

Comprehensive Annual Financial Report



*For the fiscal year ended June 30, 2011
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, 2011

Presented to the Board of Education

Board Members

Dave Thomas, President

Jane Barnes, First Vice President

Laura Boggs, Second Vice President

Paula Noonan, Treasurer

Robin Johnson, Secretary

Superintendent

Cynthia Stevenson

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

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

June 30, 2011

Table of Contents

Introductory Section

	<u>Page</u>
Letter of Transmittal.....	1
GFOA Certificate of Achievement.....	9
ASBO Certificate of Excellence.....	10
Organizational Chart.....	11
Members of the Superintendent’s Cabinet	12

Financial Section

Independent Auditor’s Report.....	13
Management’s Discussion and Analysis	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	32
Statement of Activities.....	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets.....	37
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) – Governmental Funds...	38
Reconciliation of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities	40
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) – General Fund.....	41
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) – Grants Fund.....	42
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) – Campus Activity Fund.....	43
Statement of Net Assets – Proprietary Funds.....	44
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	46
Statement of Cash Flows - Proprietary Funds	48
Notes to Basic Financial Statements	52
Supplemental Information:	
Individual Fund Schedules and Statements:	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis): Bond Redemption Debt Service Fund	78

Capital Reserve Capital Projects Fund	79
Combining Statement of Net Assets (Deficit) – Internal Service Funds	82
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	84
Combining Statement of Cash Flows - Internal Service Funds	86

Component Units

Combining Statement of Net Assets	90
Combining Statement of Activities	93
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	96

Statistical Section

Net Assets by Component	100
Changes in Net Assets	102
Fund Balances of Governmental Funds	104
Changes in Fund Balances of Governmental Funds	106
Assessed Value and Estimated Actual Value of Taxable Property	108
Direct and Overlapping Property Tax Rates	111
Principal Property Tax Payers	112
Property Tax Levies and Collections	113
Ratios of Outstanding Debt by Type	114
Direct and Overlapping Governmental Activities Debt	117
Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin	118
Demographic and Economic Statistics	120
Principal Employers	121
Full-time Equivalent District Employees by Category	122
Operating Statistics	124
School Building Information	125
Certificated Staff Data – Number of certificated staff by salary level with average salaries	126

Single Audit Section

Single Audit Reports	131
----------------------------	-----

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

Colorado Department of Education Auditor’s Electronic Financial Data Integrity Check Figures	155
--	-----

**INTRODUCTORY
SECTION**

November 4, 2011

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, 2011, is submitted herewith. State law requires that all local governments publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The responsibility for both the accuracy of the data and the completeness of the presentation, including all disclosures, rests with the management of the District. This report was prepared by Financial Services and to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner to present fairly the financial position and results of operations of the various funds of the District. The District's comprehensive framework of internal controls provides assurance of the accuracy of the reports. District management is responsible for establishing and maintaining internal controls designed to ensure the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. As the cost of internal controls should not outweigh the benefits, the outcome is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

Under provisions of Article 29-1-603, Colorado Revised Statutes, 1973, an independent public accounting firm must perform an annual audit of the District's accounts. Clifton Gunderson LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2011. 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, 2011 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, 2011 have been included.

The District's profile

The District was formed in 1950 when 39 independent districts were consolidated into a countywide district encompassing the 774 square miles of Jefferson County and 5 square miles of the City and County of Broomfield, Colorado. The District is a legally separate, primary government entity that operates under an elected five member Board of Education. The Board of Education is the policy-making body of the District. The Board is responsible for educational planning and evaluation, staffing and appraisal, school facilities, financial resources and communication. The Board members are elected to alternating four-year terms with elections held every two years. Board members represent a specific area of the county but are elected at large.

The District provides a full range of educational programs and services authorized by Colorado State statute to approximately 84,600 enrolled students. District programs and services include basic K-12 education in elementary, middle, high schools, option schools, special education, vocational education and numerous other programs. There are 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.

