

Comprehensive Annual Financial Report

*For the fiscal year ended June 30, 2012
Jefferson County, Colorado*



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

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



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

Presented to the Board of Education

Board Members

Leslie Dahlkemper, President
Paula Noonan, First Vice President
Laura Boggs, Second Vice President
Robin Johnson, Treasurer
Jill Fellman, 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, 2012

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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, 2012, 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. CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2012. 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, 2012 provided no instances of material weaknesses in internal controls or material violations of applicable laws, regulations, contracts and grants. These reports are located in the single audit section of this report.

Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in Management's Discussion and Analysis found on pages 18-30 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, 2012 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 86,000 enrolled students. District programs and services include basic K-12 education in elementary, middle, high schools, option schools, special education, vocational education, preschool and numerous other programs. There are fourteen 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.

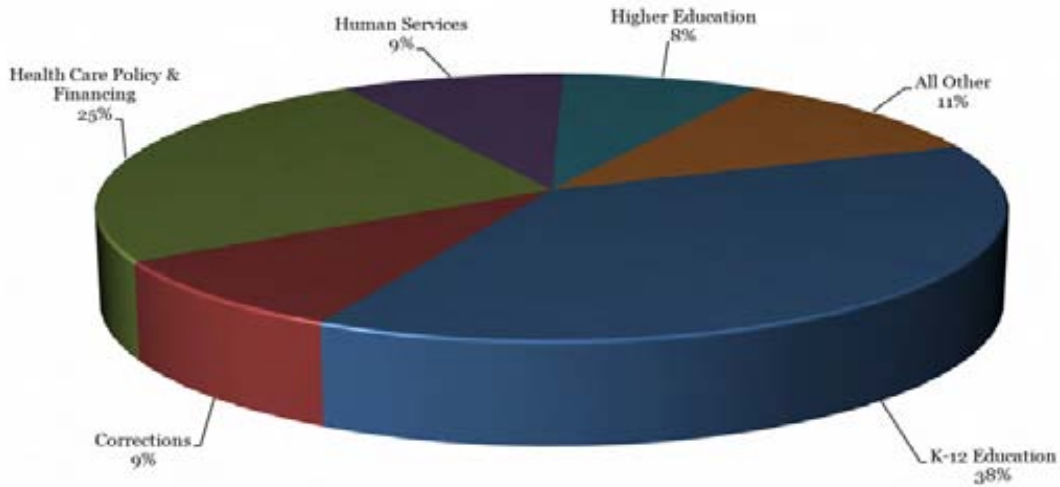
Assessment of the District's Economic Condition

After three years of a slow recovery from the Great Recession, the U.S. economy has shown signs of stalling. Uncertainty continues as concerns about the European economy and U.S. fiscal policy affect confidence in growth. While some economic indicators show modest growth, others have lost ground. The Labor market has improved slowly with slight increases in the unemployment rate in July 2012 and dropping to 8.1 percent in August 2012. The largest employment gains have been in the professional and businesses services sectors in 2012 and the largest employment losses have been in local government. The Colorado Legislative Council Economic and Revenue Forecast for September 2012 predict an increase in employment of 1.3 percent and an unemployment rate average of 8.3 percent for 2012, worsening to 9.1 percent in 2013. Gross Domestic Product (GDP) is growing at a slower rate than late 2011. Growth for business and manufacturing has slowed in the second quarter of 2012. The Institute for Supply Management (ISM) index has fallen below 50 percent in 2012, indicating contraction in manufacturing. Inflation was as 2.2 percent as of July 2012 and forecasted by the Colorado Legislative Council to average 2 percent for the year and decreasing to 1.8 percent in 2013. Housing continues to recover with prices increasing for 2012. Improving sales and declining inventory have caused prices to rise over the past year. Overall household debt continues to decline, one component increasing is the debt incurred for student loans for secondary education. According to the Governor's Office of State Planning and Budgeting (OSPB) September 2012 Colorado Outlook, since 2003, total outstanding student loan debt in the U.S. has grown by 275 percent, from \$241 billion to \$904 billion. This debt growth trend could have repercussions in the future for individual's ability to purchase homes. Moderate growth in the U.S. economy is expected in 2013 but heavily dependent on changes in Europe and U.S. fiscal decisions.

The Colorado economy continues to outperform the national economy in most areas and is mirroring the national slowing trend. Growth has been seen in all areas of the economy but still at a slow rate. The job market in Colorado lost momentum in 2012. The unemployment rate was slightly higher than the national average in August at 8.3 percent. Based on data analysis from the Colorado Legislative Council, jobs have been added in many segments of industry except federal and local government who have lost 600 and 700, respectively, jobs since December 2011, with more expected losses in 2013. Personal income was up 2.1 percent in the first quarter of 2012, with estimates to grow to 4.1 percent for 2012 and 3.3 percent in 2013. Retail sales have shown strong growth signs in 2012 at 7 percent higher than the prior year first six months. Motor vehicles and auto parts have increase 12.6 percent in the first six months of 2012 compared to 2011. The housing market in Colorado is one of the strongest in the nation due to low vacancy rates and homeowners equity. Single family permits increased 32.2 percent in 2012 and estimated to slow to 7.9 percent in 2013. The Denver Boulder inflation rate is estimated to be 2.1 percent in 2012 and increasing to 2.8 percent in 2013. The drought experienced this year in the state has been one of the worst in 25 years, food prices are expected increase as a result.

The State of Colorado has also been negatively affected by the Great Rescission. The State has been forced to reduce funding to K-12, further pushing the state lower when compared to the national average. Colorado school districts are funded based on a formula that is comprised of revenues from property taxes and state funding. Local property taxes decreased 5 percent due to reassessments in 2011, creating further pressure on the state to backfill revenues under the School Finance Act. Continued slowing and uncertainty in the U.S. economy will contribute to conservative forecasts for fiscal year 2013/2014. The following graph shows the major departments being funded from the State of Colorado.

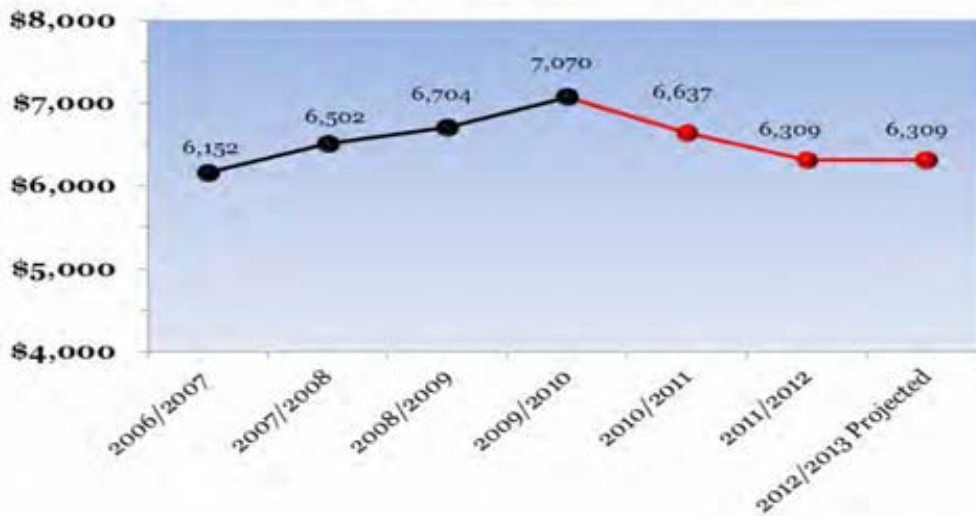
**State of Colorado
2012/2013 Major Department Share
of General Fund**



Source: Governor's 2012/2013 Budget Request February 2012

As presented, K-12 Education is 38 percent of the State General fund budget. In 2011/2012 fiscal year, the State reduced funding to K-12 by \$29 million. One-time, large federal grants used to backfill state reductions ended in fiscal year 2010/2011, creating an even larger funding shortage in fiscal year 2011/2012. The Jeffco per pupil funding amount of \$6,309 for fiscal year 2011/2012 was lower than the per pupil funding in fiscal year 2007/2008. This loss of funding has impacted every aspect of the District and has resulted in downsizing staff, reducing the extent of services provided, forfeiting classroom instruction time via mandatory furlough days and reducing compensation levels for every employee across the District. For fiscal year 2012/2013, the District implemented an additional \$15 million in reductions and \$5 million of spend down of reserves. Beginning in fiscal year 2003/2004, the District strategically built reserves by not fully appropriating the 2004 mill levy override in the first year. Over the past three years, the District purposefully used the additional reserves to offset reduced funding. The prior years of spending down reserves have delayed the impact of reductions that would close programs and impact services to students. The 2012/2013 Adopted Budget projects another \$45 million in reductions for fiscal year 2013/2014 to ensure a structurally balanced budget.

Jeffco's Total Per Pupil Funding



The Office of the State Auditor prepares a report each year for school districts calculating key indicators from their respective financial reports. Since fiscal year 2009/2010, the District has been noted for having two negative indicators. These negative indicators are direct results of the District's strategic planned spend down of reserves. The indicators do not consider the strategic nature of the planned build up and utilization of reserves. The District expects fiscal year 2011/2012 to receive negative indicators as well as fiscal year 2012/2013 due to the continued, planned, spend down of reserves.

Jefferson County continues to age in population with a corresponding decrease in the school aged population. As enrollment declines, some variable costs are avoided (approximately 40 percent). Although fewer students can mean fewer classrooms and fewer teachers, some fixed costs cannot be reduced as easily such as buildings, utilities, maintenance and insurance. 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 fiscal year 2000/2001. The ten year decline in enrollment is approximately 6 percent. Funded pupil count is projected to decline by approximately 255 students in fiscal year 2012/2013 from the prior year. The decrease in enrollment will result in a decrease in funding of approximately \$1.6 million. Based on current demographics, there will continued loss of enrollment for the next 5 years. The student count is conducted on October 1 of each year. Per state statute, the budget may be adjusted until October 15 of each year to take into account the October count.

Jeffco Student Membership and Funded Count



Major initiatives

Call to Action

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

With two goals;

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

The Call to Action is broken out by the district's business groups with their respective goals, objectives, essential processes, critical actions, 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 District's approach encourages communication and leverage between organizational units within the entire District and focuses attention on District goals. Staff and community input during the process is a key component of its success. The District is committed to the continued process of long range planning with the strategic plan as a benchmark for decisions. Please refer to the 2012/2013 Adopted Budget for details on the budgeting process.

Student achievement

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

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

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

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

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

Strategic compensation

The District received a five year federal Teacher Incentive Fund grant in fiscal 2010/2011 to pilot strategic compensation for licensed staff in high-needs schools. The grant of \$39 million will involve 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 based on a system that integrates student achievement, professional development, collaboration, leadership, evaluation and compensation. The District's plan is based on three pillars of educational excellence – student learning, teacher learning and teacher leadership. Educators are rewarded for meeting individual, team and school student achievement goals as well as successful evaluations and taking on leadership roles. The strategic compensation work aligns with the state law that goes into

effect in 2014, requiring teachers and principals to be evaluated more frequently and that at least half of their evaluations are based on how much students learn from year to year.

21st Century learning environments – Capital improvements

The physical infrastructure is integral to the core mission of the District. Starting in fiscal year 2009/2010, the state mandate requiring transfers for funding capital programs was lifted. The District has continued to transfer revenue to the capital reserve fund in order to maintain existing infrastructure. The capital improvement program includes funding cycles, planning, design, construction and operation of assets. This capital improvement process extends over multiple years to multiple decades and is measured in the context of long-term life-cycle management. Once constructed, a facility has a serviceable life of at least 40 years.

The District’s policy for capital improvement funding has been that all capital improvement projects with an estimated useful life in excess of 20 years are financed through the use of general obligation bonds. Those projects include construction of new facilities and capital renewal including but not limited to, additions to existing facilities, major renovations, replacement of heating/ventilating, electrical and plumbing systems.

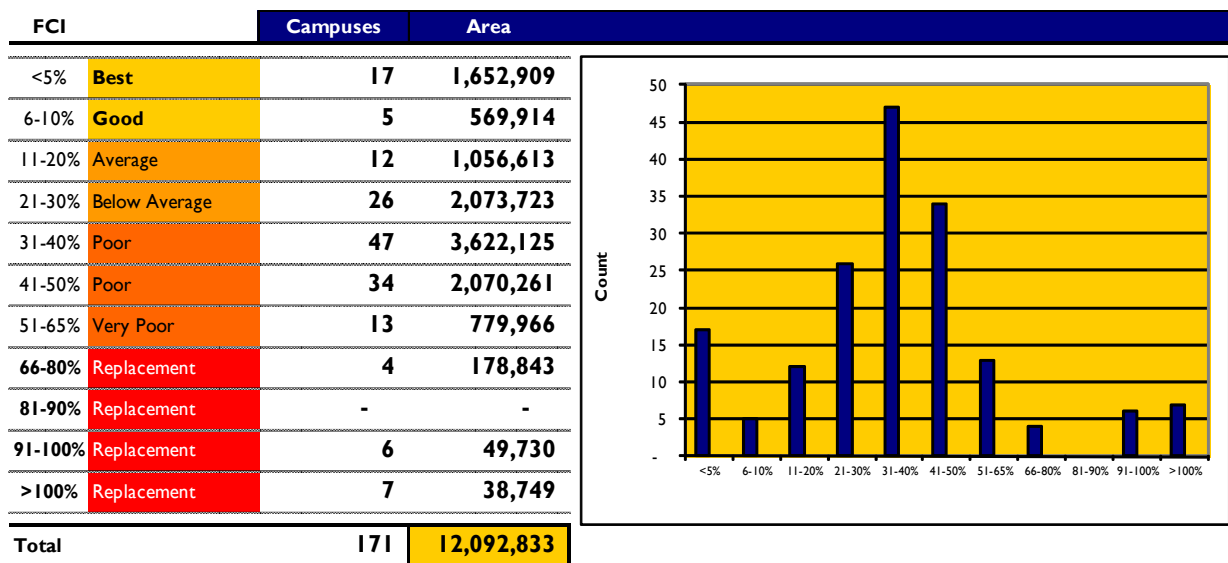
All capital improvements with an estimated useful life of less than 20 years are financed from the capital reserve fund. With the completion of the 2005/2010 bond program, the capital reserve fund will spend between \$14 million and \$17 million each year for capital improvements to schools. The amount, while seemingly large, becomes small when put in the perspective of supporting 92 elementary schools, 19 middle schools, 17 high schools, 10 option schools, 4 stadiums and numerous other programs and support facilities. The District’s facility master planning is critical in prioritizing the needs for schools. Projects in this category include improvement or replacement of roofs, floor coverings, parking lots, site work and minor remodeling.

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

District Wide Facilities Master Plan

In compliance with District policies, long-term facilities planning and the development of a District-wide Facilities Master Plan (FMP) is ongoing work, of which, current and accurate data is the foundation. The District owns and maintains over 12.1 million square feet of building area. In 2009, to ensure consistent and objective collection of data, the District authorized a comprehensive assessment of its facilities. The assessment consisted of a capacity analysis, an educational adequacy assessment, a building condition assessment and a review of all site and building systems with a life cycle renewal forecast. The first Facility Condition Assessment Summary of Findings was published in September 2010. Each year, staff completes the annual cycle of assessing one-third of the District’s facilities, as well as updated cost estimates and life cycle forecasts. These up to date assessments are used for planning and prioritization of all capital spending. Part of the assessment process assigns a Facility Condition Index (FCI) to District facilities. The FCI provides a relative scale of the overall condition of the facility or group of facilities within a facility portfolio. Below is a summary of FCI by Site Location.

Districtwide Facility Condition Index (FCI) by Site Location



Renewed instructional and business technology systems

The District Technology Plan guides the District's technology decisions, because of the ever changing world of technology, the plan is updated every two years. The plan objectives, expectations, indicators, targets and action plans are updated annually in order to accommodate technology changes and/or funding challenges. The Plan also articulates a common District vision and identifies strategies for the use of technology in promoting guaranteed and viable curriculum standards and for developing critical thinking skills that are essential for academic and workplace success. Funding has been approved in fiscal year 2012/2013 to continue the process of implementing a unified communications infrastructure, bandwidth expansion in support of mobile wireless devices and strategic work on a proof of concept for an instructional improvement system that will enable teachers to more efficiently deliver personalized instruction in a rapidly changing world.

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, 2011. This was the twenty-ninth 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, 2011. 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 would like to thank Superintendent Cynthia Stevenson and the Board of Education for their interest and support in planning and conducting the financial operations of the Jefferson County School District in a responsible and professional manner. We would also like to express our appreciation to the District's independent auditors, CliftonLarsonAllen LLP, for the 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, 2011

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.



Linda C. Sandson

President

Jeffrey R. Emer

Executive Director

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Jefferson County School District No. R-1

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards

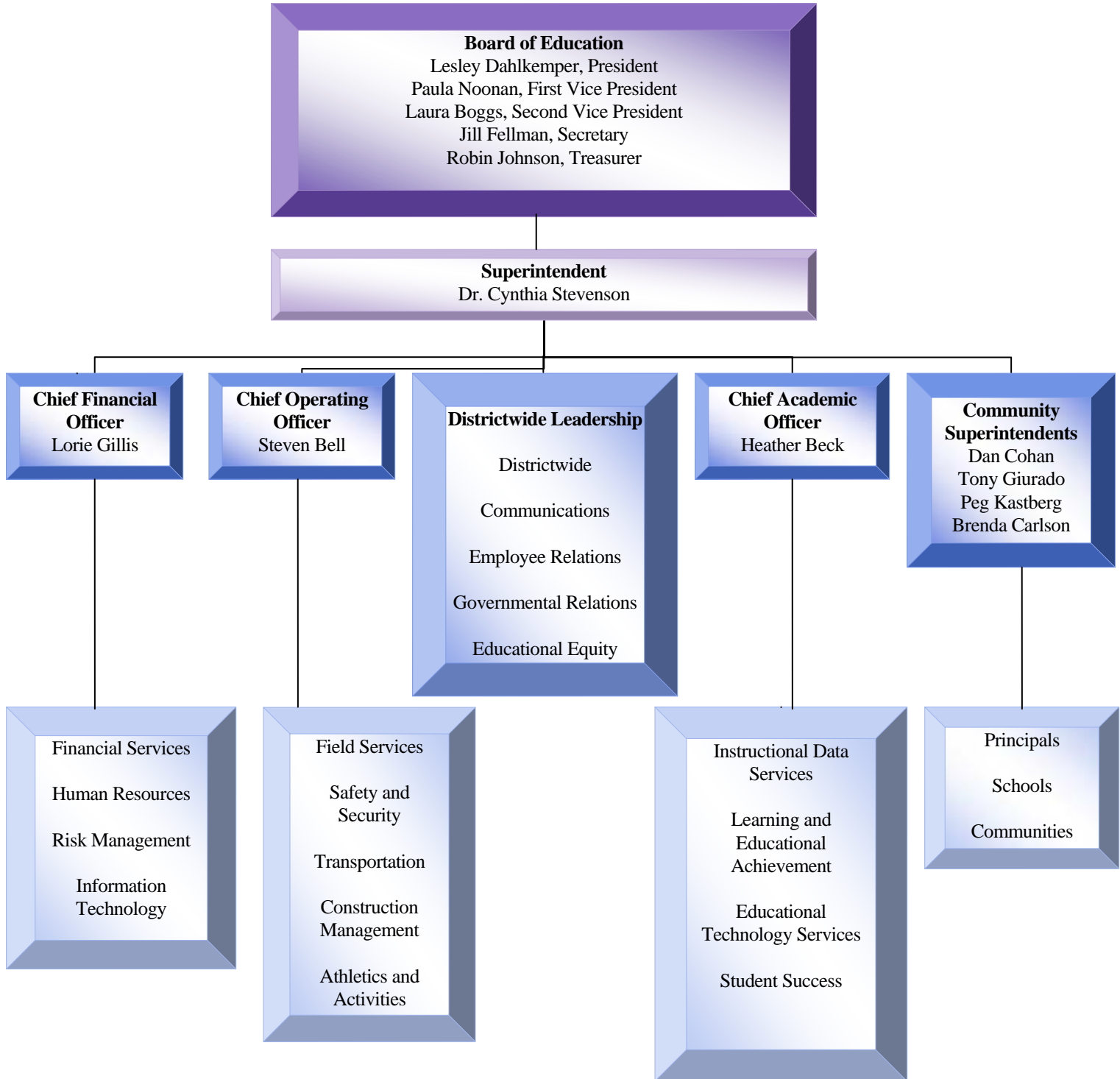


A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director



Superintendent's Cabinet

Cynthia Stevenson Superintendent
Helen Neal Manager

Heather Beck Chief Academic Officer
Steven Bell Chief Operating Officer
Lorie Gillis Chief Financial Officer

Lynn Setzer Executive Director – Communications

Dan Cohan Community Superintendent
Tony Giurado Community Superintendent
Peg Kastberg Community Superintendent
Brenda Carlson Community Superintendent

Priscilla Straughn 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, 2012, 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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Grants 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 9, 2012 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.



CliftonLarsonAllen

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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 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. The combining and individual nonmajor fund financial statements, Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

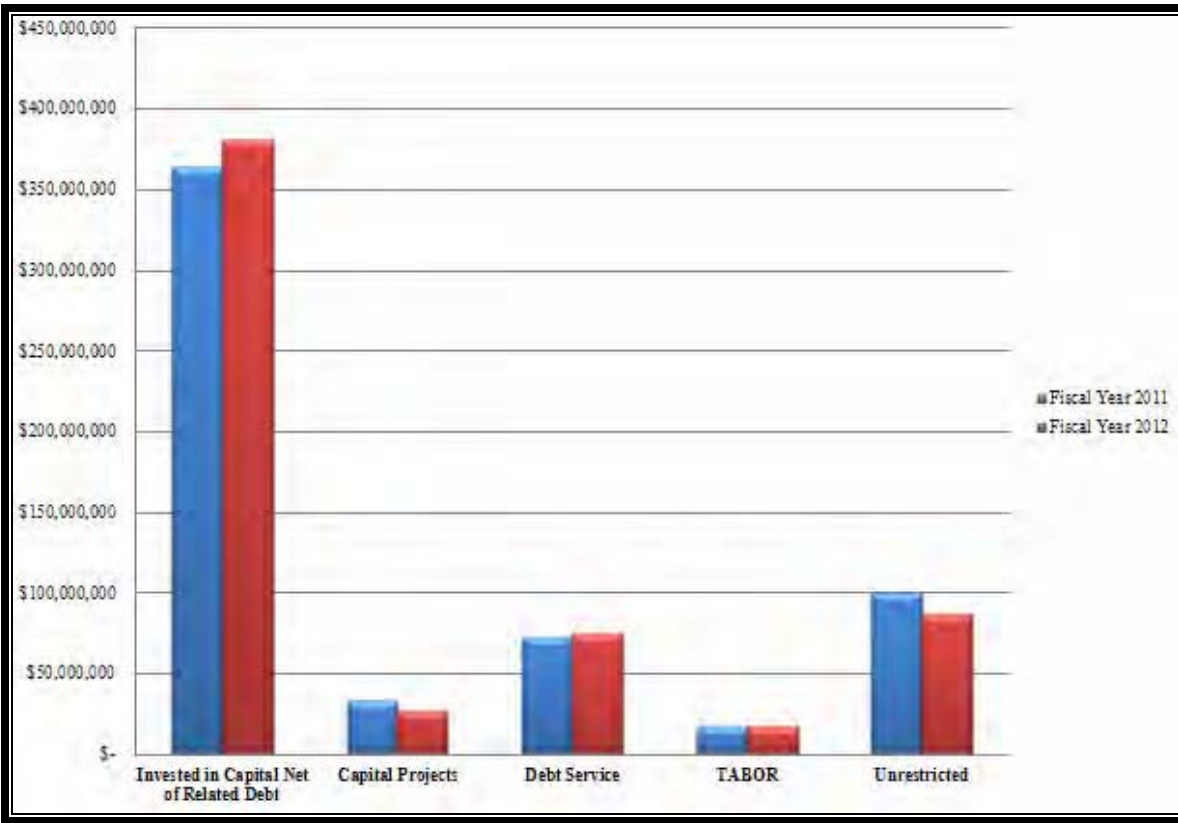
The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 9, 2012

