	10,519,161
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	1,142,926	45,671,505	44,783,437	2,030,994
23 Pupil Activity Special Revenue Fund	9,164,253	23,329,549	22,497,220	9,996,582
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	68,924,666	351,007,135	351,701,058	68,230,744
41 Building Fund	-0	1,605	1,605	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	62,458,045	29,643,246	55,702,632	36,398,659
TOTALS	248,750,104	1,110,188,681	1,152,302,178	206,636,606
Proprietary				
51 Food Service Fund	8,032,395	24,010,336	25,324,367	6,718,364
50 Other Enterprise Funds	8,222,353	11,805,520	12,310,942	7,716,931
64 (63) Risk-Related Activity Fund	6,948,612	3,927,937	2,572,579	8,303,971
60,65-69 Other Internal Service Funds	22,329,329	6,142,806	1,901,073	26,571,062
TOTALS	45,532,689	45,886,600	42,108,961	49,310,328
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34: Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
TOTALS	0	0	0	0

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