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

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

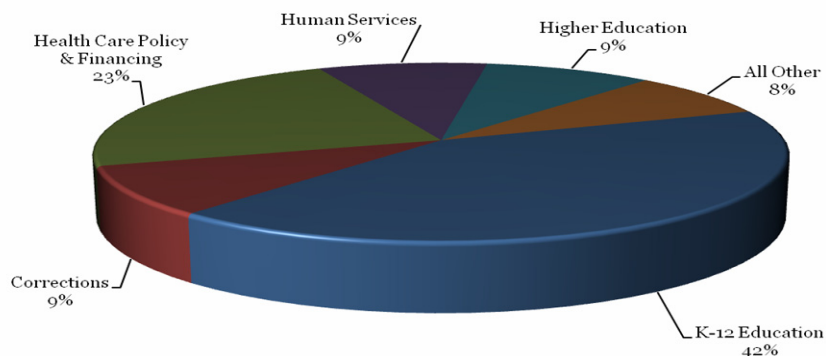
Uncertainty is the common description when analyzing the current status of the national economy. The economy had been showing slow growth coming out of the Great Recession in the first half of the year. However, concerns about the European Sovereign debt, downgrade of United States credit rating by Standard and Poor’s and continuing volatility in the stock market have slowed growth for the second half of the year. Manufacturing, business investments and job markets remain weak. Also contributing to this slowing of the economy are high debt levels, elevated costs for food and gas and continued sluggishness in the housing industry. The September 2011 Colorado Outlook report, prepared by the Colorado Governor’s Office of State Planning and Budgeting noted the following indicators of the stalling economy. Unemployment for the nation remains above 9 percent, the job market weakened in August 2011 with fewer or no jobs added. An analysis of underemployment by the Bureau of Labor Statistics measures unemployment that includes underemployed (working part time but would prefer full time) and workers who have discontinued their job search, the rate is above 16 percent. As a result, consumer and durable goods spending have weakened with concerns about weak labor markets and high debt levels. Manufacturing is down slightly in August 2011 at 50.6 percent. The Institute for Supply Management index for manufacturing remains just above the 50 percent threshold indicating expansion. Dipping below would indicate contraction. Additional cuts at the federal, state and local government levels create additional slowness in growth. The September 2011 Colorado Outlook also noted positive indicators that continue to indicate some recovery from the recession. The service industry, the largest part of the United States economy, grew in August 2011 from 52.7 percent to 53.3 percent. Exports remain strong and growth in bank loans to businesses are also considered positive factors. Personal income is expected to increase to 4.6 percent in 2011 and slow in 2012 to 4.2 percent.

The recovery from the Great Recession has been slow and shows signs of stalling with the concerns in the global economy. In times of uncertainty, individuals and businesses tend to spend less, as indicated by the negative indicators noted above. The future for the nation’s economy looks to be rocky with some setbacks that could potentially result in another recession.

Colorado continues to fare better than the nation during the recovery from the recession. Several factors contribute to Colorado’s strength. New industries for clean technology, aerospace, services, biosciences are positive for the State along with strong tourism and increases in the oil and gas industry. The Colorado job market has remained better than the nation, adding 18,700 jobs as of September 2011. Jobs were added in mining, technology, engineering and consulting while jobs continue to decrease in construction and financial services. .8 percent increase in job growth is expected in 2011 and slowing to .4 percent in 2012. Unemployment is at 8.5 percent, underemployment is 15.7 percent, both better than the national averages. The Denver-Boulder-Greeley consumer price index was 3.8 percent for 2010, estimated to be 3.5 percent for 2011 and 2.6 percent for 2012. Lower consumer spending is also being experienced in the State. Retail sales are estimated to increase 5.3 percent for 2011 and 3 percent in 2012. The housing market is expected to continue struggling until improvements in the labor markets and reductions in excess housing inventories. The State continues to recover but at a slow rate and could have setbacks from the uncertainty in the national economy.

The State of Colorado continues to struggle with funding during the recovery. Governments tend to lag behind in feeling the effects of a recession and also the recovery. Over 95 percent of the State of Colorado’s expenditures are for funding K-12, Higher Education, Public Safety and Courts and Health and Human Services.