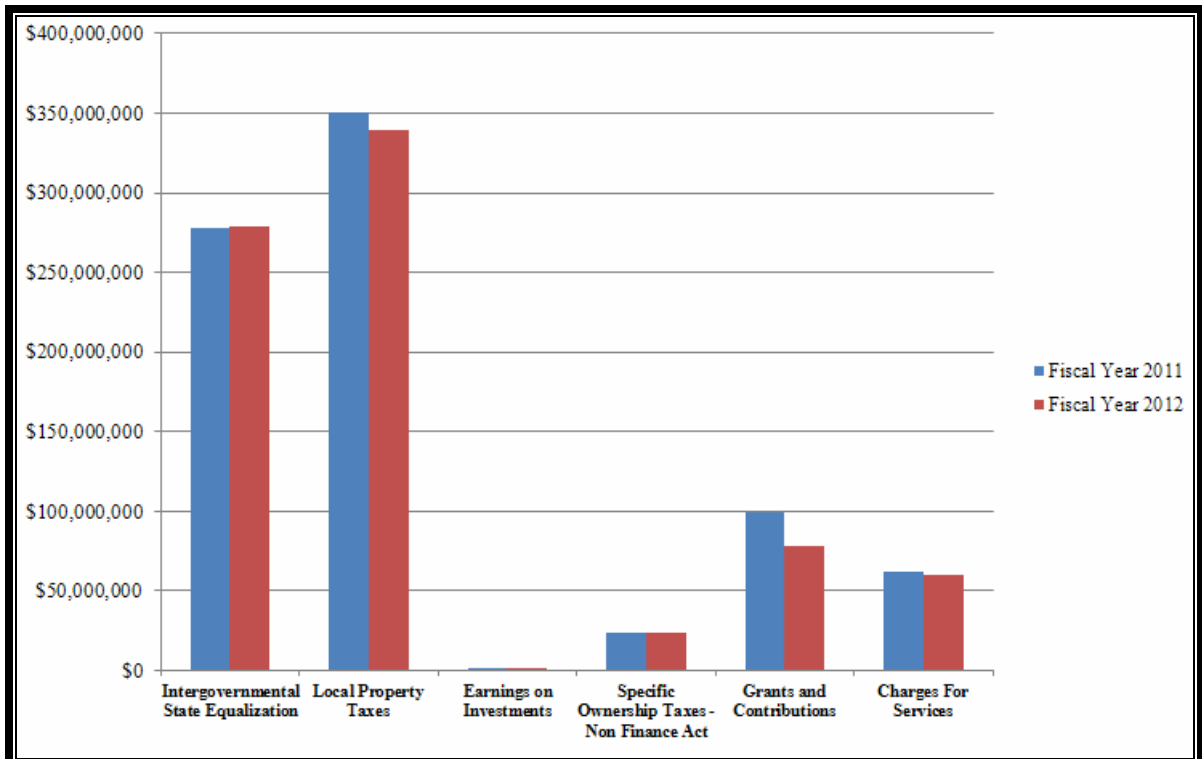
Management's Discussion and Analysis

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2012**

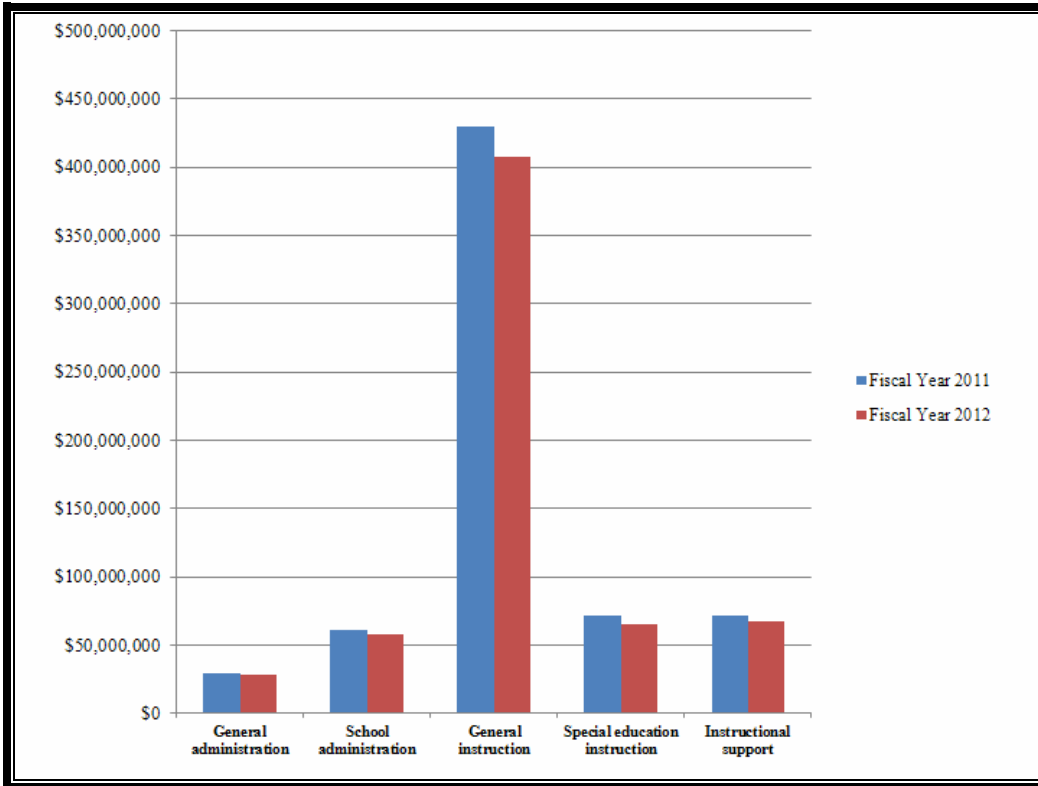


Primary Government Government-wide Net Position:
Decreased \$1 million from prior year.

Primary Government Government-wide Revenues:
Decreased \$33 million from the prior year



**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2012**



**Primary Government
Government-wide
Expenses:**
Decreased \$43 million
from prior year.

As management of the Jefferson County School District, No. R-1, Jefferson County, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the primary government for the fiscal year ended June 30, 2012. 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 1-7.

Financial highlights

- Total government-wide net position decreased \$1 million in 2012. \$87 million (15 percent) of the total \$588 million in net position is unrestricted and available to meet ongoing obligations. Unrestricted net position decreased \$14 million from the prior year with the planned spend down of reserves.
- Government-wide total assets decreased \$64 million. Equity in pooled cash and investments decreased \$27 million due to planned utilization of general fund reserves and spending on capital projects. Intergovernmental receivables decreased \$6 million from State Fiscal Stabilization grant funding due to the general fund the prior year. Investments for the debt service fund increased \$4 million with the increase of reserves. Capital assets, net of depreciation, decreased \$35 million from the prior year. This reflects the net of \$33 million in additions with \$68 million in depreciation.
- Government-wide total liabilities decreased \$63 million from the prior year. The liability for general obligation and certificates of participation debt decreased \$53 million from scheduled principal payments. Accrued salaries, benefits and payroll withholding decreased \$3 million resulting from the 3 percent wage reduction taken by all employees. Accounts payable decreased \$5 million as a result of fewer invoices in the general fund and capital reserve fund.
- Government-wide revenues decreased \$33 million from the prior year. Operating grants and contributions revenue decreased \$20 million with the Edujobs and State Fiscal Stabilization grants ending. Local property taxes decreased \$11 million due to lower assessed valuations. Charges for services decreased \$3 million from less student fees and fundraising. Government-wide expenses decreased overall \$43 million as a result of adopted budgetary reductions and decreased grant revenues.
- The combined governmental fund balance for fiscal year 2011/2012 is \$153 million, a decrease of \$21 million from the prior year. \$3 million of the general fund balance (.56 percent of general fund expenditures) is unassigned and available for spending at the District's discretion.

Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2012

Overview of the financial statements

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 32-73 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 78-101.

Government-wide financial statements

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

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

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

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

The only activity of the District's Finance Corporation is to act as a conduit for the transfer of funds relating to the issuance and refunding of COPs. The Corporation has no assets or liabilities at June 30, 2012, and therefore has no financial impact on the District. Financial information for the Charter Schools is presented separately from the primary government because the Charter Schools are considered discrete component units of the District. The financial statements for the Charter School component units can be found on pages 94-101.

The government-wide financial statements can be found on pages 32-33.

Fund financial statements

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

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

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

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

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

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

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

The enterprise funds (food service fund, child care fund, and property management fund) are listed individually and are considered to be major funds. Individual internal service fund information is presented as other 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 44-49.

Notes to the basic financial statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 52-73 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also contains supplementary information concerning the District's governmental and internal service funds. Combining and individual fund statements and schedules can be found on pages 78-91 of this report.

Government-wide financial analysis

Government-wide net position

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 87 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 close to 65 percent of the annual property tax assessment between March and June.

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

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 year 2012/2013. 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 year 2012/2013. Long term debt obligations are discussed in greater detail in the section titled

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Capital Assets and Debt Administration elsewhere in this analysis. The \$80 million of accrued salaries as of June 30, 2012 includes \$66 million of earned but unpaid salaries associated with teacher contracts for the 2012 school year requiring resources from fiscal year 2012/2013 to liquidate.

The assets of the primary government activities exceed liabilities by \$588 million with an unrestricted net position balance of \$87 million.

A net investment of \$381 million in land, buildings, equipment, and vehicles, net of debt, to provide the services to the District's 86,000 public school students represents 65 percent of the District's net position. The capital projects net position of \$27 million is restricted for construction projects. Debt service net position of \$75 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.

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

	Fiscal Year 2011			Fiscal Year 2012		
	Governmental Activities	Business-type Activities	Government-Wide	Governmental Activities	Business-type Activities	Government-Wide
Assets:						
Total current assets	\$ 329,114,012	\$ 13,033,290	\$ 342,147,302	\$ 299,241,416	\$ 15,362,262	\$ 314,603,678
Capital assets, net of depreciation	884,843,095	3,706,032	888,549,127	849,858,256	3,434,251	853,292,507
Total noncurrent assets	<u>49,591,908</u>	<u>-</u>	<u>49,591,908</u>	<u>48,164,907</u>	<u>-</u>	<u>48,164,907</u>
Total assets	<u>\$1,263,549,015</u>	<u>\$ 16,739,322</u>	<u>\$ 1,280,288,337</u>	<u>\$ 1,197,264,579</u>	<u>\$ 18,796,513</u>	<u>\$ 1,216,061,092</u>
Liabilities:						
Total current liabilities	\$ 176,550,749	\$ 2,247,637	\$ 178,798,386	\$ 169,217,738	\$ 2,430,192	\$ 171,647,930
Total noncurrent liabilities	<u>512,066,962</u>	<u>181,671</u>	<u>512,248,633</u>	<u>456,405,972</u>	<u>172,132</u>	<u>456,578,104</u>
Total liabilities	<u>688,617,711</u>	<u>2,429,308</u>	<u>691,047,019</u>	<u>625,623,710</u>	<u>2,602,324</u>	<u>628,226,034</u>
Net position:						
Invested in capital, net of related debt	360,914,728	3,706,030	364,620,758	377,979,703	3,434,251	381,413,954
Restricted for:						
Capital projects	33,816,109	-	33,816,109	27,371,132	-	27,371,132
Debt service	72,341,627	-	72,341,627	75,040,442	-	75,040,442
TABOR	16,745,141	720,617	17,465,758	16,507,295	691,773	17,199,068
Unrestricted	<u>91,113,699</u>	<u>9,883,367</u>	<u>100,997,066</u>	<u>74,742,297</u>	<u>12,068,165</u>	<u>86,810,462</u>
Total net position	<u>574,931,304</u>	<u>14,310,014</u>	<u>589,241,318</u>	<u>571,640,869</u>	<u>16,194,189</u>	<u>587,835,058</u>
Total liabilities and net position	<u>1,263,549,015</u>	<u>\$ 16,739,322</u>	<u>\$ 1,280,288,337</u>	<u>\$ 1,197,264,579</u>	<u>\$ 18,796,513</u>	<u>\$ 1,216,061,092</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 2011		Fiscal Year 2012	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 884,843,095	\$ 3,706,032	\$ 849,858,256	\$ 3,434,251
Less: General obligation bonds	<u>523,928,367</u>	<u>-</u>	<u>471,878,553</u>	<u>-</u>
Invested in capital net of related debt	<u>\$ 360,914,728</u>	<u>\$ 3,706,032</u>	<u>\$ 377,979,703</u>	<u>\$ 3,434,251</u>

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

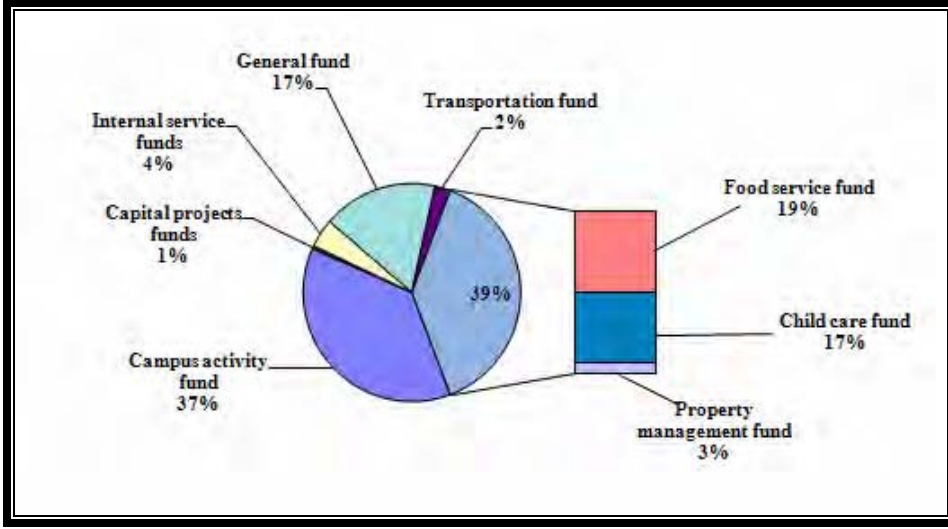
Government-wide activities decreased the net position of the District by \$1.4 million during the year ended June 30, 2012. The following schedules, charts and analysis focus on this decrease.

**Comparative Schedule of Changes in Net Position
For the fiscal years ended June 30, 2011 and 2012**

	<u>Fiscal Year 2011</u>			<u>Fiscal Year 2012</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	\$ 38,675,714	\$ 23,678,780	\$ 62,354,494	\$ 36,740,417	\$ 22,978,157	\$ 59,718,574
Operating grants and contributions	87,453,318	11,709,247	99,162,565	66,773,976	12,716,967	79,490,943
Capital grants and contributions	-	352,528	352,528	-	84,766	84,766
General revenues:						
Taxes:						
Local property taxes	350,455,667	-	350,455,667	339,051,527	-	339,051,527
Automotive ownership taxes	23,665,288	-	23,665,288	23,537,666	-	23,537,666
Intergovernmental state equalization	278,313,571	-	278,313,571	279,036,998	-	279,036,998
Earnings on investments	<u>841,952</u>	<u>18,170</u>	<u>860,122</u>	<u>1,159,227</u>	<u>-</u>	<u>1,159,227</u>
Total revenues	<u>779,405,510</u>	<u>35,758,725</u>	<u>815,164,235</u>	<u>746,299,811</u>	<u>35,779,890</u>	<u>782,079,701</u>
Expenses						
Governmental activities:						
General administration	29,417,493	-	29,417,493	27,898,413	-	27,898,413
School administration	61,040,012	-	61,040,012	57,409,152	-	57,409,152
General instruction	429,399,984	-	429,399,984	408,204,654	-	408,204,654
Special education instruction	71,137,234	-	71,137,234	65,020,783	-	65,020,783
Instructional support	71,030,234	-	71,030,234	67,648,351	-	67,648,351
Operations and maintenance	72,875,664	-	72,875,664	69,998,170	-	69,998,170
Transportation	22,776,063	-	22,776,063	23,703,443	-	23,703,443
Interest expense, unallocated	28,681,991	-	28,681,991	25,666,711	-	25,666,711
Food services	-	24,402,366	24,402,366	-	22,995,136	22,995,136
Child care	-	14,277,646	14,277,646	-	13,664,939	13,664,939
Property management	<u>-</u>	<u>1,288,442</u>	<u>1,288,442</u>	<u>-</u>	<u>1,276,209</u>	<u>1,276,209</u>
Total expenses	<u>786,358,675</u>	<u>39,968,454</u>	<u>826,327,129</u>	<u>745,549,677</u>	<u>37,936,284</u>	<u>783,485,961</u>
Increase (decrease) in net position before transfers	<u>(6,953,165)</u>	<u>(4,209,729)</u>	<u>(11,162,894)</u>	<u>750,134</u>	<u>(2,156,394)</u>	<u>(1,406,260)</u>
Special item	2,000,000	-	2,000,000	-	-	-
Transfers	<u>(4,084,448)</u>	<u>4,084,448</u>	<u>-</u>	<u>(4,040,569)</u>	<u>4,040,569</u>	<u>-</u>
Increase (decrease) in net position	(9,037,613)	(125,281)	(9,162,894)	(3,290,435)	1,884,175	(1,406,260)
Net position, July 1	<u>583,968,917</u>	<u>14,435,295</u>	<u>598,404,212</u>	<u>574,931,304</u>	<u>14,310,014</u>	<u>589,241,318</u>
Net position, June 30	<u>\$ 574,931,304</u>	<u>\$ 14,310,014</u>	<u>\$ 589,241,318</u>	<u>\$ 571,640,869</u>	<u>\$ 16,194,189</u>	<u>\$ 587,835,058</u>

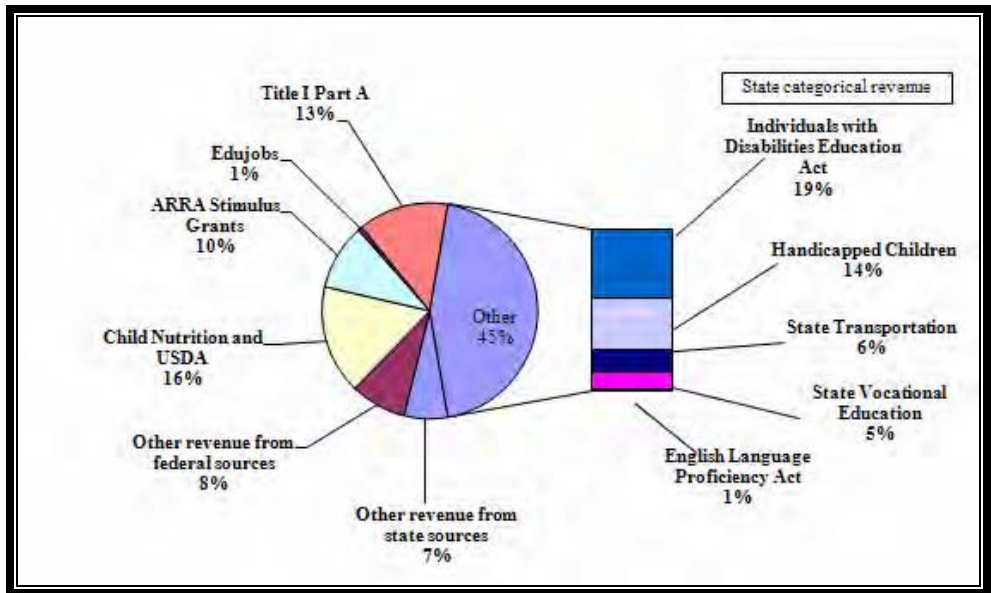
Jefferson County School District, No. R-1
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Analysis of Revenues

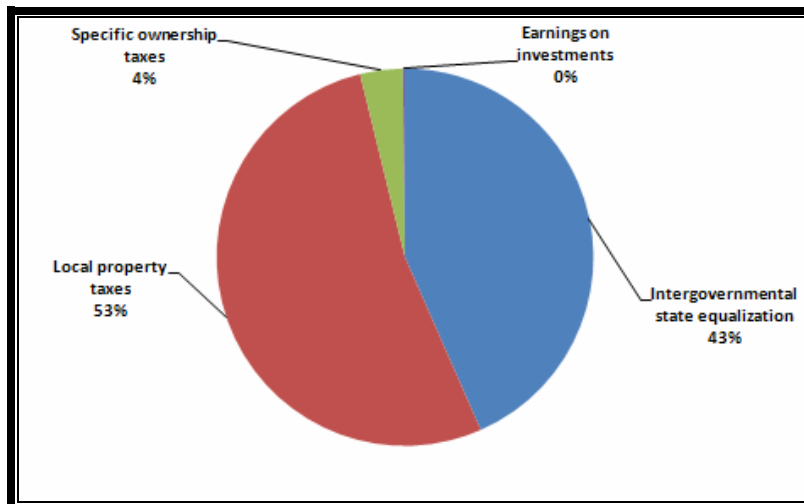


Government-wide
 Charges for Services
 totals
 \$60 million

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

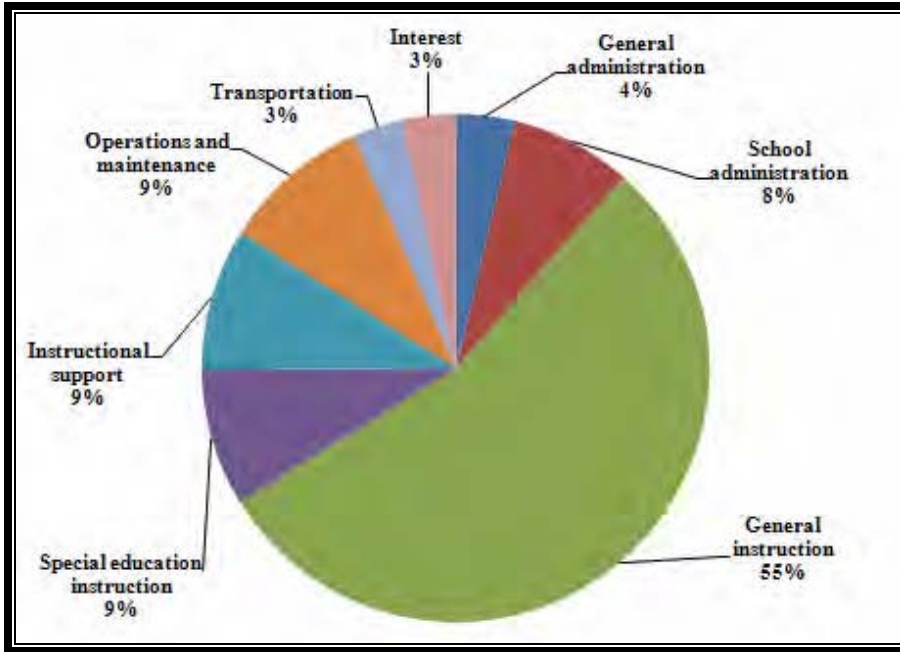


Total general
 revenues of \$643
 million



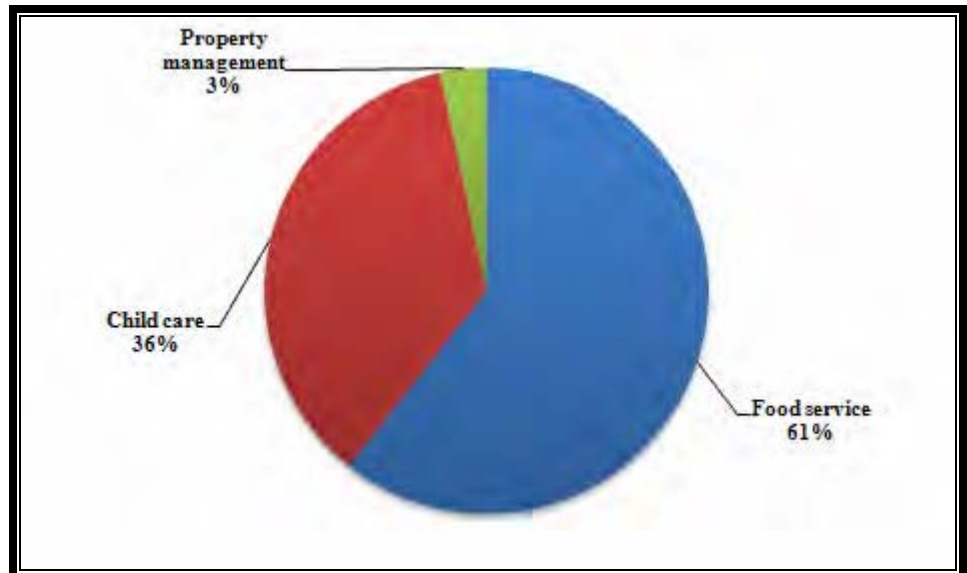
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Analysis of Expenditures



Governmental activities
Expenses total
\$746 million

Business-type activities
Expenses total
\$38 million



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Government-wide revenues

Total government-wide revenues decreased \$33 million from the prior year. Operating grants and contributions decreased \$20 million from the prior year. The Edujobs and State Fiscal Stabilization Fund grants were both one-time grants for \$16 million and \$6 million in the prior year. Property taxes decreased \$11 million from the prior year due to lower assessed valuations. Charges for services decreased \$3 million from less student fees and fundraising.

Government-wide expenses

Government-wide expenses decreased \$43 million from the prior year. Total expenses in the general fund decreased \$15 million from the prior year. A 3 percent salary reduction was taken by all employees in addition to reductions in purchased services, materials and supplies. The grants fund had decreased expenses of \$16 million with the end of the Edujobs grant, used to backfill reduced revenues in the general fund the prior year. The debt service fund had decreased expenses from principal and interest payments of \$4 million. Capital reserve fund transfers from the general fund were reduced \$3 million, resulting in lower expenses for the year in that fund. Expenditures for students were down \$3 million in the campus activity fund correlating with lower revenue from fundraising. The business-type activities reduced expenses \$2 million from the prior year, see below for further details on those fund reductions.

Proprietary funds

Governmental activities – Internal Service Funds for the District provide greater detail of the same information presented in the government-wide financial statements. Combining fund financial statements of the internal service funds can be found on pages 86-90 of this report. Following are highlights of activity in the District's internal service funds for fiscal year 2012.

- Central services provide copier and printing services for the school district. The fund was planned to spend down net position for the year. The spend down of \$78,000 was less than planned due to several projects being moved to fiscal year 2013 and reductions in material and part expense.
- The employee benefits fund accounts for the dental, vision and group life self insurance for the district. Revenues and expenses for self insurance plans were relatively flat with the prior year. Claim expenses were \$236,000 lower than the prior year.
- The insurance reserve fund accounts for self insured property, liability, worker's compensation and other insurance as needed for the school district. Revenue from insurance recoveries and expenses from claims were lower than the prior year due to less property damage events.
- The technology fund supports the Districts technology initiatives and systems. Revenues and expenses had little change from the prior year. The major projects for the fund are a new, cutting edge learning management system, a nationally acclaimed electronic curriculum system and an initiative to support the growing demand for mobile wireless devices.

The District's business-type activities increased net position by \$2 million. Key elements that highlight the activities in fiscal year 2012 are as follows. The basic proprietary fund financial statements are presented on pages 44-49.

- The food services fund ended the year with significant improvement from fiscal year 2011. Net income for the year is \$1 million compared to a \$700,000 loss the prior year. Reductions in purchased food and salary costs of \$1 million improved the results for the fund.
- The child care fund accounts for tuition based all day kindergarten, preschool and before and after care programs. Revenues and expenses are lower than the prior year due to less participation. Staffing changes and program consolidation resulted in lowering expenses \$600,000 from the prior year.
- The property management fund accounts for revenues and expenditures related to the public use of District property. Revenues decreased from the prior year from less use of properties. As per the adopted budget, no transfers were made from the fund for this fiscal year.

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Financial analysis of the District's governmental funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with generally accepted accounting principles (GAAP), the School Finance Act and other related legal requirements.

The governmental funds of the District provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Unassigned fund balance, in particular, measures the District's net resources available for spending at the end of the fiscal year.

Unassigned fund balance for the District at the end of the fiscal year is comprised of the general fund balance of \$3 million.

The general fund is the primary operating fund of the District with the majority of funding based on School Finance Act per pupil revenue and property tax. Student funded enrollment decreased by 452 students during the fiscal year. This reduction amounts to approximately \$2.8 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 \$19 million at year end. The prior year's fund balance decreased \$25 million. Following the 2004 mill levy override the District consciously built reserves to ensure future cost increases associated with programmatic changes by the mill levy would be covered. Additionally, under spending between fiscal years 2005 and 2008 fell to reserves. With the challenges of the Great Recession, the Board of Education maintained its strategy to spend down reserves and mitigate reductions for the short term. The District decelerated the implementation of reductions to preserve class size and effective programs by utilizing a portion of reserve balances.

The bond redemption debt service fund has fund balance of \$76 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 2013 principal and interest payments will be certified in December 2012. In compliance with Senate Bill 237, the District has contracted with a third party custodian to administer bond principal and interest payments.

The capital reserve capital projects fund has substantially finished the remaining 2004 bond projects as planned. Expenditures have decreased from the prior year with the completion of these projects and the transition to projects funded with annual transfer funding from the general fund.

The grants fund expenditures decreased \$16 million with the end of the majority of American Recovery and Reinvestment Act (ARRA) grants such as Edujobs.

The campus activity fund had decreased revenue and expenditures from less student activities and fundraising.

The transportation fund is a new special revenue fund. Beginning fiscal 2012, the District began charging students to ride the school bus. Per state statute, districts that charge a fee for transportation must account for those activities in a separate special revenue fund. The District is required to make a transfer from the general fund, if needed, to balance the fund. The District collected over a \$1 million in fees to help offset the cost of transportation. The transfer from the general fund was \$12 million.

General fund budgetary highlights

The 2012 Adopted budget for the general fund included further reductions in revenue and expenditures from the revised final budget for 2011. Budgeted revenue was reduced \$22 million, anticipating reductions in funding from the state. Expenditures were reduced \$27 million incorporating a 3 percent wage reduction as well as other expenditure reductions. A supplemental budget appropriation was approved by the Board of Education for fiscal year 2012. The supplemental appropriation adjusted the budget as follows:

- \$5.5 million increase to revenues for better than anticipated state and local funding.
- \$2.5 million increase to salary expenditures for adjustments related to the implementation of the 3 percent salary reduction for instructional employees starting September 2012 versus July 2012.
- \$500,000 in transfer adjustments for Colorado preschool program funding in the child care fund, benefits estimate for transportation fund and waived fees in the campus fund.

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The unassigned fund balance for the general fund at the end of the fiscal year is \$3 million. For budgetary purposes, however, the current available resources for the general fund can be computed as follows:

Fund balance-GAAP basis	\$ 36,054,553
Add: Effect of salaries earned but unpaid	<u>65,541,305</u>
Total fund balance (Budgetary basis)	\$101,595,858
Less restricted for: TABOR	15,839,341
Board of education contingency	22,780,550
School carry forward	13,860,000
Maintenance operations	<u>2,000,000</u>
Unassigned fund balance (Budgetary basis)	<u>\$ 47,115,967</u>

As planned, the general fund, on a budget basis, spent down \$22 million in reserves. The final budget estimated a \$30 million spend down of reserves. The actual to budget variance was primarily driven by conservative revenue estimates made due to state and local funding concerns and actual expenditures were \$5 million lower than budget, resulting from continued conservative spending.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned 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 \$616 million. Unassigned fund balance (budgetary basis) represents 8 percent of expenditures while total fund balance (budgetary basis) represents 16 percent of budget based expenditures. This is a 3 percent decrease from unreserved fund balance and 4 percent decrease 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 2011/2012 is the fourth consecutive year using reserves to help mitigate budget reductions 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, 2012 decreased to \$853 million (net of accumulated depreciation). The decrease is due to additions being less than annual depreciation. Capital assets include land, buildings, construction in progress, vehicles, and equipment.

Major capital events during the year include the following:

- Additions to construction in progress of \$21 million which include: Jefferson HS renovations, Conifer HS sanitary sewer improvements and District wide warm, safe and dry projects including multiple site roof replacements.
- Depreciation of \$67 million for governmental activities and \$413,000 for business-type activities.
- Major transfers from construction in progress to buildings include: Jefferson HS renovations, Warren Tech roof replacement, Conifer sewer and multiple warm, safe and dry projects.

	<u>Fiscal Year 2011</u>		<u>Fiscal Year 2012</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Non-depreciable assets:				
Land	\$ 57,321,864	-	\$ 57,321,864	-
Construction in progress	<u>12,636,432</u>	<u>-</u>	<u>7,304,371</u>	<u>-</u>
Total non-depreciable assets	69,958,296	-	64,626,235	-
Depreciable assets (net of accumulated depreciation):				
Buildings and site improvements	787,473,007	-	753,448,972	-
Equipment and vehicles	<u>27,411,792</u>	<u>\$ 3,706,032</u>	<u>31,783,049</u>	<u>\$ 3,434,251</u>
Total depreciable assets	<u>814,884,799</u>	<u>3,706,032</u>	<u>785,232,021</u>	<u>3,434,251</u>
Total capital assets:	<u>\$ 884,843,095</u>	<u>\$ 3,706,032</u>	<u>\$ 849,858,256</u>	<u>\$ 3,434,251</u>

Additional information on the District's capital assets can be found in note 7 on pages 63-65 of this report.

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2012**

At June 30, 2012, the District had total bonded debt outstanding of \$453 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 \$32 million for governmental activities still outstanding at the end of the current fiscal year.

General Obligation Bonds and Certificates of Participation

	Fiscal Year 2011			Fiscal Year 2012		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
General obligation bonds	\$ 502,790,000	-	\$ 502,790,000	\$ 452,710,000	-	\$ 452,710,000
Certificates of participation	<u>33,070,000</u>	<u>-</u>	<u>33,070,000</u>	<u>31,645,000</u>	<u>-</u>	<u>31,645,000</u>
Total outstanding long-term debt	<u>\$ 535,860,000</u>	<u>-</u>	<u>\$ 535,860,000</u>	<u>\$ 484,355,000</u>	<u>-</u>	<u>\$ 484,355,000</u>

The certificates of participation were issued to fund the supplemental retirement program. The District maintains an Aa2 credit rating from Moody's and an AA- from Standard & Poor's for general obligation debt. State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$1,408,606,084 and the legal debt margin was \$1,031,928,609.

Additional information on the District's long-term obligations can be found in notes 10 and 11 on pages 66-69.

General budgetary highlights and economic factors

For the 2012/2013 budget, the Board of Education established objectives to be met by the budget process. They determined that the budget would:

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

The budget process will continue to:

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

Several factors impact the District's Adopted Budget and are considered when making budget assumptions; Colorado School Finance Act decreases, declining student funded counts, salary reductions, benefit cost increases, retirement savings, staffing reductions and reductions to the capital reserve transfer. For the 2012/2013 Adopted Budget, \$10 million net revenue decrease is projected with \$17 million in net expenditure decreases. The District plans to continue spending down reserves for one more year in fiscal 2013 to mitigate further reductions. The budget includes a planned \$22 million spend down of reserves.

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

The budget development process is detailed in the 2012/2013 Adopted Budget:
<http://www.jeffcopublicschools.org/finance/documents/ExecSummarySmall.pdf>

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2012**

Requests for information

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

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

Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Net Position
June 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Current assets:				
Cash	\$ 106,263	\$ 4,554	\$ 110,817	\$ 68,907
Restricted cash	37,034	-	37,034	16,147,490
Restricted cash TABOR	-	-	-	1,339,946
Cash held by county treasurer	2,820,398	-	2,820,398	-
Equity in pooled cash and investments	182,821,991	11,957,814	194,779,805	7,874,188
Investments	74,655,915	-	74,655,915	-
Property taxes receivable	16,662,863	-	16,662,863	-
Accounts receivable	3,670,585	241,935	3,912,520	112,501
Intergovernmental receivable	12,712,843	1,319,205	14,032,048	-
Due from component units	73,541	-	73,541	-
Inventories	1,845,532	1,782,316	3,627,848	-
Prepaid expenses	3,834,451	56,438	3,890,889	2,750
Total current assets	<u>299,241,416</u>	<u>15,362,262</u>	<u>314,603,678</u>	<u>25,545,782</u>
Capital assets:				
Land and construction in progress	64,626,235	-	64,626,235	8,819,989
Depreciable assets	1,530,527,047	8,486,697	1,539,013,744	40,731,216
Accumulated depreciation	(745,295,026)	(5,052,446)	(750,347,472)	(9,979,124)
Capital assets, net of depreciation	<u>849,858,256</u>	<u>3,434,251</u>	<u>853,292,507</u>	<u>39,572,081</u>
Noncurrent assets:				
Deferred charges	816,549	-	816,549	1,136,154
Net pension asset	47,348,358	-	47,348,358	-
Total noncurrent assets	<u>48,164,907</u>	<u>-</u>	<u>48,164,907</u>	<u>1,136,154</u>
Total assets	<u>\$ 1,197,264,579</u>	<u>\$ 18,796,513</u>	<u>\$ 1,216,061,092</u>	<u>\$ 66,254,017</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 9,472,660	\$ 182,439	\$ 9,655,099	\$ 1,619,308
Accrued salaries and benefits	78,405,841	1,262,037	79,667,878	1,714,781
Payroll withholding	21,843,965	-	21,843,965	-
Due to primary government	-	-	-	73,541
Unearned revenue	1,158,043	985,716	2,143,759	424,571
Liability claims/premiums	4,390,146	-	4,390,146	-
Interest payable	992,083	-	992,083	392,500
General obligation bonds	51,465,000	-	51,465,000	-
Certificates of participation	1,490,000	-	1,490,000	-
Capital leases and promissory notes	-	-	-	1,215,143
Total current liabilities	<u>169,217,738</u>	<u>2,430,192</u>	<u>171,647,930</u>	<u>5,439,844</u>
Noncurrent liabilities:				
General obligation bonds	420,413,553	-	420,413,553	-
Certificates of participation	29,930,714	-	29,930,714	-
Capital leases	-	-	-	57,266,112
Early retirement	2,150,000	-	2,150,000	-
Compensated absences	3,911,705	172,132	4,083,837	-
Total noncurrent liabilities	<u>456,405,972</u>	<u>172,132</u>	<u>456,578,104</u>	<u>57,266,112</u>
Total liabilities	<u>625,623,710</u>	<u>2,602,324</u>	<u>628,226,034</u>	<u>62,705,956</u>
Net position				
Net investment in capital assets	377,979,703	3,434,251	381,413,954	(5,450,616)
Restricted for:				
Capital projects	27,371,132	-	27,371,132	9,118,920
Debt service	75,040,442	-	75,040,442	5,843,286
TABOR	16,507,295	691,773	17,199,068	1,339,946
Unrestricted	74,742,297	12,068,165	86,810,462	(7,303,475)
Total net position	<u>571,640,869</u>	<u>16,194,189</u>	<u>587,835,058</u>	<u>3,548,061</u>
Total liabilities and net position	<u>\$ 1,197,264,579</u>	<u>\$ 18,796,513</u>	<u>\$ 1,216,061,092</u>	<u>\$ 66,254,017</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, 2012

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Primary Government		Charter Schools
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General administration	\$ 27,898,413	\$ 1,152,290	\$ 3,652,537	-	\$ (23,093,586)	-	\$ (23,093,586)
School administration	57,409,152	-	861,829	-	(56,547,323)	-	(56,547,323)
General instruction	408,204,654	25,645,123	14,548,969	-	(368,010,562)	-	(368,010,562)
Special education instruction	65,020,783	4,713,718	25,408,016	-	(34,899,049)	-	(34,899,049)
Instructional support	67,648,351	-	16,402,238	-	(51,246,113)	-	(51,246,113)
Operations and maintenance	69,998,170	3,842,879	797,353	-	(65,357,938)	-	(65,357,938)
Transportation	23,703,443	1,386,407	5,103,034	-	(17,214,002)	-	(17,214,002)
Interest expense, unallocated	25,666,711	-	-	-	(25,666,711)	-	(25,666,711)
Total governmental activities	745,549,677	36,740,417	66,773,976	-	(642,035,284)	-	(642,035,284)
Business-type Activities:							
Food services	22,995,136	11,514,984	12,716,967	\$ 84,766	-	\$ 1,321,581	1,321,581
Child care	13,664,939	9,867,724	-	-	-	(3,797,215)	(3,797,215)
Property management	1,276,209	1,595,449	-	-	-	319,240	319,240
Total business-type activities	37,936,284	22,978,157	12,716,967	84,766	-	(2,156,394)	(2,156,394)
Total primary government	\$ 783,485,961	\$ 59,718,574	\$ 79,490,943	\$ 84,766	\$ (642,035,284)	\$ (2,156,394)	\$ (644,191,678)
Component units-Charter schools	\$ 45,821,401	\$ 8,662,881	\$ -	\$ -	\$ -	\$ -	\$ (37,158,520)
General revenues							
Taxes:							
Local property taxes					339,051,527	-	339,051,527
Automotive ownership taxes					23,537,666	-	23,537,666
Unrestricted intergovernmental state equalization					279,036,998	-	279,036,998
Unrestricted investment income					1,159,227	-	1,159,227
Transfers					(4,040,569)	4,040,569	-
Total general revenues and transfers					638,744,849	4,040,569	642,785,418
Change in net position					(3,290,435)	1,884,175	(1,406,260)
Net position July 1, 2011					574,931,304	14,310,014	589,241,318
Net position June 30, 2012					\$ 571,640,869	\$ 16,194,189	\$ 587,835,058
							\$ 3,697,291
							\$ 3,548,061

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, 2012

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Assets			
Cash	\$ 2,326	\$ -	\$ 300
Restricted Cash	-	-	34
Cash held by county treasurer	2,642,261	178,137	-
Equity in pooled cash and investments	87,814,616	-	31,599,765
Investments	-	74,655,915	-
Property taxes receivable, net of allowance for doubtful collections of \$6,862,870	12,809,259	3,853,604	-
Accounts, notes, contracts, and interest receivable	2,301,129	-	160,311
Intergovernmental receivables	-	-	-
Due from other funds	7,512,655	-	-
Due from component units	73,541	-	-
Inventories	823,521	-	-
Prepaid items	336,370	-	-
Total assets	<u>\$ 114,315,678</u>	<u>\$ 78,687,656</u>	<u>\$ 31,760,410</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts and retainages payable	\$ 2,167,809	\$ -	\$ 4,290,275
Accrued salaries, benefits, and compensated absences	66,638,776	-	91,098
Due to other funds	-	-	-
Unearned property tax revenues	8,827,461	2,655,131	-
Other unearned revenues	627,079	-	-
Total liabilities	<u>78,261,125</u>	<u>2,655,131</u>	<u>4,381,373</u>
Fund balances:			
Nonspendable:			
Inventory	823,521	-	-
Prepaid items	336,370	-	-
Restricted for:			
TABOR	15,839,341	-	7,906
Grants	-	-	-
Debt service	-	76,032,525	-
Construction	-	-	27,371,131
Committed to:			
Utility reserve	2,000,000	-	-
Assigned to:			
School carry forward	13,860,000	-	-
Special revenue funds	-	-	-
Unassigned	3,195,321	-	-
Total fund balances	<u>36,054,553</u>	<u>76,032,525</u>	<u>27,379,037</u>
Total liabilities and fund balances	<u>\$ 114,315,678</u>	<u>\$ 78,687,656</u>	<u>\$ 31,760,410</u>

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

Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 103,337	\$ 105,963
-	-	34
-	-	2,820,398
-	12,151,531	131,565,912
-	-	74,655,915
-	-	16,662,863
37,308	926,187	3,424,935
12,712,843	-	12,712,843
-	-	7,512,655
-	-	73,541
-	882,082	1,705,603
-	13,778	350,148
<u>\$ 12,750,151</u>	<u>\$ 14,076,915</u>	<u>\$ 251,590,810</u>

\$ 358,756	\$ 1,388,604	\$ 8,205,444
6,427,928	1,683,177	74,840,979
3,062,794	-	3,062,794
-	-	11,482,592
-	99,590	726,669
<u>9,849,478</u>	<u>3,171,371</u>	<u>98,318,478</u>

-	882,082	1,705,603
-	13,778	350,148
-	583,235	16,430,482
2,900,673	-	2,900,673
-	-	76,032,525
-	-	27,371,131
-	-	2,000,000
-	-	13,860,000
-	9,426,449	9,426,449
-	-	3,195,321
<u>2,900,673</u>	<u>10,905,544</u>	<u>153,272,332</u>
<u>\$ 12,750,151</u>	<u>\$ 14,076,915</u>	<u>\$ 251,590,810</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of governmental funds balance sheet to statement of net position
 June 30, 2012

Governmental funds total fund balances	\$	153,272,332
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.		11,482,592
Capital assets used in governmental funds are not considered current financial resources and therefore, not reported in the governmental funds.		1,563,302,078
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.		816,549
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.		47,348,358
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net position of the internal service funds are included in the governmental activities statement of net position.		32,848,343
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.		727,856,180
Long-term liabilities for general obligation debt, net of discounts and premiums (\$471,878,553), certificates of participation net of discounts and premiums (\$31,420,714), early retirement estimate (\$2,150,000), and compensated absences (\$3,131,853) are not due and payable in the current period and, therefore, not reported in the funds.		508,581,120
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.		992,083
Governmental activities net position	<u>\$</u>	<u>571,640,869</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, 2012

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Revenues:			
Taxes	\$ 282,525,965	\$ 77,770,429	\$ -
Intergovernmental	294,757,466	-	-
Investment income	1,153,994	2,282	-
Other	15,464,774	-	263,529
Total revenues	<u>593,902,199</u>	<u>77,772,711</u>	<u>263,529</u>
Expenditures:			
Current:			
General administration	24,946,225	-	-
School administration	46,466,520	-	-
General instruction	321,963,109	-	-
Special education instruction	51,571,414	-	-
Instructional support	52,109,108	-	-
Operations and maintenance	65,881,515	-	-
Transportation	-	-	-
Capital outlay	-	-	27,359,625
Debt service:			
Principal retirements	1,425,000	50,080,000	-
Interest and fiscal charges	1,776,859	24,001,813	-
Total expenditures	<u>566,139,750</u>	<u>74,081,813</u>	<u>27,359,625</u>
Excess (deficiency) of revenues over (under) expenditures	27,762,449	3,690,898	(27,096,096)
Other Financing Sources (Uses):			
Transfers out	(46,468,984)	-	-
Transfers in	-	-	20,556,000
Total other financing sources (uses)	<u>(46,468,984)</u>	<u>-</u>	<u>20,556,000</u>
Net change in fund balances	(18,706,535)	3,690,898	(6,540,096)
Fund balances - July 1, 2011	54,761,088	72,341,627	33,919,133
Fund balances - June 30, 2012	<u>\$ 36,054,553</u>	<u>\$ 76,032,525</u>	<u>\$ 27,379,037</u>

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

Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 360,296,394
45,620,444	4,778,855	345,156,765
-	-	1,156,276
654,213	25,687,711	42,070,227
<u>46,274,657</u>	<u>30,466,566</u>	<u>748,679,662</u>
3,579,764	-	28,525,989
845,314	-	47,311,834
9,828,539	22,675,647	354,467,295
13,946,310	-	65,517,724
16,078,791	-	68,187,899
781,467	-	66,662,982
317,721	20,494,715	20,812,436
-	-	27,359,625
-	-	51,505,000
-	-	25,778,672
<u>45,377,906</u>	<u>43,170,362</u>	<u>756,129,456</u>
896,751	(12,703,796)	(7,449,794)
-	-	(46,468,984)
-	12,841,415	33,397,415
-	12,841,415	(13,071,569)
896,751	137,619	(20,521,363)
2,003,922	10,767,925	173,793,695
<u>\$ 2,900,673</u>	<u>\$ 10,905,544</u>	<u>\$ 153,272,332</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, 2012

Governmental funds changes in fund balances	\$ (20,521,363)
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.	11,482,592
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.	53,459,346
Reverse the prior year interest payable accrued to offset current year expenditures.	1,137,910
Change in accrual for early retirement payments.	750,000
Amount of long term compensated absences accrued for the current year.	36,606
Less:	
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net position.	377,603
Unearned property taxes of the prior year: Property taxes unearned in the prior year and received in the current year are recognized in the prior year net position on the statement of activities.	9,189,793
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.	992,083
Amortization of deferred charges from issuing general obligation debt and certificates of participation.	115,990
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 \$64,026,135) exceeded capital outlay (\$26,954,985) in the current period.	37,071,150
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.	1,311,012
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.	577,895
Governmental activities change in net position	<u>\$ (3,290,435)</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 Balance - Budget and Actual (Budget Basis)
General Fund
Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 255,664,500	\$ 259,206,600	\$ 258,988,299	\$ (218,301)
Automotive ownership taxes	24,761,200	23,053,100	23,537,666	484,566
Total taxes	<u>280,425,700</u>	<u>282,259,700</u>	<u>282,525,965</u>	<u>266,265</u>
State of Colorado:				
State equalization	275,999,200	277,484,000	279,036,998	1,552,998
Education of handicapped	11,900,000	11,900,000	11,178,191	(721,809)
Vocational education	4,400,000	4,400,000	3,622,424	(777,576)
Other	600,000	600,000	919,853	319,853
Total State of Colorado	<u>292,899,200</u>	<u>294,384,000</u>	<u>294,757,466</u>	<u>373,466</u>
Investment income	1,000,000	1,000,000	1,153,994	153,994
Other	12,591,000	14,800,000	15,464,774	664,774
Total revenues	<u>586,915,900</u>	<u>592,443,700</u>	<u>593,902,199</u>	<u>1,458,499</u>
Expenditures:				
Current:				
General administration	24,589,600	27,693,196	24,828,744	2,864,452
School administration	48,975,900	46,130,309	47,036,507	(906,198)
General instruction	324,851,500	325,568,222	324,787,675	780,547
Special education instruction	50,003,900	52,944,456	53,132,136	(187,680)
Instructional support	57,511,600	53,451,434	50,823,838	2,627,596
Operations and maintenance	63,062,200	65,707,083	65,702,999	4,084
Debt Service:				
Principal retirements	1,425,000	1,425,000	1,425,000	-
Interest and fiscal charges	1,780,600	1,780,600	1,776,859	3,741
Total expenditures	<u>572,200,300</u>	<u>574,700,300</u>	<u>569,513,758</u>	<u>5,186,542</u>
Excess of revenues over expenditures	14,715,600	17,743,400	24,388,441	6,645,041
Other financing sources (uses) -				
Transfers out	(47,407,200)	(47,613,200)	(46,468,984)	1,144,216
Total other financing uses	<u>(47,407,200)</u>	<u>(47,613,200)</u>	<u>(46,468,984)</u>	<u>1,144,216</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (32,691,600)</u>	<u>\$ (29,869,800)</u>	<u>(22,080,543)</u>	<u>\$ 7,789,257</u>
Salaries, benefits, and compensated absences earned but unpaid: July 1, 2011			68,915,313	
June 30, 2012			(65,541,305)	
Fund balance - July 1, 2011			54,761,088	
Fund balance - June 30, 2012			<u>\$ 36,054,553</u>	

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



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Grants Special Revenue Fund
Fiscal Year Ended June 30, 2012