**State of Colorado
2011/2012 Major Department Share
of General Fund**

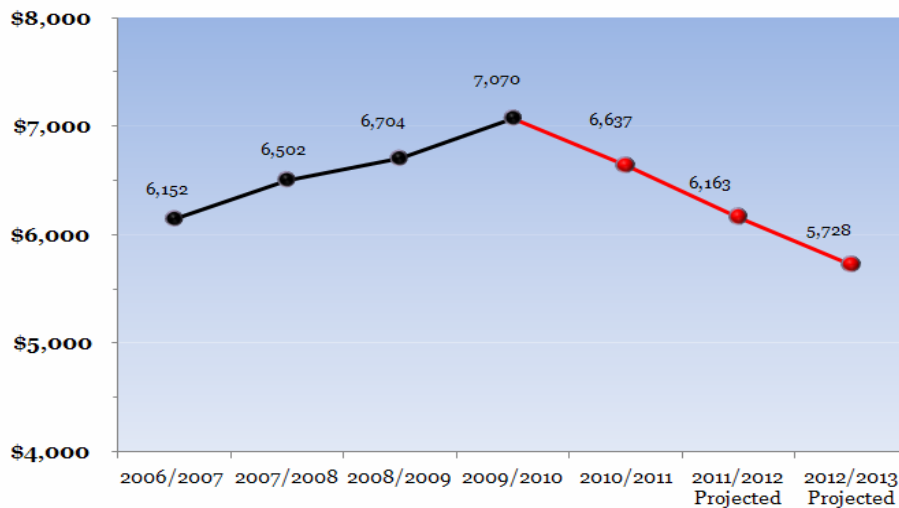


Source: Governor's 2011/2012 Budget Request February

In 2010/2011 fiscal year, the State reduced funding to K-12 by \$597 million. \$216 million of the rescission was backfilled by two, one-time federal grants, Edujobs and State Fiscal Stabilization Funds. These one-time grants were intended to help schools during budget reductions. However, with the State rescinding an equal amount, school district funding did not increase but remained flat. In Colorado, State funding is required to backfill if local tax share decreases so that District funding remains consistent. In 2010/2011, declining property tax revenue required Districts to receive additional state revenue to backfill. The State of Colorado found it had no remaining funds with which to cover the local funding decrease and announced further reductions to K-12 funding. For 2011/2012, continued reductions of \$228 million (\$29 million for the District) were passed to K-12 education. Current forecasts are that the reductions will not increase for the year but with the economy stalling, uncertainty remains. The projected reductions for 2012/2013 are for an additional \$228 million (\$29 for the District).

The District has continued to make reductions as a result of the State’s reduced funding. In 2004, the District strategically built reserves by not appropriating the first year of the mill levy overrides. The District has purposefully used the additional reserves to offset reduced funding. These spend down of reserves, in addition to reductions; have enabled the District to delay devastating reductions that close programs and impact services to students. \$14 million in budget reductions were made in 2010/2011. The 2011/2012 adopted budget incorporated an additional \$37 million in reductions and projected reduction requirements of greater than \$70 million over 2012/2013 and 2013/2014. Additionally, the District will continue its planned spend down of reserves to mitigate reduction requirements in 2011/2012 and 2012/2013.