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Budget Basis	
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government	\$ 39,807,600	\$ 47,943,800	\$ 41,412,278	\$ (6,531,522)
State of Colorado	2,722,500	5,025,500	4,208,166	(817,334)
Other:				
Gifts and grants	591,600	781,300	654,213	(127,087)
Total revenues	<u>43,121,700</u>	<u>53,750,600</u>	<u>46,274,657</u>	<u>(7,475,943)</u>
Expenditures:				
Current:				
General administration	1,621,900	4,189,800	3,579,764	610,036
School administration	653,300	874,900	845,314	29,586
General instruction	20,462,600	11,464,200	9,828,539	1,635,661
Special education instruction	11,006,000	16,897,900	13,946,310	2,951,590
Instructional support	9,282,600	18,636,100	16,078,791	2,557,309
Operations and maintenance	53,600	873,500	781,467	92,033
Transportation	71,800	814,200	317,721	496,479
Total expenditures	<u>43,151,800</u>	<u>53,750,600</u>	<u>45,377,906</u>	<u>8,372,694</u>
Excess of revenues over (under) expenditures	<u>\$ (30,100)</u>	<u>\$ -</u>	896,751	<u>\$ 896,751</u>
Fund balance - July 1, 2011			<u>2,003,922</u>	
Fund balance - June 30, 2012			<u>\$ 2,900,673</u>	

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Net Position
Proprietary Funds
June 30, 2012

Assets	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Current assets:		
Cash	\$ 1,458	\$ 3,096
Restricted cash	-	-
Equity in pooled cash and investments	2,984,311	5,113,765
Accounts and other receivable	59,128	17,607
Intergovernmental receivables	1,319,205	-
Inventories	1,782,316	-
Prepaid items	56,438	-
Total current assets	<u>6,202,856</u>	<u>5,134,468</u>
Noncurrent assets:		
Capital assets:		
Vehicles and equipment	6,817,836	574,143
Less accumulated depreciation	(4,177,702)	(284,096)
Total capital assets, net of accumulated depreciation	<u>2,640,134</u>	<u>290,047</u>
Total assets	<u>\$ 8,842,990</u>	<u>\$ 5,424,515</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 99,829	\$ 77,529
Accrued salaries, benefits, and compensated absences	767,326	482,388
Payroll withholding	-	-
Due to other funds	-	-
Other unearned revenues	526,814	458,902
Estimated liability for premiums and claims	-	-
Total current liabilities	<u>1,393,969</u>	<u>1,018,819</u>
Non-current liabilities:		
Compensated absences	112,774	47,538
Total noncurrent liabilities	<u>112,774</u>	<u>47,538</u>
Total liabilities	<u>1,506,743</u>	<u>1,066,357</u>
Net position:		
Net invested in capital assets	2,640,134	290,047
Restricted for:		
TABOR	347,882	296,027
Unrestricted	4,348,231	3,772,084
Total net position	<u>7,336,247</u>	<u>4,358,158</u>
Total liabilities and net position	<u>\$ 8,842,990</u>	<u>\$ 5,424,515</u>

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

Business-Type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Property Management Fund	Totals	Funds
\$ -	\$ 4,554	\$ 300
-	-	37,000
3,859,738	11,957,814	51,256,079
165,200	241,935	245,650
-	1,319,205	-
-	1,782,316	139,929
-	56,438	3,484,303
<u>4,024,938</u>	<u>15,362,262</u>	<u>55,163,261</u>
1,094,718	8,486,697	31,851,204
(590,648)	(5,052,446)	(17,438,846)
504,070	3,434,251	14,412,358
<u>\$ 4,529,008</u>	<u>\$ 18,796,513</u>	<u>\$ 69,575,619</u>
\$ 5,081	\$ 182,439	\$ 1,267,216
12,323	1,262,037	3,564,862
-	-	21,843,965
-	-	4,449,861
-	985,716	431,374
-	-	4,390,146
<u>17,404</u>	<u>2,430,192</u>	<u>35,947,424</u>
11,820	172,132	779,852
<u>11,820</u>	<u>172,132</u>	<u>779,852</u>
29,224	2,602,324	36,727,276
504,070	3,434,251	14,412,356
47,864	691,773	76,813
3,947,850	12,068,165	18,359,174
4,499,784	16,194,189	32,848,343
<u>\$ 4,529,008</u>	<u>\$ 18,796,513</u>	<u>\$ 69,575,619</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2012

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Operating Revenues:		
Food sales	\$ 10,870,708	\$ -
Insurance premiums	-	-
Service contracts	644,276	1,070,668
Tuition	-	8,797,056
Total operating revenues	11,514,984	9,867,724
Operating Expenses:		
Purchased food	8,673,045	-
USDA commodities	1,398,928	-
Salaries and employee benefits	10,378,755	10,881,587
Administration services	618,850	1,422,403
Utilities	350,040	15,274
Supplies	1,188,626	658,648
Repairs and maintenance	56,212	1,439
Rent	-	661,465
Depreciation	324,801	19,881
Other	2,184	4,074
Claim losses	-	-
Premiums paid	-	-
Total operating expenses	22,991,441	13,664,771
Income (loss) from operations	(11,476,457)	(3,797,047)
Non-operating revenues (expenses):		
USDA commodities	1,518,019	-
Reimbursement from government sponsored programs	11,198,948	-
Interest expense	-	-
Loss on sale of capital assets	(3,695)	(168)
Total non-operating revenues (expenses)	12,713,272	(168)
Income (loss) before transfers and capital contributions	1,236,815	(3,797,215)
Capital contributions	84,766	-
Transfers in from other funds	-	4,040,569
Change in net position	1,321,581	243,354
Total net position - July 1, 2011	6,014,666	4,114,804
Total net position - June 30, 2012	\$ 7,336,247	\$ 4,358,158

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

Business-Type Activities Enterprise Funds		Governmental Activities -
Property Management Fund	Totals	Internal Service Funds
\$ -	\$ 10,870,708	\$ -
-	-	7,711,628
1,595,449	3,310,393	19,069,073
-	8,797,056	-
<u>1,595,449</u>	<u>22,978,157</u>	<u>26,780,701</u>
-	8,673,045	-
-	1,398,928	-
833,384	22,093,726	12,757,154
104,919	2,146,172	3,359,227
176,243	541,557	878,095
87,514	1,934,788	1,875,191
-	57,651	3,620,033
-	661,465	-
68,034	412,716	3,422,464
6,115	12,373	8,905
-	-	8,356,894
-	-	2,036,667
<u>1,276,209</u>	<u>37,932,421</u>	<u>36,314,630</u>
<u>319,240</u>	<u>(14,954,264)</u>	<u>(9,533,929)</u>
-	1,518,019	-
-	11,198,948	-
-	-	(33,867)
-	(3,863)	(41,099)
<u>-</u>	<u>12,713,104</u>	<u>(74,966)</u>
319,240	(2,241,160)	(9,608,895)
-	84,766	-
-	4,040,569	9,031,000
<u>319,240</u>	<u>1,884,175</u>	<u>(577,895)</u>
4,180,544	14,310,014	33,426,238
<u>\$ 4,499,784</u>	<u>\$ 16,194,189</u>	<u>\$ 32,848,343</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended June 30, 2012

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Cash flows from operating activities:		
Receipts from customers	\$ 11,607,911	\$ 9,924,180
Payments to employees	(10,407,951)	(10,888,512)
Payments to vendors	(12,497,425)	(2,737,196)
Net cash provided by (used for) operating activities	<u>(11,297,465)</u>	<u>(3,701,528)</u>
Cash flows from noncapital financing activities:		
Transfers received	-	4,040,569
Transfers out	-	-
Federal reimbursements	12,588,820	-
Net cash provided (used for) by noncapital financing activities	<u>12,588,820</u>	<u>4,040,569</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	-	(21,600)
Proceeds on sale of capital assets	1,932	-
Interest payments	-	-
Net cash provided by (used for) capital and related financing activities	<u>1,932</u>	<u>(21,600)</u>
Net increase in cash and cash equivalents	1,293,287	317,441
Cash and cash equivalents - July 1, 2011	1,692,482	4,799,420
Cash and cash equivalents - June 30, 2012	<u>\$ 2,985,769</u>	<u>\$ 5,116,861</u>
Reconciliation of cash flows from operating activities:		
Operating Income (Loss)	\$ (11,476,457)	\$ (3,797,047)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	324,801	19,881
(Increase) decrease intergovernmental and other receivables	24,339	4,094
(Increase) decrease in prepaid items	2,614	-
Decrease in inventories	-	-
(Increase) in purchased food and supplies inventories	(288,952)	-
Increase (decrease) in accounts payable	76,798	26,107
Increase (decrease) in accrued salaries, benefits, and compensated absences	(29,197)	(6,926)
Increase in payroll withholding	-	-
Increase in due to other funds	-	-
Increase (decrease) in unearned revenues	68,589	52,363
(Decrease) in estimated liability for premiums and claims	-	-
Net cash provided by (used for) operating activities	<u>\$ (11,297,465)</u>	<u>\$ (3,701,528)</u>
Noncash investing, capital, and financing activities:		
Donated commodities acquired and used from USDA	\$ 1,398,928	\$ -
Disposal and write off of capital assets	5,627	168
Capital contributions	84,766	-

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
\$ 1,587,129	\$ 23,119,220	\$ 26,721,501
(774,728)	(22,071,191)	(12,601,245)
(448,166)	(15,682,787)	(17,047,095)
<u>364,235</u>	<u>(14,634,758)</u>	<u>(2,926,839)</u>
-	4,040,569	9,031,000
-	-	-
-	12,588,820	-
<u>-</u>	<u>16,629,389</u>	<u>9,031,000</u>
(40,364)	(61,964)	(5,927,476)
-	1,932	-
<u>-</u>	<u>-</u>	<u>(33,867)</u>
(40,364)	(60,032)	(5,961,343)
323,871	1,934,599	142,818
3,535,867	10,027,769	51,150,561
<u>\$ 3,859,738</u>	<u>\$ 11,962,368</u>	<u>\$ 51,293,379</u>
\$ 319,240	\$ (14,954,264)	\$ (9,533,929)
68,034	412,716	3,422,464
(8,322)	20,111	8,032
-	2,614	82,512
-	-	13,215
-	(288,952)	-
(19,965)	82,940	799,660
5,248	(30,875)	226,602
-	-	(999,973)
-	-	2,643,873
-	120,952	(67,230)
-	-	477,935
<u>\$ 364,235</u>	<u>\$ (14,634,758)</u>	<u>\$ (2,926,839)</u>
\$ -	\$ 1,398,928	\$ -
-	5,795	41,098
-	84,766	-



Notes to Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

June 30, 2012

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 86,000 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. All charter schools are required to have individual independent audits for fiscal year 2012.

Blended component unit - Jefferson County School District Finance Corporation

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

B) Government-wide and fund financial statements

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and 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 position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

D) Fund accounting

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

• **Major governmental funds**

1. General fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond redemption debt service fund - used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
3. Capital reserve capital projects fund - used to account for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
4. Grants fund – used to account for federal, state and private sector grant programs.

• **Major proprietary funds-business-type activities**

Enterprise funds - used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

1. Food services fund - this fund accounts for all financial activities associated with the District's school breakfast and lunch programs.
2. Child care fund - this fund accounts for all financial activities associated with the District's school-age child care, preschool, and extended day kindergarten classes.
3. Property management fund - this fund accounts for all financial activities associated with the District's facilities.

• **Internal service funds**

Internal service funds account for central services, employee benefits, insurance reserve and technology operations. These services are provided to other funds of the District on a cost reimbursement basis.

E) Cash and investments

The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, U.S. instruments and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from the investment of pooled cash balances are allocated to the various funds based on their respective average periodic equity in pooled cash. The pooled cash and investments are used essentially as demand deposit accounts and are considered to be cash equivalents for cash flow purposes.

F) Restricted cash

Certain assets of the Capital Reserve Capital Projects fund, Employee Benefits fund and Component Units are classified as restricted because their use is restricted to liabilities relating to deposits and capital leases.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

G) Receivables

Property taxes levied in 2011 but not yet collected in 2012 are identified as property taxes receivable and unearned revenues at June 30, 2012, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$14,032,048 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, 2012, the District had \$13,946,077 and \$85,971 due from the Federal and State government, respectively, reflected as intergovernmental receivables in the accompanying basic financial statements.

H) Deferred charges

Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. As of June 30, 2012 the District had \$816,549 and component units \$1,136,154 in deferred charges.

I) Inventories and prepaid items

Materials and supplies inventories are stated at average cost. Inventories recorded in the Food Services fund consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed. Fund balance is considered nonspendable for the inventory balances as follows: General fund - \$823,521 and Other Governmental funds - \$882,082.

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 - \$336,370 and Other Governmental funds - \$13,778.

J) Capital assets

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

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

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

K) Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value.

The District's general obligation bonds are serviced from property taxes of the Bond Redemption Debt Service fund. Certificates of participation are serviced from school finance act, property taxes and other revenues of the General fund. Capital leases are funded from school finance act and other revenue of the component units. The long-term accumulated unpaid vacation, accrued sick and personal leave, and estimated liability for insurance claims (note 13) are serviced from property taxes and other revenues by the respective fund type from future appropriations.

L) Constitutional amendment

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

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to restrict emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These restricted fund balances are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2012, for budgetary purposes the District restricted \$15,839,341 in the General fund, \$7,906 in the Capital Reserve Capital Projects fund, \$583,235 in Other Governmental funds, \$347,882 in the Food Service fund, \$296,027 in the Child Care fund, \$47,864 in the Property Management fund, \$76,813 in Internal Service funds and \$1,339,946 was restricted in the Component Units Charter Schools for this purpose.

M) Property taxes

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

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

N) Accumulated sick and personal leave and vacation

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

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Notes to Basic Financial Statements

As of June 30, 2012, accumulated unused benefits are as follows:

Fund Types	Accumulated Vacation		
	Current (Due within one year)	Long-term	Total
<i>Governmental:</i>			
General	\$ 1,392,823	\$ 2,786,064	\$ 4,178,887
Grants fund	28,574	57,155	85,729
Special Revenue	101,626	203,281	304,907
Capital projects	42,670	85,353	128,023
Internal service	<u>389,867</u>	<u>779,852</u>	<u>1,169,719</u>
	<u>1,955,560</u>	<u>3,911,705</u>	<u>5,867,265</u>
<i>Proprietary:</i>			
Enterprise	<u>86,061</u>	<u>172,132</u>	<u>258,193</u>
Total	<u>\$2,041,621</u>	<u>\$ 4,083,837</u>	<u>\$ 6,125,458</u>

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

Fund	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
General	\$ 3,020,252	\$ 486,610	\$ (720,798)	\$ 2,786,064
Grants fund	37,316	36,326	(16,487)	57,155
Special Revenue	-	203,281	-	203,281
Capital projects	110,889	9,845	(35,381)	85,353
Enterprise	181,671	38,405	(47,944)	172,132
Internal service	<u>744,892</u>	<u>116,196</u>	<u>(81,236)</u>	<u>779,852</u>
	<u>\$ 4,095,020</u>	<u>\$ 890,663</u>	<u>\$ (901,846)</u>	<u>\$ 4,083,837</u>

Accumulated vacation pay is recorded as accrued salaries, benefits and compensated absences with the current portion reported as current liabilities in the government-wide financial statements. The long-term portion is included in the District's long-term liabilities in the government-wide financial statements.

O) Fund 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.

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 Districts 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 unassigned 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

P) New and Future Accounting Pronouncements

Effective July 1, 2011, the District early implemented the provisions of GASB No. 62, "Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" (GASB No. 62) and GASB No. 63. "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" (GASB No. 63). The objective of GASB No. 62 is to begin to codify all sources of GAAP for state and local governments into a single source. The adoption of GASB No. 62 had no impact to the District's financial statements. GASB No. 63 provides guidance for reporting deferred outflows and deferred inflows of resources as introduced and defined in GASB Concepts Statement No. 4, "Elements of Financial Statements" (Concepts Statement No. 4). Concepts Statement No. 4 defines a deferred outflow of resources as a consumption of net assets that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets applicable to a future reporting period. The District does not have any financial statement balances under current GAAP that meets the definition of a deferred outflow or a deferred inflow. As such, other than replacing the term "net assets", the adoption of this standard had no impact on the District's financial statement.

The GASB issued Statement No. 68 *Accounting and Financial Reporting for Pensions* (Statement No. 68), which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).

Statement No. 68 requires cost-sharing employers participating in the PERA program, such as the District, to record their proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA or the General Assembly. The requirement of Statement No. 68 to record a portion of PERA's unfunded liability will negatively impact the District's future unrestricted net position. Statement No. 68 is effective for fiscal year 2015. At this time, management is unable to estimate the magnitude of this impact. Information regarding PERA's current funding status can be found in its Comprehensive Annual Financial Report.

2. Reconciliation of government-wide and fund financial statements

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities.

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

Due to the general fund from other funds – fund statements	\$ 7,586,196
Elimination of governmental and internal service interfund activity	<u>(7,512,655)</u>
Due to the primary government – governmental activities	<u>\$ 73,541</u>

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Notes to Basic Financial Statements

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 General 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.

Supplemental appropriations are approved by the Board of Education. The budget for the Grants fund includes the adopted budget and additional expenditures and grants approved by the Board of Education. The budget and actuals for the Proprietary funds, Internal Service funds and Component Units at June 30, 2012 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Food services fund	\$ 24,048,500	\$22,995,136	\$1,053,364
Child care fund	14,179,900	13,664,939	514,961
Property management fund	1,436,000	1,276,209	159,791
Central services fund	3,870,100	3,580,845	289,255
Employee benefits fund	7,937,900	6,598,624	1,339,276
Insurance reserve fund	8,655,000	6,992,538	1,662,462
Technology fund	19,603,900	19,217,589	386,311
Component Units	55,000,000	51,807,416	3,192,584

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:

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Notes to Basic Financial Statements

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	\$ 566,139,750	\$ 3,256,931	\$ 117,077	\$ 569,513,758
Component units (charter schools):				
Collegiate Academy of Colorado	\$ 3,654,748	\$ (7,359)	\$ -	\$ 3,647,389
Compass Montessori-Wheatridge	2,116,062	5,527	-	2,121,589
Compass Montessori-Golden	2,929,645	(36,945)	-	2,892,700
Excel	3,875,683	(3,635)	-	3,872,048
Free Horizon	3,103,313	(3,383)	-	3,099,930
Jefferson	9,828,251	12,360	-	9,840,611
Lincoln Academy	3,519,072	(11,601)	-	3,507,471
Montessori Peaks	3,587,932	5,200	-	3,593,132
Mountain Phoenix	2,330,837	-	-	2,330,837
New America	2,123,984	4,739	-	2,128,723
Rocky Mtn. Academy	3,007,496	(9,826)	-	2,997,670
Rocky Mtn. Deaf School	1,668,572	(14,627)	-	1,653,945
Two Roads High School	3,398,885	(1,746)	-	3,397,139
Woodrow Wilson	3,580,935	(5,990)	-	3,574,945
Total component units	\$ 48,725,415	\$ (67,286)	\$ -	\$ 48,658,129

Governmental Fund Type	Fund Balance 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	\$ 36,054,553	\$ 65,541,305	\$ 101,595,858

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	\$ 753,928	\$ 145,350	\$ 899,278
Compass Montessori - Wheatridge	7,931	152,573	160,504
Compass Montessori - Golden	837,366	163,517	1,000,883
Excel	1,867,603	138,234	2,005,837
Free Horizon	965,423	117,019	1,082,442
Jefferson	10,200,545	273,692	10,474,237
Lincoln Academy	1,005,507	147,041	1,152,548
Montessori Peaks	1,473,033	155,519	1,628,552
Mountain Phoenix	54,956	-	54,956
New America	(130,299)	54,502	(75,797)
Rocky Mtn. Academy	1,024,539	146,996	1,171,535
Rocky Mtn. Deaf School	636,545	77,694	714,239
Two Roads High School	(9,518)	79,110	69,592
Woodrow Wilson	3,026,022	63,534	3,089,556
Total component units	\$ 21,713,581	\$ 1,714,781	\$ 23,428,362

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Notes to Basic Financial Statements

The amount for salaries, benefits and compensated absences earned but unpaid for July 1, 2011 was changed from the prior year by \$1,464,121. The transportation activities in the General fund were moved to a Special Revenue fund that is budgeted for on a GAAP basis. The \$1,464,121 were accruals for the transportation activities and transferred to that fund.

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, 2012, 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 \$65,541,305 to be permanently deferred and therefore available for budgetary purposes.

5. Excess expenditures over appropriations and deficit fund equity

As of June 30, 2012, two Component Unit Charter Schools had accumulated deficits of \$139,817. One of these schools, Two Roads High School was approved by the Board of Education to borrow \$150,000. The loan is to be repaid in full by 2014. The charter schools review their budgets with management and are monitored closely.

6. Deposits and investments

Deposits:	Government-wide Statement of Net Position		
	Primary Government	Component Units	Total
Cash	\$ 110,817	\$ 68,907	\$ 179,724
Restricted cash and cash held by third parties	2,857,432	17,487,436	20,344,868
Equity in pooled cash and investments	194,779,805	7,874,188	202,653,993
Investments	<u>74,655,915</u>	<u>-</u>	<u>74,655,915</u>
Total cash and investments	<u>\$ 272,403,969</u>	<u>\$ 25,430,531</u>	<u>\$ 297,834,500</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$66,458,723.

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, 2012, \$51,483,883 of the District and the discretely presented component unit's bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$51,171,316 are collateralized with securities held by the pledging financial institution through PDPA. Deposits of \$312,567 are insured under FDIC. The District's investment policy calls for minimizing this risk by pre-qualifying financial institutions.

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Notes to Basic Financial Statements

Cash held in trust:

As of June 30, 2012 the District had \$2,820,398 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, 2012, 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	\$ 30,869	Overnight	AAA	Aaa
C Safe	105,073,981	Under 60 days	AAAm	N/A
FFCB	1,002,197	.07	AA+	Aaa
FNMA	14,873,900	1.20	AA+	Aaa
FHLMC	10,323,713	1.39	AA+	Aaa
FHLB	4,523,658	.43	AA+	Aaa
US Treasury T-Note	5,134,453	3.22	AA+	Aaa
Commercial Paper	2,996,384		A-1+	P-1
Corporate Bonds	12,760,707	Average 1.06 years	49% AA+ 15% A+ 8% AAA 21% AA- 7% AA	16% Aa1 36% Aa3 14% A1 19% Aaa 15% Aa2
Forward delivery agreement (U.S. Instrumentality)	<u>74,655,915</u> <u>\$ 231,375,777</u>	Less than 1 year	N/A	N/A

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 overall investment portfolio to less than two years. The Colorado revised statutes generally limit investment maturities to five years. Revenue bonds of U.S. local governments, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

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

Concentration of Credit Risk – The District has investments in FNMA that are greater than 6.4 percent of the total portfolio. The District does diversify its investments so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The District will minimize credit risk by limiting investments to the types of securities listed in District policy and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the District will do business in accordance with policy. Aggregate investments in commercial paper, corporate bonds, and municipal bonds shall not exceed 40% of the District's total portfolio.

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Notes to Basic Financial Statements

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%

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

7. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Non-depreciable assets:					
Land	\$ 57,321,864	\$ -	\$ -	\$ -	\$ 57,321,864
Construction in progress	12,636,432	21,316,906	(316,427)	(26,332,540)	7,304,371
Total non-depreciable assets	\$ 69,958,296	\$ 21,316,906	\$ (316,427)	\$ (26,332,540)	\$ 64,626,235
Depreciable assets:					
Buildings and site improvements	\$1,410,837,612	\$ 1,231,666	\$ (66,256)	\$ 26,314,240	\$1,438,317,262
Equipment and vehicles – Internal service funds	31,177,658	5,927,476	(5,253,930)	-	31,851,204
Equipment and vehicles	58,514,150	4,406,413	(2,580,282)	18,300	60,358,581
Total depreciable assets	\$1,500,529,420	\$ 11,565,555	\$ (7,900,468)	\$ 26,332,540	\$1,530,527,047
Less accumulated depreciation for:					
	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Building and site improvements	\$ (623,364,605)	\$ (61,527,376)	\$ 23,691	\$ -	\$ (684,868,290)
Equipment and vehicles – Internal service funds	(19,229,214)	(3,422,464)	5,212,832	-	(17,438,846)
Equipment and vehicles	(43,050,802)	(2,498,759)	2,561,671	-	(42,987,890)
Total accumulated depreciation	\$ (685,644,621)	\$ (67,448,599)	\$ 7,798,194	\$ -	\$ (745,295,026)
Total capital assets, net	\$ 884,843,095	\$ (34,566,138)	\$ (418,701)	\$ -	\$ 849,858,256

Note: In the reconciliation of governmental funds balance sheet to statement of net position on page 37, internal service funds will be a reconciling item with the capital assets added.

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Notes to Basic Financial Statements

Business-type activities

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

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2012</u>
Equipment	\$ 6,797,678	\$ 84,766	\$ (64,608)	\$ -	\$ 6,817,836
Accumulated depreciation	<u>(3,911,882)</u>	<u>(324,801)</u>	<u>58,981</u>	<u>-</u>	<u>(4,177,702)</u>
Total	<u>\$ 2,885,796</u>	<u>\$ (240,035)</u>	<u>\$ (5,627)</u>	<u>\$ -</u>	<u>\$ 2,640,134</u>

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

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2012</u>
Equipment	\$ 567,578	\$ 21,600	\$ (15,035)	\$ -	\$ 574,143
Accumulated depreciation	<u>(279,082)</u>	<u>(19,881)</u>	<u>14,867</u>	<u>-</u>	<u>(284,096)</u>
Total	<u>\$ 288,496</u>	<u>\$ 1,719</u>	<u>\$ (168)</u>	<u>\$ -</u>	<u>\$ 290,047</u>

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

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2012</u>
Equipment	\$ 1,054,354	\$ 40,364	\$ -	\$ -	\$ 1,094,718
Accumulated depreciation	<u>(522,614)</u>	<u>(68,034)</u>	<u>-</u>	<u>-</u>	<u>(590,648)</u>
Total	<u>\$ 531,740</u>	<u>\$ (27,670)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504,070</u>

Total capital assets being depreciated, business-type activities	\$ 8,486,697
Accumulated depreciation	<u>(5,052,446)</u>
Business-type activities capital assets, net	<u>\$ 3,434,251</u>

Discretely presented component units

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

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2012</u>
Non-depreciable assets:					
Land	\$ 5,378,861	\$ -	\$ -	\$ -	\$ 5,378,861
Construction in progress	<u>\$ -</u>	<u>\$ 3,441,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,441,128</u>
Total Non-depreciable assets:	<u>\$ 5,378,861</u>	<u>\$ 3,441,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,819,989</u>
Depreciable assets:					
Buildings and equipment	\$ 41,060,982	\$ 455,787	\$ (785,553)	\$ -	\$ 40,731,216
Accumulated depreciation	<u>(8,703,226)</u>	<u>(1,582,292)</u>	<u>306,394</u>	<u>-</u>	<u>(9,979,124)</u>
Total	<u>\$ 37,736,617</u>	<u>\$ 2,314,623</u>	<u>\$ (479,159)</u>	<u>\$ -</u>	<u>\$ 39,572,081</u>

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Notes to Basic Financial Statements

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

<u>Governmental activities:</u>	
General Administration	\$ 581,248
School Administration	8,882,077
General Instruction	50,331,769
Special Ed Instruction	21,680
Instructional Support	10,173
Operations & Maintenance	2,216,685
Transportation	1,982,503
Capital assets held by the District's internal service funds	<u>3,422,464</u>
Total depreciation expense – governmental activities	<u>\$ 67,448,599</u>
<u>Business-type activities:</u>	
Food services	\$ 324,801
Child care	19,881
Property management	<u>68,034</u>
Total depreciation expense – business-type activities	<u>\$ 412,716</u>

Construction commitments

The District has active construction projects as of June 30, 2012. 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, 2012, are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
District Roof Replacements & Upgrades	\$2,466,898	\$2,528,167
District Wide Fire Alarm Replacement	358,804	897,403
District Wide Warm, Safe, Dry Projects	360,195	320,850
District Wide Steafa to JCI Conversion	1,103,266	311,770
District Wide Playgrounds	97,577	247,854
Standley Lake HS HVAC Upgrade	82,899	154,979

8. Interfund receivables and payables

The following identifies amounts due to and from individual funds at June 30, 2012:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General fund	\$ 7,512,655	\$ -
Grants fund	-	3,062,794
Internal service – Technology fund	<u>-</u>	<u>4,449,861</u>
	<u>\$7,512,655</u>	<u>\$7,512,655</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

9. Transfers

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. At June 30, 2012, the detail for these transfers is as follows:

Campus activity fund	\$ 498,276
Transportation fund	12,343,139
Capital reserve capital projects fund	<u>20,556,000</u>
Net transfers within the governmental funds	<u>33,397,415</u>
Child care fund	4,040,569
Internal service funds	<u>9,031,000</u>
Net transfers into the proprietary funds	<u>13,071,569</u>
Total transfers out from the General fund	<u>\$ 46,468,984</u>

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

Certificates of participation terms are twenty years with interest ranging from 4.89 percent to 5.45 percent. Certificates of participation and capital lease obligations for the fiscal year ended June 30, 2012, are comprised of the following:

	Balance July 1, 2011	Additions	Retirements	Outstanding June 30, 2012	Current Portion
Governmental activities					
Supplemental Retirement 2006A COP's	21,770,000	-	(935,000)	20,835,000	980,000
Supplemental Retirement 2006B COP's	11,300,000	-	(490,000)	10,810,000	510,000
Less deferred amounts:					
For discounts	<u>(239,754)</u>	\$ -	<u>15,468</u>	<u>(224,286)</u>	-
Governmental activity long-term liabilities	<u>\$ 32,830,246</u>	<u>\$ -</u>	<u>\$ (1,409,532)</u>	<u>\$ 31,420,714</u>	<u>\$ 1,490,000</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, 2012 was \$14,777,795.

	Balance July 1, 2011	Additions	Retirements	Outstanding June 30, 2012	Current Portion
Component unit activities:					
Component units - Buildings/Capital leases	\$ 49,200,000	\$ 15,900,000	\$ (3,805,000)	\$ 61,295,000	\$ 1,195,000
Less deferred amounts:					
For discounts, premiums and losses	<u>(2,595,376)</u>	<u>(534,282)</u>	<u>213,651</u>	<u>(2,916,007)</u>	-
Total Component unit capital lease	<u>\$ 46,604,624</u>	<u>\$ 15,365,718</u>	<u>\$ (3,591,349)</u>	<u>\$ 58,378,993</u>	<u>\$ 1,195,000</u>
Component Units - Promissory notes	<u>\$ 121,398</u>	<u>\$ -</u>	<u>\$ (19,136)</u>	<u>\$ 102,262</u>	<u>\$ 20,143</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.

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Notes to Basic Financial Statements

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

Capital leases

Fiscal Year Ending June 30	Governmental Activities		Component Units	
	COP's		Charter Schools	
	Principal	Interest	Principal	Interest
2013	\$ 1,490,000	\$ 1,704,834	\$ 1,195,000	\$ 3,362,755
2014	1,575,000	1,628,233	1,375,000	3,306,051
2015	1,655,000	1,546,531	1,430,000	3,239,218
2016	1,740,000	1,459,802	1,505,000	3,168,682
2017	1,830,000	1,367,989	16,395,000	3,091,565
2018-2022	10,795,000	5,216,077	6,920,000	10,138,510
2023-2027	12,560,000	1,822,517	10,145,000	8,005,562
2028-2032	-	-	10,955,000	5,048,253
2033-2037	-	-	8,375,000	2,093,464
2038-2042	-	-	3,000,000	414,850
Total	<u>\$31,645,000</u>	<u>\$14,745,983</u>	<u>\$61,295,000</u>	<u>\$41,868,910</u>

Promissory note

Fiscal Year Ending June 30	Component Units	
	Charter Schools	
	Principal	Interest
2013	\$ 20,143	\$ 5,766
2014	9,302	4,742
2015	9,884	4,160
2016	10,492	3,551
2017	11,158	2,885
2018-2020	<u>41,283</u>	<u>4,325</u>
Total	<u>\$ 102,262</u>	<u>\$ 25,429</u>

The District has appropriated amounts from 2013 revenues in the General Fund to meet the lease payments for the COP principal and interest which is due in 2013.

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, 2012 are comprised of the following:

\$309,885,000 1997 Series Refunding Bonds was paid off on 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.	\$ -
\$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%.	34,600,000
\$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%.	33,790,000
\$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 \$899,194 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 one payment remaining of \$36,747,800 on 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%.	<u>229,745,000</u>
Total	<u>\$ 452,710,000</u>

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Notes to Basic Financial Statements

	Balance July 1, <u>2011</u>	New and Refunding <u>Issues</u>	Payments & Amortization <u>of Discount</u>	Balance June 30, <u>2012</u>	Current <u>Portion</u>
<u>General obligation bonds:</u>					
Refunding – 1997	\$ 35,240,000	\$ -	\$ (35,240,000)	\$ -	\$ -
Refunding – 2003	34,640,000	-	(40,000)	34,600,000	40,000
Construction – 2004	12,865,000	-	-	12,865,000	-
Refunding – 2004	48,590,000	-	(14,800,000)	33,790,000	15,535,000
Refunding – 2005	39,020,000	-	-	39,020,000	-
Construction – 2006	66,800,000	-	-	66,800,000	-
Refunding – 2007	35,890,000	-	-	35,890,000	35,890,000
Refunding – 2010	229,745,000	-	-	229,745,000	-
<u>Less deferred amounts:</u>					
Discounts and premiums	<u>21,138,367</u>	<u>-</u>	<u>(1,969,814)</u>	<u>19,168,553</u>	<u>-</u>
	<u>\$ 523,928,367</u>	<u>\$ -</u>	<u>\$ (52,049,814)</u>	<u>\$ 471,878,553</u>	<u>\$ 51,465,000</u>

Future year's general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 51,465,000	\$ 21,217,444
2014	22,100,000	19,438,000
2015	23,125,000	18,359,175
2016	23,340,000	17,219,300
2017	24,355,000	16,036,175
2018-2022	140,490,000	60,628,150
2023-2027	<u>167,835,000</u>	<u>21,836,687</u>
Total	<u>\$ 452,710,000</u>	<u>\$ 174,734,931</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, 2012, are \$1,408,606,084 and \$1,031,928,609, respectively. Management of the District believes it is in compliance with the legal debt limit.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

12. Defeased debt

The District has issued bonds for the purpose of refunding portions of the 2004 bonds. The proceeds of these bonds were placed in an irrevocable trust to provide the future debt service payments on the old bonds. The trust account assets and the liabilities for the defeased bonds are not included in the District's basic financial statements. At June 30, 2012 the defeased debt and respective assets and liabilities are as follows:

<u>Refunding Series</u>	<u>Amount Financed</u>	<u>Escrow Disbursement Completion</u>	<u>Assets in Trust</u>	<u>Principal Outstanding</u>
2010	\$244,135,000	December, 2014	\$260,629,315	\$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 \$250,000 of any property loss, the first \$500,000 of any liability loss, or errors and omissions loss. The District also retains the first \$500,000 of any in state automobile liability loss and the first \$150,000 of any out of state automobile liability loss. For workers' compensation losses the District retains the first \$450,000. In order to minimize expenditures for self-insured losses and for excess premiums, the District adjusts its own workers' compensation claims and manages the handling of all other claims.

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

The cost of Insurance Reserve Fund claims and premiums are recorded when incurred. Estimates for unsettled and incurred but not reported claims in the amount of \$3,832,003 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2012. 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, 2012 for the District.

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

Balance July 1, 2011	\$ 3,267,247
Increase (Decrease) in estimated claims:	
Estimated property claims	210,575
Automobile claims	78,322
General liability claims	96,748
Workers' compensation claims	179,111
Balance June 30, 2012	<u>\$ 3,832,003</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

	<u>2011</u>	<u>2012</u>
Amount of claims liabilities at July 1	\$ 3,442,732	\$ 3,267,247
Incurred claims and change in reserve	4,653,208	2,710,483
Payments on claims	<u>(4,828,693)</u>	<u>(2,145,727)</u>
Amount of claims liabilities at June 30	<u>\$ 3,267,247</u>	<u>\$ 3,832,003</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 \$241,908 and \$51,843 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2012, related to the District's self-insured dental and vision plans respectively and \$264,392 for medical insurance and other benefit premiums.

	<u>2011</u>	<u>2012</u>
Amount of claims liabilities at July 1	\$ 345,178	\$ 320,226
Incurred claims and change in reserve	5,882,370	5,646,411
Payments on claims	<u>(5,907,322)</u>	<u>(5,672,886)</u>
Amount of claims liabilities at June 30	<u>\$ 320,226</u>	<u>\$ 293,751</u>

14. Commitments and contingencies

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

15. Pension plan

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

Plan members and the District are required to contribute to the CSSDTF at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 percent and, for the District, the fiscal year 2012 rate changed from 14.75 percent to 15.65 percent on January 1, 2012. 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, 2010, 2011 and 2012 were \$68,447,923 and \$71,514,626, and \$72,179,102 respectively, equal to their required contributions for each year.

A portion of the District's contribution is allocated by PERA to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The Health Fund provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. The District is required to contribute at a rate of 1.02 percent of covered salary for all PERA members as set by statute. No member contributions are required. The contribution

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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, 2010, 2011 and 2012 were \$5,147,482, \$5,041,258, and \$4,790,989 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 (\$16,500 in 2010, \$16,500 in 2011, and \$17,000 in 2012).

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 4/16/2009. In February of 2009, the Plan received its most recent IRS determination letter. The Supplemental Retirement plan is a single employer defined benefit plan qualified under Section 401(a) of the Internal Revenue Service Code. A participant reaches normal retirement under the plan at age 55 with 20 years of eligible service; reduced early retirement benefits are available with attainment of age 50 provided the service requirement has been met. The Plan's benefit formula is currently .257 percent multiplied by the applicable years of service as of 8/31/1999 (capped at 20 years) and the scheduled salary as of 8/31/1999. In late 2006, certificates of participation were issued and used to make additional employer contributions to the Plan. Subsequently, in an effort to improve the Plan's funded status, in the spring of 2007, existing retirees in receipt and those fully vested employees currently employed by the District, were offered the ability to take a voluntary lump-sum payout of their remaining Plan benefits. For participants who vest and retire after 9/01/2007, benefits are payable in the form of a one-time, lump-sum payout, or in 120 monthly payments. The Board approves funding of the plan each year with the budget adoption. For fiscal year 2011/2012, the Board of Education initially determined that additional contributions for the foreseeable future would not be made to the Plan. As a result, and due to actuarial necessity, benefits were eliminated for participants who had not met the vesting requirements of age 50 and 20 years of eligible service as of 8/31/2011. The plan still is operational for active and deferred vested participants and those participants and beneficiaries in receipt of payment. Upon recommendation of legal counsel, the Board of Education approved a de minimus contribution of \$5,000 in June of 2012. Plan information is available from the District employee benefits department, 1829 Denver West Drive, Golden, CO. 80401. (303)982-6527. The District does not issue a separate audited financial statement for the Plan.

Funding Policy - The Plan and each obligation of the District hereunder are subject to and contingent upon funds being budgeted and appropriated for such purpose prior to the beginning of each applicable fiscal year of the District in accordance with the requirements of Article X, Section 20 of the Colorado State Constitution and any other existing or future constitutional or statutory provision that may apply. For fiscal year 2011/2012, the Board of Education determined that additional contributions, other than de minimus, would not be made to the Plan for the foreseeable future.

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

Annual required contributions (ARC)	\$ 349,215
Actual annual contribution for fiscal year 2011	<u>(500,000)</u>
Decrease in net pension obligation (Asset)	(150,785)
Interest on net pension obligation	(2,919,562)
Adjustment on annual required contribution	4,381,359
Net pension asset, beginning of year	<u>(48,659,370)</u>
Net pension asset, end of year	<u>\$ (47,348,358)</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

The annual required contribution for the current year was determined as part of the September 1, 2011 actuarial valuation prepared by Gabriel Roeder Smith & Company, using the traditional (unprojected) unit credit actuarial cost method and a level dollar amortization method for a 20 year closed period (30 year open period prior to fiscal year 2009). The actuarial assumptions include (a) 6.00 percent investment rate of return for August 31, 2010 and later, 6.50 percent investment rate of return for August 31, 2007 through August 31, 2009, 7.75 percent investment rate of return before August 31, 2007, and 8.75 percent before August 31, 2005, (b) inflation at 2.8 percent after August 31, 2008, 4.50 percent before August 31, 2005 and no projected salary or cost of living increases. The actuarial value of assets was equal to market value. The net pension asset is recorded as prepaid expense in the government-wide statements. The District makes an annual lump sum payment. The costs for the plan year mirror the Districts fiscal year costs.

Trend information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contributions	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 2010	\$1,935,187	\$500,000	25.8%	\$ (50,292,946)
June 30, 2011	2,133,576	500,000	23.4	(48,659,370)
June 30, 2012	1,811,012	500,000	27.6	(47,348,358)

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, 2009	\$10,118,882	\$18,954,414	\$8,835,532	53.4%	\$96,143,874	9.2%
August 31, 2010	9,050,419	17,877,458	8,827,039	50.6	89,702,941	9.8
August 31, 2011	7,857,703	11,736,048	3,878,345	67.0	15,950,578	24.3

Payment of unused sick and personal leave in the amount of \$1,413,646 was paid to terminating employees with 20 or more years of service in fiscal year 2012. The Board had appropriated \$2,900,000 for it's early retirement programs to be paid in Fiscal year 2012. Budgeted expenditures for unused sick and personal leave for Fiscal year 2013 is \$2,150,000.

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

17. Subsequent Events

On September 12, 2012, \$69,540,000 in general obligation bonds with a true interest cost of 2.82 percent were issued to advance refund the 2006 Series bonds of \$66,800,000, with a true interest cost of 5.25 percent and \$2,200,000 of the 2004 Series bonds with a true interest cost of 4.5 percent. The net proceeds of \$82,543,713 (after payment of \$428,279 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. This refunding decreases total debt service payments over the next fourteen years by \$6,105,940 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5,152,779.

On November 6, 2012, Jefferson County voters authorized a \$39 million mill levy override and the issuance of \$99 million in general obligation bonds for the District. The mill levy override will be used for operational expenditures and the general obligation bonds will be used to fund district-wide capital renewal projects.



Supplementary Information

The Combining Financial Statements represent the second level of financial reporting for the District. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.



Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

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

Transportation Fund – This fund is used to account for student transportation services.

Major Governmental Funds

Bond Redemption Debt Service

Bond Redemption Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Capital Projects

Capital Reserve Capital Projects Fund – This fund is authorized by Colorado School Law and is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2012

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Campus Activity Fund</u>	<u>Transportation Fund</u>	
Assets			
Cash	\$ 102,837	\$ 500	\$ 103,337
Equity in pooled cash and investments	10,917,555	1,233,976	12,151,531
Accounts and interest receivable	845,813	80,374	926,187
Inventories	345,778	536,304	882,082
Prepaid items	13,778	-	13,778
Total assets	<u>\$ 12,225,761</u>	<u>\$ 1,851,154</u>	<u>\$ 14,076,915</u>
Liabilities			
Accounts payable	\$ 1,218,234	\$ 170,370	\$ 1,388,604
Accrued salaries and benefits	2,393	1,680,784	1,683,177
Unearned revenues	99,590	-	99,590
Total liabilities	<u>1,320,217</u>	<u>1,851,154</u>	<u>3,171,371</u>
Fund Balances:			
Nonspendable:			
Inventory	345,778	536,304	882,082
Prepaid items	13,778	-	13,778
Restricted for:			
TABOR	583,235	-	583,235
Assigned to:			
Special revenue funds	9,962,753	(536,304)	9,426,449
Total fund balance	<u>10,905,544</u>	<u>-</u>	<u>10,905,544</u>
Total liabilities and fund balances	<u>\$ 12,225,761</u>	<u>\$ 1,851,154</u>	<u>\$ 14,076,915</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, 2012

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	
Revenues:			
Intergovernmental:			
State of Colorado	\$ -	\$ 4,778,855	\$ 4,778,855
Other:			
Interest	2,951	-	2,951
Student activities	6,890,528	-	6,890,528
Fundraising	4,189,587	-	4,189,587
Fees and dues	6,257,191	-	6,257,191
Donations	2,873,810	-	2,873,810
Miscellaneous	2,100,923	-	2,100,923
Service contracts	-	3,372,721	3,372,721
Total revenues	<u>22,314,990</u>	<u>8,151,576</u>	<u>30,466,566</u>
Expenditures:			
Current:			
General instruction	22,675,647	-	22,675,647
Transportation	-	20,494,715	20,494,715
Total expenditures	<u>22,675,647</u>	<u>20,494,715</u>	<u>43,170,362</u>
Excess of revenues over (under) expenditures	(360,657)	(12,343,139)	(12,703,796)
Other financing sources (uses):			
Transfers in	498,276	12,343,139	12,841,415
Total other financing sources (uses)	<u>498,276</u>	<u>12,343,139</u>	<u>12,841,415</u>
Excess of revenues and other financing sources over (under) expenditures	137,619	-	137,619
Fund balances - July 1, 2011	10,767,925	-	10,767,925
Fund balances - June 30, 2012	<u>\$ 10,905,544</u>	<u>\$ -</u>	<u>\$ 10,905,544</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Bond Redemption Debt Service Fund
Fiscal Year Ended June 30, 2012

Bond Redemption Debt Service Fund			
	Original and Final Budget	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes:			
Property taxes	\$ 81,400,000	\$ 77,770,429	\$ (3,629,571)
Interest	5,000	2,282	(2,718)
Total taxes	81,405,000	77,772,711	(3,632,289)
Expenditures:			
Debt Service			
Principal retirement	50,080,000	50,080,000	-
Interest and fiscal charges	24,019,600	24,001,813	17,787
Total expenditures	74,099,600	74,081,813	17,787
Excess of revenues over expenditures	\$ 7,305,400	3,690,898	\$ (3,614,502)
Fund balances - July 1, 2011		72,341,627	
Fund balances - June 30, 2012		\$ 76,032,525	

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, 2012

	Capital Reserve Capital Projects Fund		
	Original and Final Budget	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Interest	\$ 100,000	\$ -	\$ (100,000)
Other	250,000	263,529	13,529
Total revenues	350,000	263,529	(86,471)
Expenditures:			
Capital outlay:			
New buildings and land	28,958,100	74,133	28,883,967
School additions and improvements	-	14,702,266	(14,702,266)
Grounds improvements	-	240,644	(240,644)
Mechanical and electrical improvements	-	4,849,427	(4,849,427)
Roof replacement	-	3,144,656	(3,144,656)
Vehicles and large equipment	2,530,600	4,348,499	(1,817,899)
Total expenditures	31,488,700	27,359,625	4,129,075
Excess of revenues over (under) expenditures	(31,138,700)	(27,096,096)	4,042,604
Other financing sources:			
Transfers in	20,556,000	20,556,000	-
Total other financing sources	20,556,000	20,556,000	-
Excess of revenues and other financing sources over expenditures	\$ (10,582,700)	(6,540,096)	\$ 4,042,604
Fund balance - July 1, 2011		33,919,133	
Fund balance - June 30, 2012		\$ 27,379,037	

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, 2012

	Campus Activity Fund			
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 3,400	\$ 3,400	\$ 2,951	\$ (449)
Student activities	6,369,100	6,369,100	6,890,528	521,428
Fundraising	4,588,900	4,588,900	4,189,587	(399,313)
Fees and dues	7,164,100	7,164,100	6,257,191	(906,909)
Donations	2,797,800	2,797,800	2,873,810	76,010
Miscellaneous	2,360,700	2,360,700	2,100,923	(259,777)
Total revenues	<u>23,284,000</u>	<u>23,284,000</u>	<u>22,314,990</u>	<u>(969,010)</u>
Expenditures:				
Current:				
Athletics and activities	23,802,600	23,802,600	22,675,647	1,126,953
Total expenditures	<u>23,802,600</u>	<u>23,802,600</u>	<u>22,675,647</u>	<u>1,126,953</u>
Excess of revenues over (under) expenditures	(518,600)	(518,600)	(360,657)	157,943
Other financing sources:				
Transfers in	500,000	550,000	498,276	(51,724)
Total other financing sources (uses)	<u>500,000</u>	<u>550,000</u>	<u>498,276</u>	<u>(51,724)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ (18,600)</u>	<u>\$ 31,400</u>	137,619	<u>\$ 106,219</u>
Fund balance - July 1, 2011			10,767,925	
Fund balance - June 30, 2012			<u>\$ 10,905,544</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Transportation Special Revenue Fund
Fiscal Year Ended June 30, 2012

	Transportation Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Budget Basis	
	Original	Final		
Revenues:				
Service contracts	\$ 2,500,000	\$ 2,600,000	\$ 3,372,721	\$ 772,721
State of Colorado	4,500,000	4,500,000	4,778,855	278,855
Total revenues	7,000,000	7,100,000	8,151,576	1,051,576
Expenditures:				
Current:				
Transportation	20,403,600	20,503,600	20,494,715	8,885
Total expenditures	20,403,600	20,503,600	20,494,715	8,885
Excess of revenues over (under) expenditures	(13,403,600)	(13,403,600)	(12,343,139)	1,060,461
Other financing sources:				
Transfers in	13,403,600	13,403,600	12,343,139	(1,060,461)
Total other financing sources (uses)	13,403,600	13,403,600	12,343,139	(1,060,461)
Excess of revenues and other financing sources over (under) expenditures	\$ -	\$ -	-	\$ -
Fund balance - July 1, 2011			-	
Fund balance - June 30, 2012			\$ -	



Internal Service Funds

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

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

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Net Position
Internal Service Funds
June 30, 2012

<u>Assets</u>	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Current assets:			
Cash	\$ 300	\$ -	\$ -
Restricted cash	-	37,000	-
Equity in pooled cash and investments	1,088,197	39,203,776	10,964,106
Accounts and other receivable	25,176	6,757	46,965
Inventories	123,565	-	-
Prepaid items	1,099	-	1,603,408
Total current assets	<u>1,238,337</u>	<u>39,247,533</u>	<u>12,614,479</u>
Capital assets:			
Vehicles and equipment	2,168,480	-	191,306
Less accumulated depreciation	<u>(1,297,708)</u>	<u>-</u>	<u>(107,149)</u>
Total capital assets net of accumulated depreciation	870,772	-	84,157
Total assets	<u>\$ 2,109,109</u>	<u>\$ 39,247,533</u>	<u>\$ 12,698,636</u>
<u>Liabilities and Net Position</u>			
Current liabilities:			
Accounts payable	\$ 115,771	\$ -	\$ 41,696
Accrued salaries, benefits, and compensated absences	63,022	2,618,004	137,351
Payroll withholding	-	21,843,965	-
Due to other funds	-	-	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	558,143	3,832,003
Total current liabilities	<u>178,793</u>	<u>25,020,112</u>	<u>4,011,050</u>
Non-current liabilities:			
Compensated absences	54,196	2,202	133,703
Total non-current liabilities	<u>54,196</u>	<u>2,202</u>	<u>133,703</u>
Total liabilities	<u>232,989</u>	<u>25,022,314</u>	<u>4,144,753</u>
<u>Net Position</u>			
Net investment in capital assets	870,771	-	84,156
Restricted for:			
TABOR	1,506	8,656	22,969
Unrestricted	1,003,843	14,216,563	8,446,758
Total net position	<u>1,876,120</u>	<u>14,225,219</u>	<u>8,553,883</u>
Total liabilities and net position	<u>\$ 2,109,109</u>	<u>\$ 39,247,533</u>	<u>\$ 12,698,636</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	37,000
-	51,256,079
166,752	245,650
16,364	139,929
1,879,796	3,484,303
<u>2,062,912</u>	<u>55,163,261</u>
29,491,418	31,851,204
(16,033,989)	(17,438,846)
<u>13,457,429</u>	<u>14,412,358</u>
<u>\$ 15,520,341</u>	<u>\$ 69,575,619</u>