Jeffco's Total Per Pupil Funding

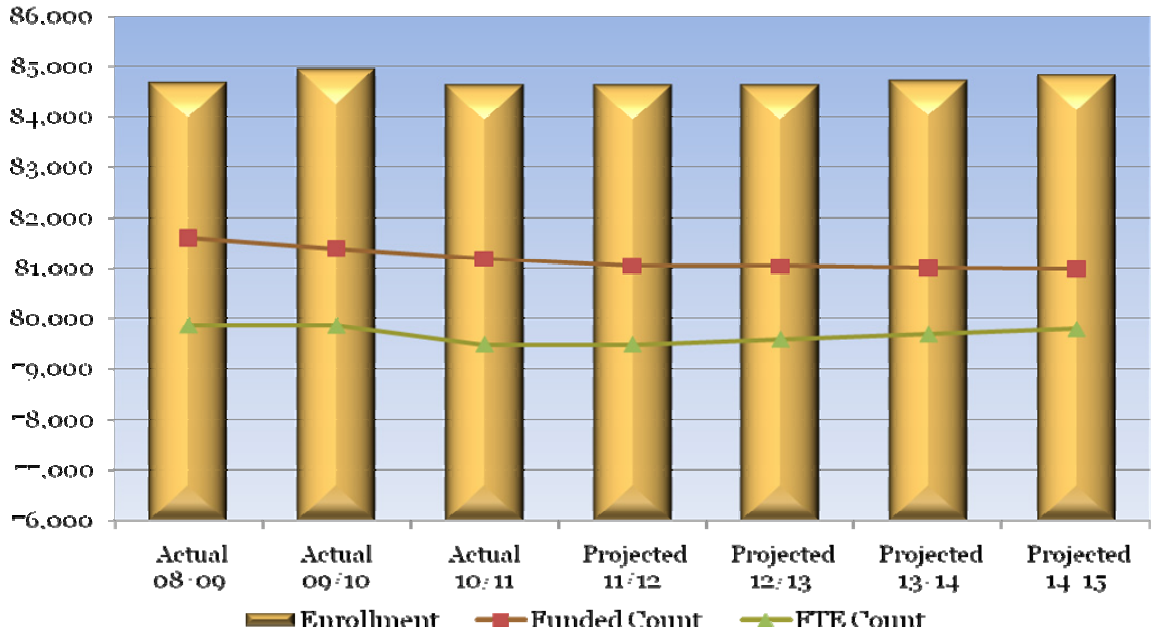


The State Auditors Fiscal Health Analysis was released this summer. The District was noted for having two negative indicators. Both indicators include fund balance as a factor in calculation. Due to the District’s planned spend down of reserves; the ratio/indicator is negative. The indicators do not consider the strategic nature of the planned build up and utilization of reserves. The District should plan on negative indicators in 2010/2011 as well while reserves will again be used to lessen reduction requirements.

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 the school year 2000/2001. Funded pupil count is projected to decline by approximately 144 students in fiscal 2011/2012 from the prior year. The decrease in enrollment will result in a decrease in funding of approximately \$1 million. Based on current county demographics, there will be modest enrollment growth for the next four years. The turbulent economy and likelihood of increases in student mobility may trigger unpredictable impacts on enrollment. The student count is conducted on October 1 of each year. Per state statute, the budget may be adjusted until October 15 of each year to take into account the October count.

Student Enrollment



School Year	Actual 08/09	Actual 09/10	Actual 10/11	Projected 11/12	Projected 12/13	Projected 13/14	Projected 14/15
Enrollment	84,657	84,948	84,618	84,618	84,618	84,718	84,818
Funded Count	81,598	81,396	81,191	81,047	81,042	81,006	80,992
FTE Count	79,869	79,865	79,493	79,493	79,593	79,693	79,793
Change in Funded Count	110	(202)	(205)	(144)	(5)	(36)	(14)

Starting in fiscal 2010, the state mandate requiring transfers for funding for capital programs was lifted. The District will continue to transfer revenue to the capital reserve fund in order to maintain existing infrastructure. With the completion of the 2005/2010 bond program, the capital reserve fund will spend between \$14 million and \$17 million each year for capital improvements to schools. The amount, while seemingly large, becomes small when put in the perspective of supporting 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 will be critical in prioritizing the needs for schools.

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, 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 2011/2012 Adopted Budget for details on the budgeting process.

Student achievement

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

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

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

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

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

Strategic compensation

The District received a five year federal Teacher Incentive Fund grant to pilot strategic compensation for licensed staff in high-needs schools. The grant of \$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. The capital improvement program includes funding cycles, planning, design, construction and operation of assets. This capital improvement process extends over multiple years to multiple decades and is measured in the context of long-term life-cycle management. Once constructed, a facility has a serviceable life of at least 40 years.