\$ 1,109,749	\$ 1,267,216
746,485	3,564,862
-	21,843,965
4,449,861	4,449,861
431,374	431,374
-	4,390,146
<u>6,737,469</u>	<u>35,947,424</u>

<u>589,751</u>	<u>779,852</u>
<u>589,751</u>	<u>779,852</u>
<u>7,327,220</u>	<u>36,727,276</u>

13,457,429	14,412,356
43,682	76,813
(5,307,990)	18,359,174
<u>8,193,121</u>	<u>32,848,343</u>
<u>\$ 15,520,341</u>	<u>\$ 69,575,619</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Fiscal Year Ended June 30, 2012

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Revenues:			
Insurance premiums	\$ -	\$ 6,804,726	\$ 906,902
Service contracts	3,503,078	-	42,750
Total revenues	<u>3,503,078</u>	<u>6,804,726</u>	<u>949,652</u>
Expenses:			
Salaries and employee benefits	1,043,451	64,015	1,978,914
Administration services	248,979	622,218	500,944
Utilities	6,582	-	-
Supplies	1,352,348	-	-
Repairs and maintenance	668,205	-	-
Depreciation	257,695	-	31,510
Other	3,585	-	-
Claim losses	-	5,646,411	2,710,483
Premiums paid	-	265,980	1,770,687
Total expenses	<u>3,580,845</u>	<u>6,598,624</u>	<u>6,992,538</u>
Income (loss) from operations	<u>(77,767)</u>	<u>206,102</u>	<u>(6,042,886)</u>
Non-operating revenues (expenses):			
Interest expense	-	-	-
Gain (loss) on sale of capital assets	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(77,767)</u>	<u>206,102</u>	<u>(6,042,886)</u>
Transfers from the general fund	-	-	6,581,000
Change in net position	<u>(77,767)</u>	<u>206,102</u>	<u>538,114</u>
Net position - July 1, 2011	<u>1,953,887</u>	<u>14,019,117</u>	<u>8,015,769</u>
Net position - June 30, 2012	<u>\$ 1,876,120</u>	<u>\$ 14,225,219</u>	<u>\$ 8,553,883</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 7,711,628
15,523,245	19,069,073
<u>15,523,245</u>	<u>26,780,701</u>
9,670,774	12,757,154
1,987,086	3,359,227
871,513	878,095
522,843	1,875,191
2,951,828	3,620,033
3,133,259	3,422,464
5,320	8,905
-	8,356,894
-	2,036,667
<u>19,142,623</u>	<u>36,314,630</u>
<u>(3,619,378)</u>	<u>(9,533,929)</u>
(33,867)	(33,867)
(41,099)	(41,099)
<u>(74,966)</u>	<u>(74,966)</u>
(3,694,344)	(9,608,895)
2,450,000	9,031,000
<u>(1,244,344)</u>	<u>(577,895)</u>
9,437,465	33,426,238
<u>\$ 8,193,121</u>	<u>\$ 32,848,343</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2012

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,503,830	\$ 6,804,455	\$ 943,880
Cash paid to employees	(1,043,404)	(62,903)	(1,966,897)
Cash paid to vendors	(2,247,950)	(7,551,253)	(4,403,167)
Net cash provided by (used for) in operating activities	<u>212,476</u>	<u>(809,701)</u>	<u>(5,426,184)</u>
Cash flows from noncapital financing activities:			
Transfers in and (out)	-	-	6,581,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>6,581,000</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(368,064)	-	(46,709)
Interest payments	-	-	-
Net cash (used for) capital and related financing activities	<u>(368,064)</u>	<u>-</u>	<u>(46,709)</u>
Net increase (decrease) in cash and cash equivalents	(155,588)	(809,701)	1,108,107
Cash and cash equivalents - July 1, 2011	1,244,085	40,050,477	9,855,999
Cash and cash equivalents - June 30, 2012	<u>\$ 1,088,497</u>	<u>\$ 39,240,776</u>	<u>\$ 10,964,106</u>
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ (77,767)	\$ 206,102	\$ (6,042,886)
Cash flows from operating activities:			
Depreciation	257,695	-	31,510
Decrease intergovernmental and other receivables	756	(273)	(5,772)
(Increase) decrease in prepaid items	(418)	-	44,062
(Increase) decrease in other inventories	5,948	-	-
Increase (decrease) in accounts payable	26,215	(542)	(29,871)
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	47	71,806	12,017
Increase in payroll withholding	-	(999,973)	-
Increase in due to other funds	-	-	-
(Decrease) in deferred revenues	-	-	-
(Decrease) in estimated liability for premiums and claims	-	(86,821)	564,756
Net cash provided by (used for) in operating activities	<u>\$ 212,476</u>	<u>\$ (809,701)</u>	<u>\$ (5,426,184)</u>
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ -	\$ -	\$ -

Technology Fund	Governmental Activities - Internal Service Funds
\$ 15,469,336	\$ 26,721,501
(9,528,041)	(12,601,245)
<u>(2,844,725)</u>	<u>(17,047,095)</u>
<u>3,096,570</u>	<u>(2,926,839)</u>
2,450,000	9,031,000
<u>2,450,000</u>	<u>9,031,000</u>
(5,512,703)	(5,927,476)
<u>(33,867)</u>	<u>(33,867)</u>
<u>(5,546,570)</u>	<u>(5,961,343)</u>
-	142,818
-	51,150,561
<u>\$ -</u>	<u>\$ 51,293,379</u>
\$ (3,619,378)	\$ (9,533,929)
3,133,259	3,422,464
13,321	8,032
38,868	82,512
7,267	13,215
803,858	799,660
142,732	226,602
-	(999,973)
2,643,873	2,643,873
<u>(67,230)</u>	<u>(67,230)</u>
-	477,935
<u>\$ 3,096,570</u>	<u>\$ (2,926,839)</u>
\$ 41,098	\$ 41,098



Component Units

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Net Position
Component Units
June 30, 2012

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Assets						
Current assets:						
Cash	\$ 332	\$ 180	\$ 53,070	\$ 500	\$ 500	\$ 1,300
Restricted cash	757,101	-	744,710	797,587	561,958	10,383,827
Restricted cash for TABOR	103,590	65,146	86,128	114,026	93,893	192,080
Equity in pooled cash and investments	40,476	195,002	148,381	1,158,114	611,229	930,093
Accounts receivable	45	64	-	112	50	-
Prepaid items	-	-	-	-	2,750	-
Total current assets:	<u>901,544</u>	<u>260,392</u>	<u>1,032,289</u>	<u>2,070,339</u>	<u>1,270,380</u>	<u>11,507,300</u>
Noncurrent assets:						
Deferred charges	115,607	-	87,312	169,066	136,738	166,227
Nondepreciable assets	650,000	-	1,016,509	235,981	820,874	3,418,740
Depreciable assets	5,139,175	90,993	4,464,441	5,011,183	5,045,356	3,339,575
Accumulated depreciation	<u>(1,691,624)</u>	<u>(25,573)</u>	<u>(1,192,141)</u>	<u>(1,192,660)</u>	<u>(230,380)</u>	<u>(1,149,367)</u>
Total noncurrent assets:	<u>4,213,158</u>	<u>65,420</u>	<u>4,376,121</u>	<u>4,223,570</u>	<u>5,772,588</u>	<u>5,775,175</u>
Total assets	<u><u>\$ 5,114,702</u></u>	<u><u>\$ 325,812</u></u>	<u><u>\$ 5,408,410</u></u>	<u><u>\$ 6,293,909</u></u>	<u><u>\$ 7,042,968</u></u>	<u><u>\$ 17,282,475</u></u>
Liabilities						
Current liabilities:						
Accounts payable	\$ 1,616	\$ 5,253	\$ 4,873	\$ 54,032	\$ 19,638	\$ 1,033,063
Accrued salaries and benefits	145,350	152,573	163,517	138,234	117,019	273,692
Due to the general fund	-	-	-	-	-	-
Unearned revenues	650	94,635	26,533	10,470	168,300	-
Accrued interest	14,220	63	122,272	29,493	14,779	37,431
Current capital leases and promissory notes	215,000	11,389	128,754	175,000	105,000	105,000
Total current liabilities:	<u>376,836</u>	<u>263,913</u>	<u>445,949</u>	<u>407,229</u>	<u>424,736</u>	<u>1,449,186</u>
Noncurrent liabilities:						
Capital Leases and promissory notes	6,430,726	-	5,263,978	5,780,045	6,283,846	15,418,799
Total Noncurrent liabilities:	<u>6,430,726</u>	<u>-</u>	<u>5,263,978</u>	<u>5,780,045</u>	<u>6,283,846</u>	<u>15,418,799</u>
Total liabilities	<u>6,807,562</u>	<u>263,913</u>	<u>5,709,927</u>	<u>6,187,274</u>	<u>6,708,582</u>	<u>16,867,985</u>
Net Position						
Net investment in capital assets	(1,972,508)	54,031	(663,809)	(1,369,985)	(285,189)	779
Restricted for:						
Capital projects	-	-	-	-	-	8,618,920
Debt service	742,881	-	622,438	768,094	547,179	990,626
TABOR	103,590	65,146	86,128	114,026	93,893	192,080
Unrestricted	<u>(566,823)</u>	<u>(57,278)</u>	<u>(346,274)</u>	<u>594,500</u>	<u>(21,497)</u>	<u>(9,387,915)</u>
Total net position	<u>(1,692,860)</u>	<u>61,899</u>	<u>(301,517)</u>	<u>106,635</u>	<u>334,386</u>	<u>414,490</u>
Total liabilities and net position	<u><u>\$ 5,114,702</u></u>	<u><u>\$ 325,812</u></u>	<u><u>\$ 5,408,410</u></u>	<u><u>\$ 6,293,909</u></u>	<u><u>\$ 7,042,968</u></u>	<u><u>\$ 17,282,475</u></u>

Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 700	\$ 500	\$ 225	\$ 300	\$ 300	\$ -	\$ 10,500	\$ 500	\$ 68,907
339,238	863,688	-	-	455,417	500,000	55,997	687,967	16,147,490
107,625	106,931	68,377	57,114	85,939	49,066	90,211	119,820	1,339,946
800,479	663,512	58,017	204,494	668,577	75,595	-	2,320,219	7,874,188
-	3,853	879	14,408	504	92,574	12	-	112,501
-	-	-	-	-	-	-	-	2,750
<u>1,248,042</u>	<u>1,638,484</u>	<u>127,498</u>	<u>276,316</u>	<u>1,210,737</u>	<u>717,235</u>	<u>156,720</u>	<u>3,128,506</u>	<u>25,545,782</u>
63,520	82,980	-	-	158,400	-	-	156,304	1,136,154
617,076	1,099,229	-	-	79,926	-	-	881,654	8,819,989
2,837,826	4,645,388	25,145	250,703	4,838,244	6,427	-	5,036,760	40,731,216
(906,582)	(1,185,539)	-	(35,366)	(1,060,616)	(6,427)	-	(1,302,849)	(9,979,124)
<u>2,611,840</u>	<u>4,642,058</u>	<u>25,145</u>	<u>215,337</u>	<u>4,015,954</u>	<u>-</u>	<u>-</u>	<u>4,771,869</u>	<u>40,708,235</u>
<u>\$ 3,859,882</u>	<u>\$ 6,280,542</u>	<u>\$ 152,643</u>	<u>\$ 491,653</u>	<u>\$ 5,226,691</u>	<u>\$ 717,235</u>	<u>\$ 156,720</u>	<u>\$ 7,900,375</u>	<u>\$ 66,254,017</u>
\$ 79,145	\$ 1,682	\$ 28,288	\$ 352,113	\$ 3,293	\$ 2,996	\$ 13,587	\$ 19,729	\$ 1,619,308
147,041	155,519	-	54,502	146,996	77,694	79,110	63,534	1,714,781
-	-	-	-	-	-	73,541	-	73,541
16,349	8,250	44,254	-	35,909	-	-	19,221	424,571
29,313	62,896	-	-	58,664	-	-	23,369	392,500
100,000	145,000	-	-	90,000	-	-	140,000	1,215,143
<u>371,848</u>	<u>373,347</u>	<u>72,542</u>	<u>406,615</u>	<u>334,862</u>	<u>80,690</u>	<u>166,238</u>	<u>265,853</u>	<u>5,439,844</u>
1,747,650	5,886,467	-	-	4,819,176	-	-	5,635,425	57,266,112
<u>1,747,650</u>	<u>5,886,467</u>	<u>-</u>	<u>-</u>	<u>4,819,176</u>	<u>-</u>	<u>-</u>	<u>5,635,425</u>	<u>57,266,112</u>
<u>2,119,498</u>	<u>6,259,814</u>	<u>72,542</u>	<u>406,615</u>	<u>5,154,038</u>	<u>80,690</u>	<u>166,238</u>	<u>5,901,278</u>	<u>62,705,956</u>
889,986	(946,205)	25,145	215,337	(661,358)	-	-	(736,840)	(5,450,616)
-	-	-	-	-	500,000	-	-	9,118,920
309,925	800,792	-	-	396,753	-	-	664,598	5,843,286
107,625	106,931	68,377	57,114	85,939	49,066	90,211	119,820	1,339,946
432,848	59,210	(13,421)	(187,413)	251,319	87,479	(99,729)	1,951,519	(7,303,475)
<u>1,740,384</u>	<u>20,728</u>	<u>80,101</u>	<u>85,038</u>	<u>72,653</u>	<u>636,545</u>	<u>(9,518)</u>	<u>1,999,097</u>	<u>3,548,061</u>
<u>\$ 3,859,882</u>	<u>\$ 6,280,542</u>	<u>\$ 152,643</u>	<u>\$ 491,653</u>	<u>\$ 5,226,691</u>	<u>\$ 717,235</u>	<u>\$ 156,720</u>	<u>\$ 7,900,375</u>	<u>\$ 66,254,017</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Combining Statement of Activities
 Component Units

Fiscal year ended June 30, 2012

	Expenses	Charges For Services	Governmental Activities	General Revenues	Change in net position	Net position beginning	Net position ending
Schools							
Collegiate Academy of Colorado	\$ 3,636,018	\$ 295,882	\$ (3,340,136)	\$ 3,190,360	\$ (149,776)	\$ (1,543,084)	\$ (1,692,860)
Compass Montessori - Wheatridge	2,103,644	781,782	(1,321,862)	1,417,836	95,974	(34,075)	61,899
Compass Montessori - Golden	2,978,751	737,505	(2,241,246)	2,183,955	(57,291)	(244,226)	(301,517)
Excel Charter School	3,912,553	542,864	(3,369,689)	3,282,132	(87,557)	194,192	106,635
Free Horizon	3,182,644	887,416	(2,295,228)	2,243,611	(51,617)	386,003	334,386
Jefferson Academy	6,391,046	477,533	(5,913,513)	5,942,924	29,411	385,079	414,490
Lincoln Academy Charter School	3,826,179	330,224	(3,495,955)	3,307,393	(188,562)	1,928,946	1,740,384
Montessori Peaks	3,644,898	921,328	(2,723,570)	2,694,520	(49,778)	49,778	20,728
Mountain Phoenix	2,374,130	525,953	(1,848,177)	1,893,095	44,918	35,183	80,101
New America	2,231,824	48,578	(2,183,246)	1,855,418	(327,828)	412,866	85,038
Rocky Mountain Academy Evergreen	2,823,586	644,814	(2,178,772)	2,322,444	143,672	(71,019)	72,653
Rocky Mountain Deaf School	1,668,572	1,701,176	32,604	440,667	473,271	163,274	636,545
Two Roads High School	3,398,885	370,815	(3,028,070)	2,636,227	(391,843)	382,325	(9,518)
Woodrow Wilson Academy	3,648,671	397,011	(3,251,660)	3,598,708	347,048	1,652,049	1,999,097
Total	\$ 45,821,401	\$ 8,662,881	\$ (37,158,520)	\$ 37,009,290	\$ (149,230)	\$ 3,697,291	\$ 3,548,061

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
All Component Units
Combining Balance Sheet
June 30, 2012

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Assets:						
Cash	\$ 332	\$ 180	\$ 53,070	\$ 500	\$ 500	\$ 1,300
Restricted Cash	860,691	65,146	830,838	911,613	655,851	10,575,907
Equity in pooled cash and investments	40,476	195,002	148,381	1,158,114	611,229	930,093
Accounts, notes, contracts, and interest receivable	45	64	-	112	50	-
Prepaid items	-	-	-	-	2,750	-
Total Assets	\$ 901,544	\$ 260,392	\$ 1,032,289	\$ 2,070,339	\$ 1,270,380	\$ 11,507,300
Liabilities and fund balances (deficit)						
Liabilities:						
Accounts and retainages payable	\$ 1,616	\$ 5,253	\$ 4,873	\$ 54,032	\$ 19,638	\$ 1,033,063
Accrued salaries, benefits, and compensated absences	145,350	152,573	163,517	138,234	117,019	273,692
Due to primary government	-	-	-	-	-	-
Unearned revenues	650	94,635	26,533	10,470	168,300	-
Total Liabilities	147,616	252,461	194,923	202,736	304,957	1,306,755
Fund balances:						
Restricted for:						
TABOR	103,590	65,146	86,128	114,026	93,893	192,080
Debt service	757,101	-	744,710	797,587	561,958	1,028,057
Construction	-	-	-	-	-	8,618,920
Unassigned	(106,763)	(57,215)	6,528	955,990	309,572	361,488
Total fund balances (deficit)	753,928	7,931	837,366	1,867,603	965,423	10,200,545
Total liabilities and fund balances	\$ 901,544	\$ 260,392	\$ 1,032,289	\$ 2,070,339	\$ 1,270,380	\$ 11,507,300
Amounts reported for component unit activities in the statement of net position are different because:						
Component units total fund balance	\$ 753,928	\$ 7,931	\$ 837,366	\$ 1,867,603	\$ 965,423	\$ 10,200,545
Add: Capital assets	5,789,175	90,993	5,480,950	5,247,164	5,866,230	6,758,315
Deferred charges	115,607	-	87,312	169,066	136,738	166,227
Less: Accumulated depreciation	(1,691,624)	(25,573)	(1,192,141)	(1,192,660)	(230,380)	(1,149,367)
Long-term liabilities	(6,645,726)	(11,389)	(5,392,732)	(5,955,045)	(6,388,846)	(15,523,799)
Accrued interest	(14,220)	(63)	(122,272)	(29,493)	(14,779)	(37,431)
Net position of component unit activities	\$(1,692,860)	\$ 61,899	\$ (301,517)	\$ 106,635	\$ 334,386	\$ 414,490

Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 700	\$ 500	\$ 225	\$ 300	\$ 300	\$ -	\$ 10,500	\$ 500	\$ 68,907
446,863	970,619	68,377	57,114	541,356	549,066	146,208	807,787	17,487,436
800,479	663,512	58,017	204,494	668,577	75,595	-	2,320,219	7,874,188
-	3,853	879	14,408	504	92,574	12	-	112,501
-	-	-	-	-	-	-	-	2,750
<u>\$ 1,248,042</u>	<u>\$ 1,638,484</u>	<u>\$ 127,498</u>	<u>\$ 276,316</u>	<u>\$ 1,210,737</u>	<u>\$ 717,235</u>	<u>\$ 156,720</u>	<u>\$ 3,128,506</u>	<u>\$ 25,545,782</u>
\$ 79,145	\$ 1,682	\$ 28,288	\$ 352,113	\$ 3,293	\$ 2,996	\$ 13,587	\$ 19,729	\$ 1,619,308
147,041	155,519	-	54,502	146,996	77,694	79,110	63,534	1,714,781
-	-	-	-	-	-	73,541	-	73,541
16,349	8,250	44,254	-	35,909	-	-	19,221	424,571
<u>242,535</u>	<u>165,451</u>	<u>72,542</u>	<u>406,615</u>	<u>186,198</u>	<u>80,690</u>	<u>166,238</u>	<u>102,484</u>	<u>3,832,201</u>
107,625	106,931	68,377	57,114	85,939	49,066	90,211	119,820	1,339,946
339,238	863,688	-	-	455,417	-	-	687,967	6,235,723
-	-	-	-	-	500,000	-	-	9,118,920
558,644	502,414	(13,421)	(187,413)	483,183	87,479	(99,729)	2,218,235	5,018,992
<u>1,005,507</u>	<u>1,473,033</u>	<u>54,956</u>	<u>(130,299)</u>	<u>1,024,539</u>	<u>636,545</u>	<u>(9,518)</u>	<u>3,026,022</u>	<u>21,713,581</u>
<u>\$ 1,248,042</u>	<u>\$ 1,638,484</u>	<u>\$ 127,498</u>	<u>\$ 276,316</u>	<u>\$ 1,210,737</u>	<u>\$ 717,235</u>	<u>\$ 156,720</u>	<u>\$ 3,128,506</u>	<u>\$ 25,545,782</u>
\$ 1,005,507	\$ 1,473,033	\$ 54,956	\$ (130,299)	\$ 1,024,539	\$ 636,545	\$ (9,518)	\$ 3,026,022	\$ 21,713,581
3,454,902	5,744,617	25,145	250,703	4,918,170	6,427	-	5,918,414	49,551,205
63,520	82,980	-	-	158,400	-	-	156,304	1,136,154
(906,582)	(1,185,539)	-	(35,366)	(1,060,616)	(6,427)	-	(1,302,849)	(9,979,124)
(1,847,650)	(6,031,467)	-	-	(4,909,176)	-	-	(5,775,425)	(58,481,255)
(29,313)	(62,896)	-	-	(58,664)	-	-	(23,369)	(392,500)
<u>\$ 1,740,384</u>	<u>\$ 20,728</u>	<u>\$ 80,101</u>	<u>\$ 85,038</u>	<u>\$ 72,653</u>	<u>\$ 636,545</u>	<u>\$ (9,518)</u>	<u>\$ 1,999,097</u>	<u>\$ 3,548,061</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, 2012

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Revenues:						
Intergovernmental	\$ 3,190,360	\$ 1,417,836	\$ 2,183,955	\$ 3,282,132	\$ 2,243,611	\$ 5,942,924
Other revenue	295,882	781,782	737,505	542,864	887,416	477,533
Total revenues	<u>3,486,242</u>	<u>2,199,618</u>	<u>2,921,460</u>	<u>3,824,996</u>	<u>3,131,027</u>	<u>6,420,457</u>
Expenditures:						
Current:						
Salaries and benefits	2,191,529	1,549,541	1,756,825	2,149,031	1,907,200	4,154,377
Purchased services	689,636	453,978	553,841	929,481	557,614	1,617,287
Materials and supplies	217,045	100,310	158,199	270,321	159,567	439,152
Capital outlay	-	-	-	-	22,226	3,378,102
Debt service	556,538	12,233	460,780	526,850	456,706	239,333
Total other instructional programs	<u>3,654,748</u>	<u>2,116,062</u>	<u>2,929,645</u>	<u>3,875,683</u>	<u>3,103,313</u>	<u>9,828,251</u>
Excess of revenues over (under) expenditures	(168,506)	83,556	(8,185)	(50,687)	27,714	(3,407,794)
Other Financing Sources (uses):						
Other financing sources - capital leases	-	-	-	-	-	15,900,000
Other financing uses - refunding capital leases	-	-	-	-	-	(3,082,001)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,817,999</u>
Excess of Revenues and other Financing Sources Over (Under) Expenditures	(168,506)	83,556	(8,185)	(50,687)	27,714	9,410,205
Fund balance (deficit) - July 1, 2011	922,434	(75,625)	845,551	1,918,290	937,709	790,340
Fund balance (deficit) - June 30, 2012	<u>\$ 753,928</u>	<u>\$ 7,931</u>	<u>\$ 837,366</u>	<u>\$ 1,867,603</u>	<u>\$ 965,423</u>	<u>\$ 10,200,545</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	\$ (168,506)	\$ 83,556	\$ (8,185)	\$ (50,687)	\$ 27,714	\$ 9,410,205
Less: Depreciation expense	(175,651)	(3,530)	(148,744)	(166,949)	(196,002)	(108,184)
Loss on disposal of assets	-	-	-	-	-	-
Other sources - debt and amortization of issuance costs	(11,046)	-	(26,061)	(40,410)	(5,639)	(15,515,307)
Change in accrued interest	427	-	2,512	489	84	(30,588)
Add: Net capital outlay asset additions	-	5,000	-	-	22,226	3,428,285
Principal payment on long-term liabilities	205,000	10,948	123,187	170,000	100,000	2,845,000
Change in net position of component unit activities	<u>\$ (149,776)</u>	<u>\$ 95,974</u>	<u>\$ (57,291)</u>	<u>\$ (87,557)</u>	<u>\$ (51,617)</u>	<u>\$ 29,411</u>

Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 3,307,393	\$ 2,694,520	\$ 1,893,095	\$ 1,855,418	\$ 2,322,444	\$ 440,667	\$ 2,636,227	\$ 3,598,708	\$ 37,009,290
330,224	921,328	525,953	48,578	644,814	1,701,176	370,815	397,011	8,662,881
<u>3,637,617</u>	<u>3,615,848</u>	<u>2,419,048</u>	<u>1,903,996</u>	<u>2,967,258</u>	<u>2,141,843</u>	<u>3,007,042</u>	<u>3,995,719</u>	<u>45,672,171</u>
2,377,865	2,305,414	1,468,654	896,897	1,947,308	1,180,607	1,675,430	2,075,541	27,636,219
699,129	601,943	724,172	1,167,479	653,749	428,429	1,541,959	839,789	11,458,486
149,444	155,640	112,866	59,608	54,456	59,536	181,496	191,336	2,308,976
106,369	-	25,145	-	-	-	-	56,644	3,588,486
186,265	524,935	-	-	351,983	-	-	417,625	3,733,248
<u>3,519,072</u>	<u>3,587,932</u>	<u>2,330,837</u>	<u>2,123,984</u>	<u>3,007,496</u>	<u>1,668,572</u>	<u>3,398,885</u>	<u>3,580,935</u>	<u>48,725,415</u>
118,545	27,916	88,211	(219,988)	(40,238)	473,271	(391,843)	414,784	(3,053,244)
-	-	-	-	-	-	-	-	15,900,000
-	-	-	-	-	-	-	-	(3,082,001)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,817,999</u>
118,545	27,916	88,211	(219,988)	(40,238)	473,271	(391,843)	414,784	9,764,755
886,962	1,445,117	(33,255)	89,689	1,064,777	163,274	382,325	2,611,238	11,948,826
<u>\$ 1,005,507</u>	<u>\$ 1,473,033</u>	<u>\$ 54,956</u>	<u>\$ (130,299)</u>	<u>\$ 1,024,539</u>	<u>\$ 636,545</u>	<u>\$ (9,518)</u>	<u>\$ 3,026,022</u>	<u>\$ 21,713,581</u>
\$ 118,545	\$ 27,916	\$ 88,211	\$ (219,988)	\$ (40,238)	\$ 473,271	\$ (391,843)	\$ 414,784	\$ 9,764,755
(140,172)	(157,955)	(4,826)	(56,126)	(162,112)	-	-	(261,882)	(1,582,133)
(363,994)		(63,612)	(51,714)					(479,320)
(5,419)	(40,271)	-	-	92,776	-	-	2,136	(15,549,241)
1,109	1,260	-	-	-	-	-	366	(24,341)
106,369	-	25,145	-	253,246	-	-	56,644	3,896,915
95,000	140,000	-	-	-	-	-	135,000	3,824,135
<u>\$ (188,562)</u>	<u>\$ (29,050)</u>	<u>\$ 44,918</u>	<u>\$ (327,828)</u>	<u>\$ 143,672</u>	<u>\$ 473,271</u>	<u>\$ (391,843)</u>	<u>\$ 347,048</u>	<u>\$ (149,230)</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.	104-113
Revenue Capacity These schedules contain information to help the reader assess the District's property tax revenue.	114-119
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.	120-125
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.	126-127
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.	128-133

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 228,673,057	\$ 253,475,823	\$ 270,489,848	\$ 272,131,267
Restricted	116,678,582	103,913,984	111,961,310	119,886,342
Unrestricted	(36,083,924)	(11,550,151)	44,946,760	82,472,483
Total governmental activities net assets/net position	<u>\$ 309,267,715</u>	<u>\$ 345,839,656</u>	<u>\$ 427,397,918</u>	<u>\$ 474,490,092</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 3,258,516	\$ 3,399,394	\$ 2,887,640	\$ 2,610,619
Restricted	707,591	695,777	688,076	709,513
Unrestricted	3,052,250	3,175,818	5,240,516	8,077,616
Total business-type activities net assets/net position	<u>\$ 7,018,357</u>	<u>\$ 7,270,989</u>	<u>\$ 8,816,232</u>	<u>\$ 11,397,748</u>
Primary government				
Invested in capital assets, net of related debt	\$ 231,931,573	\$ 256,875,217	\$ 273,377,488	\$ 274,741,886
Restricted	117,386,173	104,609,761	112,649,386	120,595,855
Unrestricted	(33,031,674)	(8,374,333)	50,187,276	90,550,099
Total primary government net assets/net position	<u>\$ 316,286,072</u>	<u>\$ 353,110,645</u>	<u>\$ 436,214,150</u>	<u>\$ 485,887,840</u>

Fiscal Year

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	279,690,380	\$ 282,779,947	\$ 300,549,882	\$ 344,003,602	\$ 360,914,728	\$ 377,979,703
	137,222,692	157,681,790	149,063,262	122,592,857	122,902,877	118,918,869
	84,308,430	130,950,972	128,442,632	117,372,458	91,113,699	74,742,297
\$	<u>501,221,502</u>	<u>\$ 571,412,709</u>	<u>\$ 578,055,776</u>	<u>\$ 583,968,917</u>	<u>\$ 574,931,304</u>	<u>\$ 571,640,869</u>
\$	2,524,688	\$ 2,399,710	\$ 2,702,062	\$ 3,642,539	\$ 3,706,030	\$ 3,434,251
	758,429	799,858	781,383	747,019	720,617	691,773
	10,085,377	12,430,067	12,771,303	10,045,737	9,883,367	12,068,165
\$	<u>13,368,494</u>	<u>\$ 15,629,635</u>	<u>\$ 16,254,748</u>	<u>\$ 14,435,295</u>	<u>\$ 14,310,014</u>	<u>\$ 16,194,189</u>
\$	282,215,068	\$ 285,179,657	\$ 303,251,944	\$ 347,646,141	\$ 364,620,758	\$ 381,413,954
	137,981,121	158,481,648	149,844,645	123,339,876	123,623,494	119,610,642
	94,393,807	143,381,039	141,213,935	127,418,195	100,997,066	86,810,462
\$	<u>514,589,996</u>	<u>\$ 587,042,344</u>	<u>\$ 594,310,524</u>	<u>\$ 598,404,212</u>	<u>\$ 589,241,318</u>	<u>\$ 587,835,058</u>

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

	2003	2004	2005	2006	2007
Expenses *					
Governmental activities:					
School administration	\$ -	\$ -	\$ -	\$ -	\$ -
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	403,856,718	393,967,062	389,330,732	420,089,848	436,859,865
Indirect instruction	110,773,132	119,072,440	120,382,252	126,074,406	124,087,808
Transportation	16,578,118	16,503,065	17,269,372	18,779,643	19,993,110
Custodial services	22,772,963	22,871,857	23,354,067	24,209,356	25,002,154
Field services	18,656,531	19,278,349	18,665,080	21,508,695	20,441,219
Telecommunications, networking and utilities	15,635,459	15,351,982	16,500,402	19,653,828	17,523,410
Support services	16,671,745	17,279,408	18,753,372	18,789,170	18,212,328
General administration	3,191,935	2,146,565	2,839,645	2,894,361	3,127,500
District-wide	4,191,780	3,659,049	2,374,468	1,548,547	1,624,570
Interest expense, unallocated	29,200,913	28,086,956	31,651,073	36,819,243	37,523,398
Total governmental activities expenses	641,529,294	638,216,733	641,140,463	690,367,097	704,397,362
Business-type activities					
Food services	19,107,187	19,804,428	19,130,176	19,750,220	21,215,750
Child care	9,743,957	9,691,422	9,899,843	11,039,953	12,138,653
Property management	738,914	1,307,756	1,466,991	1,125,385	1,319,568
Other enterprise	1,028,664	-	-	-	-
Total business-type activities expenses	30,618,722	30,803,606	30,497,010	31,915,558	34,673,971
Total primary government expenses	\$ 672,148,016	\$ 669,020,339	\$ 671,637,473	\$ 722,282,655	\$ 739,071,333
Program Revenues					
Governmental activities:					
Charges for services:					
General administration	\$ -	\$ -	\$ -	\$ -	\$ -
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	3,446,024	3,525,071	4,366,210	4,329,271	4,847,435
Indirect instruction	34,940,446	37,296,822	32,540,920	29,837,974	30,532,826
Transportation	1,326,401	1,633,996	229,677	502,601	435,245
Field services	3,889,617	3,685,314	3,258,778	2,292,589	3,255,854
District-wide	5,263,916	3,883,322	2,744,283	3,537,713	1,993,172
Operating grants and contributions:					
General administration	-	-	-	-	-
School administration	-	-	-	-	-
General instruction	-	-	-	-	-
Special education instruction	-	-	-	-	-
Instructional support	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Direct instruction	38,735,403	39,949,569	37,005,381	41,131,579	45,512,301
Indirect instruction	5,158,382	5,453,930	6,038,113	7,020,660	7,729,655
Transportation	4,110,010	4,240,861	4,393,792	4,234,626	4,081,376
Total governmental activities program revenues	96,870,199	99,668,885	90,577,154	92,887,013	98,387,864
Business-type activities					
Charges for services:					
Food services	13,413,970	13,063,321	12,705,589	12,906,439	13,222,800
Child care	8,009,184	8,195,872	8,383,059	8,669,515	9,747,943
Property management	994,532	1,836,380	1,802,491	1,906,311	1,937,185
Other enterprise	1,107,821	-	-	-	-
Operating grants and contributions:					
Food services	5,212,753	5,809,925	6,360,540	7,092,392	7,414,794
Capital grants and contributions:					
Food services	1,222,500	1,257,672	1,011,907	1,405,393	1,281,906
Property management	-	-	-	-	-
Other enterprise	15,000	-	-	-	-
Total business-type activities program revenues	29,975,760	30,163,170	30,263,586	31,980,050	33,604,628
Total primary government program revenues	\$ 126,845,959	\$ 129,832,055	\$ 120,840,740	\$ 124,867,063	\$ 131,992,492
Net (Expense)/Revenue					
Governmental activities	\$ (544,659,095)	\$ (538,547,848)	\$ (550,563,309)	\$ (597,480,084)	\$ (606,009,498)
Business-type activities	(642,962)	(640,436)	(233,424)	64,492	(1,069,343)
Total primary government net expense	\$ (545,302,057)	\$ (539,188,284)	\$ (550,796,733)	\$ (597,415,592)	\$ (607,078,841)

*Recategorized expense types starting in fiscal year 2012.

Fiscal Year

	2008	2009	2010	2011	2012*
\$	-	\$ -	\$ -	\$ -	\$ 57,409,152
	-	-	-	-	408,204,654
	-	-	-	-	65,020,783
	-	-	-	-	67,648,351
	-	-	-	-	69,998,170
	441,488,697	475,473,399	488,851,713	488,170,063	-
	125,534,158	139,506,864	146,058,971	148,378,364	-
	20,201,331	21,744,799	21,105,227	20,850,913	23,703,443
	26,277,156	27,158,925	27,460,710	26,864,799	-
	21,725,526	24,507,637	23,020,164	21,763,434	-
	18,945,386	19,361,791	21,021,606	21,974,077	-
	21,950,387	23,191,961	25,970,162	25,168,348	-
	2,575,859	3,328,842	4,122,191	3,909,716	27,898,413
	2,296,287	1,123,258	1,383,435	596,970	-
	36,810,282	34,967,047	32,332,211	28,681,991	25,666,711
	<u>717,805,069</u>	<u>770,364,523</u>	<u>791,326,390</u>	<u>786,358,675</u>	<u>745,549,677</u>
	22,169,060	23,425,181	25,200,972	24,402,366	22,995,136
	13,611,593	14,547,344	14,728,222	14,277,646	13,664,939
	1,356,529	1,225,624	2,051,238	1,288,442	1,276,209
	-	-	-	-	-
	<u>37,137,182</u>	<u>39,198,149</u>	<u>41,980,432</u>	<u>39,968,454</u>	<u>37,936,284</u>
\$	<u>754,942,251</u>	<u>\$ 809,562,672</u>	<u>\$ 833,306,822</u>	<u>\$ 826,327,129</u>	<u>\$ 783,485,961</u>
\$	-	\$ -	\$ -	\$ -	\$ 1,152,290
	-	-	-	-	25,645,123
	-	-	-	-	4,713,718
	-	-	-	-	3,842,879
	-	-	-	-	1,386,407
	4,149,185	4,323,891	5,053,827	5,148,800	-
	31,273,508	30,296,343	27,065,122	28,066,756	-
	446,566	384,133	400,388	354,195	-
	11,994,896	3,169,242	3,998,449	3,747,188	-
	1,969,309	569,173	474,589	1,358,775	-
	-	-	-	-	3,652,537
	-	-	-	-	861,829
	-	-	-	-	14,548,969
	-	-	-	-	25,408,016
	-	-	-	-	16,402,238
	-	-	-	-	797,353
	43,214,748	41,273,450	49,402,008	69,228,523	-
	7,350,301	7,225,032	9,914,138	13,358,689	-
	4,302,427	4,463,314	4,785,359	4,866,106	5,103,034
	<u>104,700,940</u>	<u>91,704,578</u>	<u>101,093,880</u>	<u>126,129,032</u>	<u>103,514,393</u>
	13,233,844	12,732,788	11,736,773	11,634,444	11,514,984
	11,285,473	11,019,746	10,295,931	10,281,161	9,867,724
	1,921,999	1,728,955	1,674,886	1,763,175	1,595,449
	-	-	-	-	-
	7,758,304	8,735,385	10,964,421	11,709,247	12,716,967
	1,981,771	1,682,642	1,172,164	352,528	84,766
	-	32,738	-	-	-
	-	-	-	-	-
	<u>36,181,391</u>	<u>35,932,254</u>	<u>35,844,175</u>	<u>35,740,555</u>	<u>35,779,890</u>
\$	<u>140,882,331</u>	<u>\$ 127,636,832</u>	<u>\$ 136,938,055</u>	<u>\$ 161,869,587</u>	<u>\$ 139,294,283</u>
\$	(613,104,129)	\$ (678,659,945)	\$ (690,232,510)	\$ (660,229,643)	\$ (642,035,284)
	(955,791)	(3,265,895)	(6,136,257)	(4,227,899)	(2,156,394)
\$	<u>(614,059,920)</u>	<u>\$ (681,925,840)</u>	<u>\$ (696,368,767)</u>	<u>\$ (664,457,542)</u>	<u>\$ (644,191,678)</u>

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

	2003	2004	2005	2006	2007
General revenues and other changes in net assets/net position					
Taxes					
Local property taxes	\$ 271,609,501	\$ 274,625,109	\$ 319,150,542	\$ 321,679,910	\$ 323,604,561
Automotive ownership taxes	31,043,970	30,794,472	30,817,445	30,814,386	29,414,761
School finance act	262,962,410	268,567,509	273,963,074	281,173,393	289,340,251
Earnings on investments	3,089,821	2,023,751	9,924,454	13,237,589	16,617,507
Special Item	-	-	-	-	(36,049,258)
Transfers (a)	(1,934,501)	(891,052)	(1,733,944)	(2,333,020)	(2,717,145)
Total governmental activities	<u>566,771,201</u>	<u>575,119,789</u>	<u>632,121,571</u>	<u>644,572,258</u>	<u>620,210,677</u>
Business-type activities:					
Earnings on investments	9,527	2,016	44,723	184,004	322,944
Transfers	1,934,501	891,052	1,733,944	2,333,020	2,717,145
Total business-type activities	<u>1,944,028</u>	<u>893,068</u>	<u>1,778,667</u>	<u>2,517,024</u>	<u>3,040,089</u>
Total primary government	<u>\$ 568,715,229</u>	<u>\$ 576,012,857</u>	<u>\$ 633,900,238</u>	<u>\$ 647,089,282</u>	<u>\$ 623,250,766</u>
Change in net assets/net position					
Governmental activities	\$ 22,112,106	\$ 36,571,941	\$ 81,558,262	\$ 47,092,174	\$ 14,201,179
Business-type activities	1,301,066	252,632	1,545,243	2,581,516	1,970,746
Total primary government	<u>\$ 23,413,172</u>	<u>\$ 36,824,573</u>	<u>\$ 83,103,505</u>	<u>\$ 49,673,690</u>	<u>\$ 16,171,925</u>

Fiscal Year

	2008	2009	2010	2011	2012
\$	351,299,729	\$ 349,209,271	\$ 351,591,719	\$ 350,455,667	\$ 339,051,527
	28,858,670	26,428,023	24,730,646	23,665,288	23,537,666
	293,763,172	307,102,545	321,046,426	278,313,571	279,036,998
	14,824,519	6,230,214	3,045,378	841,952	1,159,227
	(2,620,742)	-	-	2,000,000	-
	<u>(2,830,012)</u>	<u>(3,667,041)</u>	<u>(4,268,518)</u>	<u>(4,084,448)</u>	<u>(4,040,569)</u>
	<u>683,295,336</u>	<u>685,303,012</u>	<u>696,145,651</u>	<u>651,192,030</u>	<u>638,744,849</u>
	386,920	223,967	48,286	18,170	-
	<u>2,830,012</u>	<u>3,667,041</u>	<u>4,268,518</u>	<u>4,084,448</u>	<u>4,040,569</u>
	<u>3,216,932</u>	<u>3,891,008</u>	<u>4,316,804</u>	<u>4,102,618</u>	<u>4,040,569</u>
\$	<u>686,512,268</u>	<u>689,194,020</u>	<u>700,462,455</u>	<u>655,294,648</u>	<u>642,785,418</u>
\$	70,191,207	\$ 6,643,067	\$ 5,913,141	\$ (9,037,613)	\$ (3,290,435)
	2,261,141	625,113	(1,819,453)	(125,281)	1,884,175
\$	<u>72,452,348</u>	<u>7,268,180</u>	<u>4,093,688</u>	<u>(9,162,894)</u>	<u>(1,406,260)</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	21,624,045	17,845,224	20,017,939	21,464,542
Unreserved	(38,036,687)	(32,447,844)	22,912,895	50,631,896
Total general fund	<u>\$ (16,412,642)</u>	<u>\$ (14,602,620)</u>	<u>\$ 42,930,834</u>	<u>\$ 72,096,438</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Reserved	106,172,193	92,998,438	359,255,671	297,538,614
Unreserved, reported in:				
Special revenue funds	6,367,463	6,005,720	6,625,601	6,730,727
Total all other governmental funds	<u>\$ 112,539,656</u>	<u>\$ 99,004,158</u>	<u>\$ 365,881,272</u>	<u>\$ 304,269,341</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	-	-	\$ 1,859,185	\$ 1,533,697	\$ 1,533,815	\$ 1,159,891
	-	-	16,943,784	17,249,094	15,932,358	15,839,341
	-	-	15,700,000	2,000,000	2,000,000	2,000,000
	-	-	6,476,265	12,700,000	13,300,000	13,860,000
	-	-	56,787,350	45,977,675	21,994,915	3,195,321
	22,281,498	24,531,395	-	-	-	-
	83,291,265	85,945,926	-	-	-	-
	<u>\$ 105,572,763</u>	<u>\$ 110,477,321</u>	<u>\$ 97,766,584</u>	<u>\$ 79,460,466</u>	<u>\$ 54,761,088</u>	<u>\$ 36,054,553</u>
\$	-	-	\$ 374,986	\$ 377,613	\$ 410,265	\$ 895,860
	-	-	133,186,115	107,254,805	108,862,085	106,895,470
	-	-	8,128,793	9,024,564	9,760,257	9,426,449
	270,407,102	194,021,205	-	-	-	-
	6,881,402	6,574,094	-	-	-	-
	<u>\$ 277,288,504</u>	<u>\$ 200,595,299</u>	<u>\$ 141,689,894</u>	<u>\$ 116,656,982</u>	<u>\$ 119,032,607</u>	<u>\$ 117,217,779</u>

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			
	2003	2004	2005	2006
Revenues				
Taxes	\$ 299,934,107	\$ 304,409,919	\$ 351,941,711	\$ 352,032,843
Intergovernmental	310,966,205	318,211,869	321,400,360	333,560,257
Interest	3,089,821	2,023,751	9,924,454	13,237,590
Other	44,976,788	46,339,211	47,875,643	46,436,068
Total revenues	<u>658,966,921</u>	<u>670,984,750</u>	<u>731,142,168</u>	<u>745,266,758</u>
Expenditures				
School administration	-	-	-	-
General instruction	-	-	-	-
Special education instruction	-	-	-	-
Instructional support	-	-	-	-
Operation and maintenance	-	-	-	-
Direct instruction	362,594,502	363,285,730	358,618,075	377,762,106
Indirect instruction	118,402,775	112,680,365	115,402,442	120,459,541
Transportation	16,461,189	16,513,997	17,027,582	18,502,815
Custodial services	22,662,070	22,739,292	23,053,952	23,956,510
Field services	16,641,671	16,809,203	16,600,149	17,608,414
Telecommunications, networking and utilities	15,764,323	15,940,510	16,424,892	19,606,348
Support services	16,386,545	17,036,206	16,297,504	17,482,207
General administration	2,978,076	2,016,778	2,721,353	2,716,752
Districtwide	1,179,969	828,320	678,239	662,017
Capital outlay	42,385,785	37,025,914	42,507,356	91,940,532
Debt service				
Principal	35,110,000	38,625,000	36,215,000	37,935,000
Interest	28,609,813	28,106,178	39,781,092	36,890,523
Total expenditures	<u>679,176,718</u>	<u>671,607,493</u>	<u>685,327,636</u>	<u>765,522,765</u>
Excess of revenues over (under) expenditures	(20,209,797)	(622,743)	45,814,532	(20,256,007)
Other financing sources (uses)				
Certificates of participation proceeds	11,695,000	-	-	-
Arbitrage expenses	(2,802,549)	-	-	-
General obligation bond proceeds	50,545,000	-	360,035,000	-
Payment to refunded escrow agent	(57,471,000)	-	(104,775,000)	-
Premium from bonds	7,312,299	-	30,240,565	-
Transfers out	(33,179,406)	(32,587,152)	(27,642,544)	(30,898,320)
Transfers in	19,416,000	21,484,419	20,738,015	18,708,000
Total other financing sources (uses)	<u>(4,484,656)</u>	<u>(11,102,733)</u>	<u>278,596,036</u>	<u>(12,190,320)</u>
Special Item: Supplemental Retirement Contribution	-	-	-	-
Net change in fund balances	<u>\$ (24,694,453)</u>	<u>\$ (11,725,476)</u>	<u>\$ 324,410,568</u>	<u>\$ (32,446,327)</u>
Debt service as a percentage of noncapital expenditures	10.0%	10.5%	11.8%	11.1%

	2007	2008	2009	2010	2011	2012
\$	356,019,175	\$ 376,039,826	\$ 375,892,943	\$ 374,594,521	\$ 375,134,147	\$ 360,296,394
	346,663,583	348,630,647	360,064,341	385,147,930	365,766,889	345,156,765
	16,617,508	14,824,519	6,230,214	3,045,377	841,952	1,156,276
	41,217,685	43,162,248	41,339,653	39,671,470	41,292,003	42,070,227
	<u>760,517,951</u>	<u>782,657,240</u>	<u>783,527,151</u>	<u>802,439,298</u>	<u>783,034,991</u>	<u>748,679,662</u>
	-	-	-	-	-	47,311,834
	-	-	-	-	-	354,467,295
	-	-	-	-	-	65,517,724
	-	-	-	-	-	68,187,899
	-	-	-	-	-	66,662,982
	392,101,766	410,321,635	421,454,600	435,488,836	431,750,029	-
	119,231,799	128,922,159	136,721,737	139,563,450	142,607,586	-
	18,898,149	21,046,842	21,630,426	20,801,433	20,483,317	20,812,436
	24,942,750	27,375,447	26,858,804	27,170,968	26,426,741	-
	18,584,068	19,260,767	21,002,692	19,400,040	16,980,978	-
	17,218,062	19,441,113	19,036,775	20,786,072	21,461,102	-
	17,755,527	19,506,311	22,895,006	22,814,261	19,468,562	-
	3,135,039	2,666,852	3,348,044	4,119,005	3,828,233	28,525,989
	735,878	1,380,883	980,999	827,863	785,525	-
	129,343,041	109,400,964	87,808,282	50,355,185	29,121,654	27,359,625
	39,885,000	42,600,000	44,810,000	51,600,000	52,285,000	51,505,000
	37,562,972	38,479,744	35,439,587	30,498,774	28,832,069	25,778,672
	<u>819,394,051</u>	<u>840,402,717</u>	<u>841,986,952</u>	<u>823,425,887</u>	<u>794,030,796</u>	<u>756,129,456</u>
	(58,876,100)	(57,745,477)	(58,459,801)	(20,966,589)	(10,995,805)	(7,449,794)
	38,670,000	-	-	-	-	-
	-	-	-	-	-	-
	66,800,000	35,890,000	-	233,400,000	-	-
	-	(37,762,766)	-	(278,158,016)	-	-
	7,030,291	2,139,650	-	35,855,493	-	-
	(30,287,445)	(33,097,312)	(35,484,341)	(43,179,718)	(37,165,333)	(46,468,984)
	19,208,000	21,408,000	22,328,000	29,709,800	23,837,385	33,397,415
	<u>101,420,846</u>	<u>(11,422,428)</u>	<u>(13,156,341)</u>	<u>(22,372,441)</u>	<u>(13,327,948)</u>	<u>(13,071,569)</u>
	(36,049,258)	(2,620,742)	-	-	2,000,000	-
\$	<u>6,495,488</u>	<u>\$ (71,788,647)</u>	<u>\$ (71,616,142)</u>	<u>\$ (43,339,030)</u>	<u>\$ (22,323,753)</u>	<u>\$ (20,521,363)</u>
	11.1%	11.1%	10.6%	10.6%	10.6%	10.6%

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

Fiscal Year Ended June 30,	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Agriculture Property (1)	Natural Resources (1)
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
2011	4,251,217	2,191,182	598,493	31,958	2,429
2012	4,088,469	2,025,114	554,366	32,869	3,328

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>
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	49.05	57,874,509	11.52
230,513	6,710,074	49.03	58,481,141	11.48
242,326	7,290,731	48.12	62,853,282	11.60
244,200	7,356,400	48.28	63,428,368	11.60
271,355	7,405,609	48.15	63,105,199	11.74
277,320	7,352,599	48.21	63,080,682	11.66
293,460	6,997,606	48.72	60,998,376	11.47

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
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
2011	36.96	11.25	48.21	24.35	27.23
2012	37.47	11.25	48.72	24.35	26.72

Source: Jefferson County and Broomfield Assessor annual Abstracts of Assessments

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

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Public Service Co of Colorado	\$ 147,011,600	1	2.1 %	\$ 92,310,290	1	1.6 %
MillerCoors LLC/Coors Brewing Company	114,873,638	2	1.6	50,616,600	4	0.9
Qwest Corp	67,708,900	3	1.0	76,110,400	2	1.3
Martin Marietta Corporation	31,709,469	4	0.5			
Colorado Mills Mall Limited Partnership	31,320,000	5	0.5			
SP4 Westmoor LP	25,513,040	6	0.4			
Lockheed Martin Corporation	23,174,706	7	0.3	66,228,520	3	1.1
Ball Metal Beverage Container Corp	19,557,411	8	0.3			
Plains End LLC	18,815,300	9	0.3			
Southwest Denver Land LLC	18,738,640	10	0.3			
Southwest Plaza Mall				20,555,840	5	0.3
KN Interstate Gas Transmission CO				11,841,500	6	0.2
Westminster Mall				11,820,690	7	0.2
LMC Properties Inc				11,408,950	8	0.2
Arvada Marketplace				10,727,360	9	0.2
Ball Corporation				9,315,410	10	0.2
Total	\$ 498,422,704		7.1 %	\$ 360,935,560		6.1 %

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
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
2011	352,393,439	332,186,581	94.0	18,746,027	350,932,608	99.6
2012	343,143,485	320,929,279	94.0	15,378,979	336,308,258	98.0

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
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	-	-
2011	502,790,000	33,070,000	-	-
2012	452,710,000	31,645,000	-	-

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 Debt to Assessed Value (a)</u>	<u>Net Debt Per Capita</u>	<u>Population</u>	<u>Percentage of Personal Income</u>
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	2.4
588,145,000	7.94%	1,074	547,728	2.1
535,860,000	7.29%	1,002	534,543	1.9
484,355,000	6.85%	901	537,487	*



Debt Capacity Schedule 10
Jefferson County School District, No.R-1
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

	<u>Debt Outstanding</u>	<u>Percentage Applicable to Jefferson County School District</u>	<u>Estimated Amount Applicable to Jefferson County School District</u>
<u>Direct Debt</u>			
Jefferson County School District, No. R-1	\$ 484,355,000	100%	\$ 484,355,000
<u>Overlapping Debt</u>			
Plaza Metro District No. 1	85,580,000	100%	85,580,000
Arista Metro District	57,175,000	100%	57,175,000
Denver West Metro District	54,850,000	100%	54,850,000
Jefferson Center Metropolitan District	37,600,000	100%	37,600,000
West Metro Fire Protection District	36,960,000	96.36%	35,614,656
Countrydale Metro District	26,740,000	100%	26,740,000
Mount Carbon Metropolitan District	16,000,000	100%	16,000,000
Foothills Park & Rec District	14,735,000	100%	14,735,000
Confier Metro District	14,524,598	100%	14,524,598
Evergreen Park & Rec District	12,120,000	100%	12,120,000
Mountain Shadows Metro District	11,400,000	100%	11,400,000
Bowles Metropolitan District	22,700,000	49.28%	11,186,560
APEX Park & Rec District	10,360,000	100%	10,360,000
Tablerock Metropolitan District	9,255,000	100%	9,255,000
Aspen Park Metropolitan District	9,180,000	100%	9,180,000
Other	132,920,561	100%	132,920,561
Total Overlapping Debt	<u>552,100,159</u>		<u>539,241,375</u>
Total Direct and Overlapping Debt	<u>\$ 1,036,455,159</u>		<u>\$ 1,023,596,375</u>

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General bonded debt outstanding				
General obligation debt	\$513,529,286	\$480,392,738	\$700,940,289	\$664,553,474
Percentage of estimated property value (a)	1.11%	0.88%	1.26%	1.15%
Per capita (b)	959	897	1,309	1,234
Less: Amounts set aside to repay general debt	<u>(49,985,495)</u>	<u>(52,208,259)</u>	<u>(57,407,112)</u>	<u>(57,623,732)</u>
Total net debt applicable to debt limit	463,543,791	428,184,479	643,533,177	606,929,742
Legal debt limit (c)	1,194,896,294	1,260,603,585	1,263,992,262	1,324,813,065
Legal debt margin (d)	<u>\$731,352,503</u>	<u>\$832,419,106</u>	<u>\$620,459,085</u>	<u>\$717,883,323</u>
Legal debt margin as a percentage of the debt limit	61.21%	66.03%	49.09%	54.19%

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$693,618,979	\$651,955,000	\$609,570,000	\$553,715,000	\$502,790,000	\$452,710,000
1.19%	1.04%	0.96%	0.88%	0.80%	0.74%
1,292	1,211	1,122	1,011	941	842
<u>(58,083,150)</u>	<u>(63,022,587)</u>	<u>(68,924,667)</u>	<u>(68,230,744)</u>	<u>(72,341,627)</u>	<u>(76,032,525)</u>
635,535,829	588,932,413	540,645,333	485,484,256	430,448,373	376,677,475
1,340,113,353	1,453,903,886	1,464,620,756	1,470,834,296	1,461,910,139	1,408,606,084
<u>\$704,577,524</u>	<u>\$864,971,473</u>	<u>\$923,975,424</u>	<u>\$985,350,040</u>	<u>\$1,031,461,766</u>	<u>\$1,031,928,609</u>
52.58%	59.49%	63.09%	66.99%	70.56%	73.26%

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2002	530,821	20,280,547	38,206	42	86,613	5.1
2003	535,658	21,105,997	39,402	42	85,700	5.6
2004	531,424	21,594,414	40,635	38	85,478	4.4
2005	538,556	22,547,185	41,866	38	85,083	4.2
2006	536,748	23,445,309	43,680	39	84,790	4.2
2007	538,371	24,810,381	46,084	39	86,200	3.9
2008	543,278	25,471,483	46,885	40	84,796	4.7
2009	547,728	26,617,700	48,597	40	84,948	7.5
2010	534,543	27,695,071	51,811	40	84,618	8.6
2011	537,487	28,941,349	53,846	40	84,329	7.8

Sources: Jefferson County

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

Employer	2012			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Denver Federal Center	6,200	1	3.67 %	5,000	3	2.38 %
Lockheed Martin Astronautics of Denver	5,550	2	3.29	5,500	2	2.62
Exempla Healthcare/Lutheran Medical Center	2,400	3	1.42	2,600	4	1.24
National Renewable Energy Laboratory	2,300	4	1.36	960	8	0.46
MillerCoors Brewing Company	1,950	5	1.16	5,500	1	2.62
Caridian BCT	1,720	6	1.02	1,300	6	0.62
United Launch Alliance (ULA)	1,220	7	0.72			
Ball Corporation	1,200	8	0.71			
CoorsTek, Inc.	1,200	9	0.71	1,000	7	0.48
Travelers Express/MoneyGram	850	10	0.50			
Rocky Flats				2,500	5	1.19
AON Innovative Solutions, Inc.				950	9	0.45
COBE Cardiovascular				750	10	0.36

Source: Jefferson Economic Council

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

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

Employee Category	As of June 30					
	2004	2005	2006	2007	2008	2009
Educational services						
Chief academic officer	1	1	1	1	1	1
Community superintendents	7	7	6	4	4	4
Executive director	2	1	1	5	6	6
Principals	138	138	141	141	141	141
Assistant principals	120	118	123	128	136	140
Teachers/Resource Teachers	4,600	4,508	4,656	4,693	4,713	4,767
Counselors	127	129	130	128	134	132
Library media specialists	139	128	127	118	130	130
Social workers	60	57	62	66	63	63
Secretaries	393	375	375	378	380	380
Campus supervisors	48	46	59	65	65	66
Directors/assistant directors	43	37	51	49	48	18
Physical/occupational/speech therapists	144	148	159	163	163	163
Psychologists	79	82	79	76	80	71
Nurses	28	29	28	30	32	34
Technicians/specialists classified	66	55	46	81	45	40
Childcare specialists classified	165	166	261	182	203	183
Managers	7	6	0	0	1	1
Coordinators	17	4	8	15	17	21
Other	39	19	19	16	7	48
Total educational services	6,223	6,054	6,332	6,338	6,369	6,406
Support services						
Chief financial officer	0	1	1	1	1	1
Chief information officer	0	0	0	1	2	0
Executive director	7	4	11	11	9	10
Assistant superintendent	1	1	0	0	0	0
Directors/assistant directors	11	31	38	40	41	37
Supervisor	8	7	6	7	7	4
Manager	33	30	40	41	42	43
Technical specialist - administrative	58	63	60	65	65	64
Coordinator level/consultant	0	18	24	34	33	26
Technicians/specialists classified	122	156	186	159	150	153
Secretaries	25	32	26	19	19	19
Custodians	496	482	490	494	497	510
Trades technicians	216	214	204	209	213	209
Food service managers	134	132	130	128	122	120
Food service hourly worker	145	135	123	134	138	145
Security officer/alarm monitor	10	10	14	16	18	18
Bus drivers	229	235	212	220	227	221
Other	42	45	50	52	73	76
Total support services and human resources	1,537	1,596	1,615	1,632	1,657	1,655
Districtwide leadership						
Superintendent	1	1	1	1	1	1
Chief operating officer	1	1	1	1	1	1
Executive director	1	1	2	2	3	2
Administrative assistant to superintendent/BOE	0	1	0	3	5	4
Coordinator level/consultant	0	1	1	0	1	1
Manager	3	4	7	6	4	5
Secretaries	4	1	1	2	1	0
Technicians/specialists classified	1	1	3	1	0	0
Other	1	2	2	2	6	7
Total districtwide	12	13	18	17	22	21
Grand total	7,772	7,663	7,965	7,987	8,048	8,083

Source: Jefferson County Schools employee management analysis.

Note: Staffing information prior to 2004 is not available at this level of detail. Staffing information for fiscal year 2010 and forward is provided on the next page due to a change in FTE reporting.

Operating Information Schedule 14
 Jefferson County School District, No.R-1
 Full-time Equivalent District Employees by Category with Hourly FTE's
 Last Three Fiscal Years

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

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

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

Fiscal Year	Expenditures (1)	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff (3)	Pupil Teacher Ratio	Graduation Rate (2)	Percent of Free and Reduced Students in the Lunch Program
2003	\$ 553,610,400	83,543	6,627	8.42%	4,565	18.30	81.8 %	25.69 %
2004	544,494,799	82,184	6,625	12.38%	4,515	18.20	76.3	28.47
2005	539,480,892	81,344	6,632	0.10%	4,374	18.60	75.0	31.04
2006	571,792,503	80,852	7,072	6.63%	4,524	17.87	75.3	33.35
2007	582,524,925	80,279	7,256	2.60%	4,510	17.80	76.1	35.54
2008	625,381,812	79,931	7,824	7.82%	4,528	17.65	77.1	36.02
2009	654,203,800	79,691	8,209	4.92%	4,564	17.46	81.3	39.85
2010	670,045,146	79,750	8,402	2.35%	4,439	17.97	78.1	42.95
2011	639,282,379	79,067	8,085	-3.77%	4,442	17.80	79.1	45.99
2012	612,608,734	78,210	7,833	-3.12%	4,360	17.94	*	50.68

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

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

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

*Not available

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Elementary/Pre-K campuses	103	103	103	104	104	103	103	101	101
Total square feet	4,160,960	4,160,960	4,298,372	4,366,672	4,406,573	4,430,062	4,682,782	4,616,761	4,592,792
Total program capacity	41,880	41,880	41,880	42,052	43,475	44,330	51,047	50,711	48,670
Enrollment	40,060	39,123	38,806	39,023	40,532	40,053	40,947	40,874	40,274
Middle school campuses	19	19	19	20	20	19	19	19	19
Total square feet	1,924,789	1,924,789	2,001,718	2,125,023	2,150,314	2,176,013	2,037,237	2,037,237	2,037,237
Total program capacity	13,739	13,739	14,302	15,062	15,626	15,812	16,410	16,410	15,943
Enrollment	12,816	12,592	12,182	11,811	11,537	11,209	10,770	10,755	10,686
High school campuses	17	17	17	17	17	17	17	17	17
Total square feet	3,207,614	3,207,614	3,334,138	3,334,138	3,523,481	3,595,258	3,692,357	3,692,357	3,692,357
Total program capacity	24,939	24,939	25,455	26,759	27,796	28,680	30,063	30,063	30,019
Enrollment	25,199	25,282	25,293	25,042	24,623	24,108	23,939	23,384	23,219
Option schools/Districtwide	10	10	11	11	11	13	15	15	15
Total square feet	703,629	703,629	894,106	894,106	894,106	894,106	900,062	900,062	923,062
Enrollment	3,314	4,347	4,571	4,403	3,239	4,321	4,094	4,054	4,031
Charter schools	11	11	11	12	13	13	13	14	14
Enrollment	3,516	4,134	4,231	4,511	4,865	4,952	5,198	5,551	6,119
Support facilities									
Total square feet	419,518	419,518	419,518	419,518	419,518	419,518	468,413	534,434	491,806

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 Nine Fiscal Years

Fiscal Year	Non-Degree Vocational	Bachelor's Degree	Bachelor's Degree Plus 20 semester hours (undergraduate or graduate)	Bachelor's Degree Plus 40 semester hours (undergraduate or graduate)
2004	15	772	586	1,392
2005	15	708	574	1,373
2006	17	786	566	1,566
2007	17	737	552	1,637
2008	17	755	518	1,612
2009	17	582	475	1,517
2010	18	522	440	1,484
2011	17	485	379	1,399
2012	17	451	361	1,350

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	59,000
488	2,801	33,616 to 94,562	60,100
439	2,980	32,608 to 91,725	58,500



Single Audit

The Single Audit Act Amendments of 1996 mandate independent financial and compliance audits of federal award programs. In addition to the required independent auditor's reports, the schedule of expenditures of federal awards and summary of findings and questioned costs are provided to support the requirements for compliance with OMB Circular A-133.



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Single Audit

Fiscal Year Ended June 30, 2012

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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, 2011 through June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>U.S Department of Agriculture</u>			
Direct:			
Donated commodities: June 30, 2012	10.555		1,518,019
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2012	10.553		2,061,473
National school lunch program June 30, 2012	10.555		8,749,238
Summer food service program for children June 30, 2012	10.559		114,104
Child nutrition cluster subtotal			10,924,815
Team Nutrition grant	10.574	4574	11,294
Agency subtotal			12,454,128
<u>U.S. Department of Justice</u>			
Justice Assistance Grant Program	16.738	7738	8,386
<u>U.S. Department of Transportation</u>			
Highway Planning and Construction	20.205	7205	38,168
<u>U. S. Department of Education</u>			
Direct:			
Title VII - Indian education-formula grants to LEA and tribal schools	84.060a	4060	114,446
Twenty-First century community learning	84.287	5287	566,798
ARRA - Title V Part D Teacher Incentive Fund	84.385	4385	8,091,551
Total direct			8,772,795
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B	84.027	4027	14,727,935
Individuals with disabilities education act-preschool services	84.173	4173	314,806
ARRA - IDEA Part -B	84.391	4391	420,903
ARRA - IDEA Preschool	84.392	4392	189,218
Special education cluster subtotal			15,652,862
Adult education-state administered basic grant program	84.002	5002/6002	211,724
Title I grants to local education agencies	84.010	4010/5010/7010	10,601,802
ARRA - Title I-A	84.389	4389	293,613
Title I-C Migrant Education	84.011	4011	356,960
Title IV-A - Safe and drug free schools – state grants	84.186	4186/7186	13,913
McKinney Homeless - education for children and youth	84.196	5196	43,578
Public charter schools	84.282	5282	209,145
Goals 2000-parental assistance	84.310	6310	3,459
Title II-D - Enhancing Educational Technology	84.318	4318	28,088
Individuals with disabilities education act-part D-preschool pyramid	84.323	6323	1,900
ARRA - Title II -D - Enhancing Educational Technology	84.386	4386	20,164
Title I-G - Advanced Placement for Disadvantaged Students	84.330	5330	1,521
Colorado Graduation Pathways	84.360	5360	290,814
Title III - English language acquisition, enhancement, and academic achievement	84.365	4365/7365	511,642

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2011 through June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
Title II - B - Math and Science	84.366	5366	61,498
Title II - A - teacher quality	84.367	4367	2,448,996
ARRA - Education Jobs Fund	84.410	4410	515,172
School Violence Prevention	84.929	6929	4,956
Passed through Colorado Community College and Occupational: Educational Vocational and applied technology education-basic state grants	84.048a	4048	401,533
Passed through Colorado Department of Human Services: Rehabilitation services – vocational rehabilitation grants to states (SWAP)	84.126	6126	795,479
Agency subtotal			<u>41,241,614</u>
<u>Corporation for National and Community Service</u>			
Passed through Colorado Department of Local Affairs: AmeriCorp	94.006	7006	55,285
<u>US Department of Health and Human Services</u>			
Passed through Jefferson County Human Services Temporary Assistance for Needy Families (TANF)	93.558	8558	56,926
ARRA-Head Start-Results Matter	93.708	5708	2,841
			<u>59,767</u>
Total expenditures of federal awards			<u>\$ 53,857,348</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2012

(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 \$1,518,019 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch program (10.555).

(4) Reconciliation to basic financial statements

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

The following analysis reconciles amounts in the accompanying Statement to the District's basic financial statements of the governmental funds for the year ended June 30, 2012.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 53,857,348
Less: USDA *	<u>(12,454,128)</u>
	<u>\$ 41,403,220</u>

Grants Fund

Total expenditures from basic financial statements	\$ 45,377,906
Less: Nonfederal grants expenditures	<u>(3,974,686)</u>
	<u>\$ 41,403,220</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, 2012, and have issued our report thereon dated November 9, 2012. 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

Management of the District is responsible for establishing and maintaining effective 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

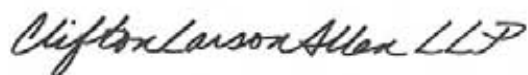
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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*.

We noted certain matters that we reported to management of the District in a separate letter dated November 9, 2012.

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

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

Greenwood Village, Colorado
November 9, 2012



Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on 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 (the District) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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 District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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 a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-01. *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 response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 9, 2012

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2012

SECTION I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: UNQUALIFIED

Internal control over financial reporting:

- Material weakness(es) identified: NO
- Significant deficiency(ies) identified that are not considered to be material weakness: NONE REPORTED

Noncompliance material to financial statements noted: NO

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified: NO
- Significant deficiency(ies) identified that are not considered to be material weakness(es): YES

Type of auditor’s report issued on compliance for major program: UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133: YES

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Special Education Cluster:	
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA Preschool)
84.391	Special Education – Grants to States (IDEA, Part B), ARRA
84.392	Special Education – Preschool Grants (IDEA Preschool), ARRA
Title II-A 84.367	Title II, Part A - Improving Teacher Quality State Grants
Title V-D 84.385	Title V-D Teacher Incentive Fund, ARRA

Dollar threshold used to distinguish between Type A and Type B programs: \$1,615,720

Auditee qualified as a low-risk auditee? YES

PART II – Findings Related to Financial Statements

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2012

PART III – Federal Award Findings and Questioned Costs

Finding 2012-01

US Department of Education
Passed through Colorado Department of Education
Title II, Part A – Improving Teacher Quality State Grants, CFDA #84.367

Allowable Costs

Significant Deficiency

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

Condition: In order to ensure only wages and salaries charged to the grant are for time incurred on the program, in accordance with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, the program grant manager reviews a list of employees charged to the grant and certifies that the employees worked on the program and the percent of salary allocated to the program was correct. This salary certification is performed biannually.

During our testing of this control for the months of December 2011 through June 2012, we noted that the amounts certified were not consistent for all months in the certification for the instructional coaches. For the months of December 2011 through February 2012, 22.7 percent of the instructional coaches' salaries were being charged to the grant. Beginning in March 2012, 21.3 percent of the instructional coaches' salaries were charged to the grant.

As part of the semi-annual certification process, the grant manager certified that 21.3 percent of the instructional coaches' salaries were charged to the grant for December 2011 through June 2012 instead of 22.7 percent for December 2011 through February 2012 and 21.3 percent for March 2012 through June 2012. As such, the District certified salary percentages lower than what was actually charged to the grant for the months of January 2012 and February 2012.

Effect: Although there was no impact to compliance (instructional coaches work 100% towards program efforts), the control did not operate effectively as the program manager verified amounts that did not properly reflect time charged to the program for the months of December 2011 and February 2012.

Questioned Costs: None

Context: As noted above, the December 2011 through February 2012 salary percentages for instructional coaches were certified at 21.3 percent when the salaries actually charged to the program were allocated at a rate of 22.7 percent. Although no compliance issues or questioned costs occurred as a result of this error, the potential for error or questioned costs was present, as the review of the certification did not detect the incorrect information.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2012

PART III – Federal Award Findings and Questioned Costs

Finding 2012-01 (Continued)

Cause: The preparer of the certification used the percentage of the instructional coaches' salaries charged to the program at the end of the certification period rather than preparing two separate certifications – 1) one for the period of December 2011 through February 2012 when 22.7 percent of the salaries were being charged to the program and 2) one when 21.3 percent of the salaries were being charged to the program. This issue was not identified during the review and certification by the grant manager.

Recommendation: The District should strengthen its internal controls over salary certifications by instructing the preparer to track staff changes that occur in the middle of a salary certification period and enhancing the instructions provided to the grant manager. These instructions should remind the grant manager of their responsibility of certifying the amounts that were actually charged to the grant.

Managements Response: The preparer of the certifications will make sure that if a change in staffing percentage occurs in the middle of the salary certification period, they will produce one certification for the months prior to the change and a second certification for the months following the change. Grant managers will be reminded to check the staffing closely to make sure that they are in agreement with the percentages and amounts actually charged during the certification period. The District will implement this procedure starting in the 2012/2013 fiscal year. Primary contact: Kay Bridges, Manager – Compliance and Assurance, 303-982-6721.

PART III – Federal Award Findings and Questioned Costs

Finding 2011-1

US Department of Education

Passed through Colorado Department of Education

State Fiscal Stabilization Fund – CFDA #84.394

Alternative Compensation for Teachers – CFDA #84.397

Education Jobs Fund – CFDA #84.410

Cash Management

Significant Deficiency

Recommendation: The District should strengthen its internal controls over cash management to ensure all reimbursement requests are reviewed and approved by someone other than the preparer. This may be achieved by requiring a manual or electronic signoff by the preparer and then by a separate approver.

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



10/31/2012
11:06 AM

Colorado Department of Education
Fiscal Year 2011-2012
Colorado School District/BOCES
Auditor's Integrity Report

JEFFERSON JEFFERSON COUNTY R-1
District Code: 1420

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	54,761,088	547,433,215	566,139,750	36,054,553
18 Risk Mgmt Sub-Fund of General Fund	0	6,581,000	6,581,000	0
19 Colorado Preschool Program Fund	-0	4,040,569	4,040,569	0
Subtotal	54,761,088	558,054,784	576,761,319	36,054,553
11 Charter School Fund	11,948,830	61,447,488	51,682,737	21,713,581
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	2,003,921	46,274,657	45,377,905	2,900,673
23 Pupil Activity Special Revenue Fund	10,767,927	22,813,264	22,675,647	10,905,544
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	20,494,715	20,494,715	0
31 Bond Redemption Fund	72,341,627	77,772,711	74,081,813	76,032,525
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	33,919,132	20,819,529	27,359,625	27,379,037
TOTALS	185,742,525	807,677,148	818,433,760	174,985,913
Proprietary				
51 Food Service Fund	6,014,667	24,441,402	23,119,822	7,336,247
50 Other Enterprise Funds	8,295,350	11,463,173	10,900,581	8,857,942
64 (63) Risk-Related Activity Fund	8,015,769	704,219	166,105	8,553,883
60,65-69 Other Internal Service Funds	25,410,468	3,980,108	5,096,116	24,294,460
TOTALS	47,736,254	40,588,901	39,282,623	49,042,532
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.

From submitted data file: fd1420.08c

Program: fdrdh.sqr

File: fd1420.dhc

FINAL