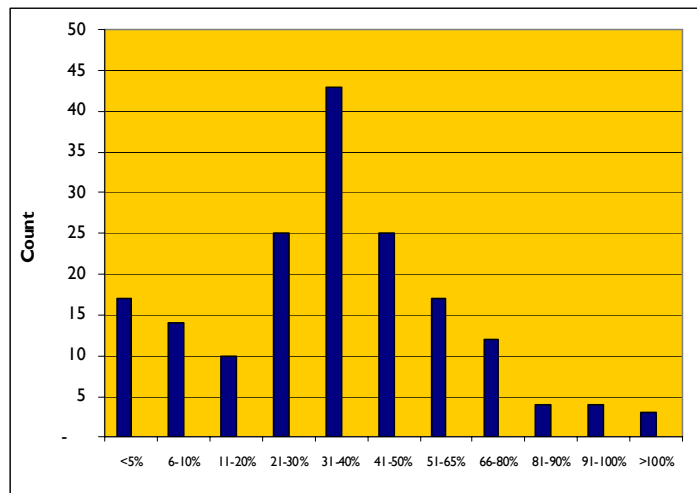
The District’s policy for capital improvement funding has been that all capital improvement projects with an estimated useful life in excess of 20 years are financed through the use of general obligation bonds. Those projects include construction of new facilities, additions to existing facilities, major renovations, replacement of heating/ventilating, electrical and plumbing systems. All capital improvements with an estimated useful life of less than 20 years are financed from the capital reserve fund. Projects in this category include improvement or replacement of roofs, floor coverings, parking lots, site work and minor remodeling. The 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 support of the Jeffco Call to Action, in 2009 the District initiated an annual District Wide Facilities Master Planning process. The process provides current capital asset inventory and assessment data that is used for the annual capital improvement program decisions as well as provides long term facility recommendations. The initial assessment data in 2009 included objective assessment data that was collected by Jacobs Global Buildings, an independent consultant, and the State of Colorado’s consultant selected to provide life cycle assessment data on all K-12 facilities in the State. Below is a chart from the Summary of Findings issued in September 2010 that provides the Facility Condition Index by Site Location.

Districtwide Facility Condition Index (FCI) by Site Location

FCI		Campuses	Area
<5%	Best	17	1,536,298
6-10%	Good	14	1,212,464
11-20%	Average	10	905,458
21-30%	Below Average	25	2,074,920
31-40%	Poor	43	3,062,948
41-50%	Poor	25	1,136,475
51-65%	Very Poor	17	1,103,786
66-80%	Replacement	12	885,563
81-90%	Replacement	4	140,045
91-100%	Replacement	4	104,707
>100%	Replacement	3	10,542
Total		174	12,173,206



On an ongoing basis District staff assesses one third of the District facilities annually and reviews all the facility data with school, maintenance and operations staff to ensure accuracy of the current assessment information. Based on the updated data, long range recommendations are developed to increase facility and operational efficiencies. An updated Summary of Findings will be issued in December 2011.

Due to increased budget pressures the past two years, utilizing the Facilities Master Plan data and recommendations, the Board of Education voted to close three elementary schools, surplus three cottage facilities and reduce the inventory of temporary classrooms. These closures were completed in summer of 2010 and 2011.

Renewed instructional and business technology systems

In 2007/2008, the District established a Technology Plan that guides the District’s technology decisions for two year intervals. 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 2011/2012 to continue the process of equalizing technology at all schools, unified communications, hardware upgrades, instructional technology enhancements, enhanced reporting, bandwidth expansion and other ongoing upgrades. The District is also providing technology support staff at schools.

Legislative Actions

The District is one of many plaintiffs in a lawsuit against the State of Colorado. Supreme Court Case; Lobato v. State of Colorado is claiming that the children in the State of Colorado are being denied their constitutional right to a quality public school education as a result of the Colorado Public Finance Act of 1994 and the guidelines on funding that it follows. An October 2009 report issued by the Colorado Department of Education cited that Colorado public education funding would need to be increased by \$2.8 billion just to bring Colorado public education per pupil expenditures up to the national average. That study was conducted prior to reduced funding and rescissions of more than \$900 million for Colorado K-12 funding since 2010. In the meantime, the District is doing everything possible to navigate through these unprecedented times and cope with the impacts that will be felt by the educators and the children of Colorado.

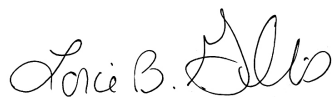
Awards and Acknowledgements

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-eighth 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 believe that our current comprehensive annual financial report continues to meet the Certificate of Excellence Program's requirements and we are submitting it to the ASBO to determine its eligibility for another certificate.

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

Respectfully submitted,



Lorie Gillis
Chief Financial Officer



Kathleen Askelson
Director of Accounting



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County School District No. R-1 Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

JEFFERSON COUNTY SCHOOL DISTRICT NO. R-1

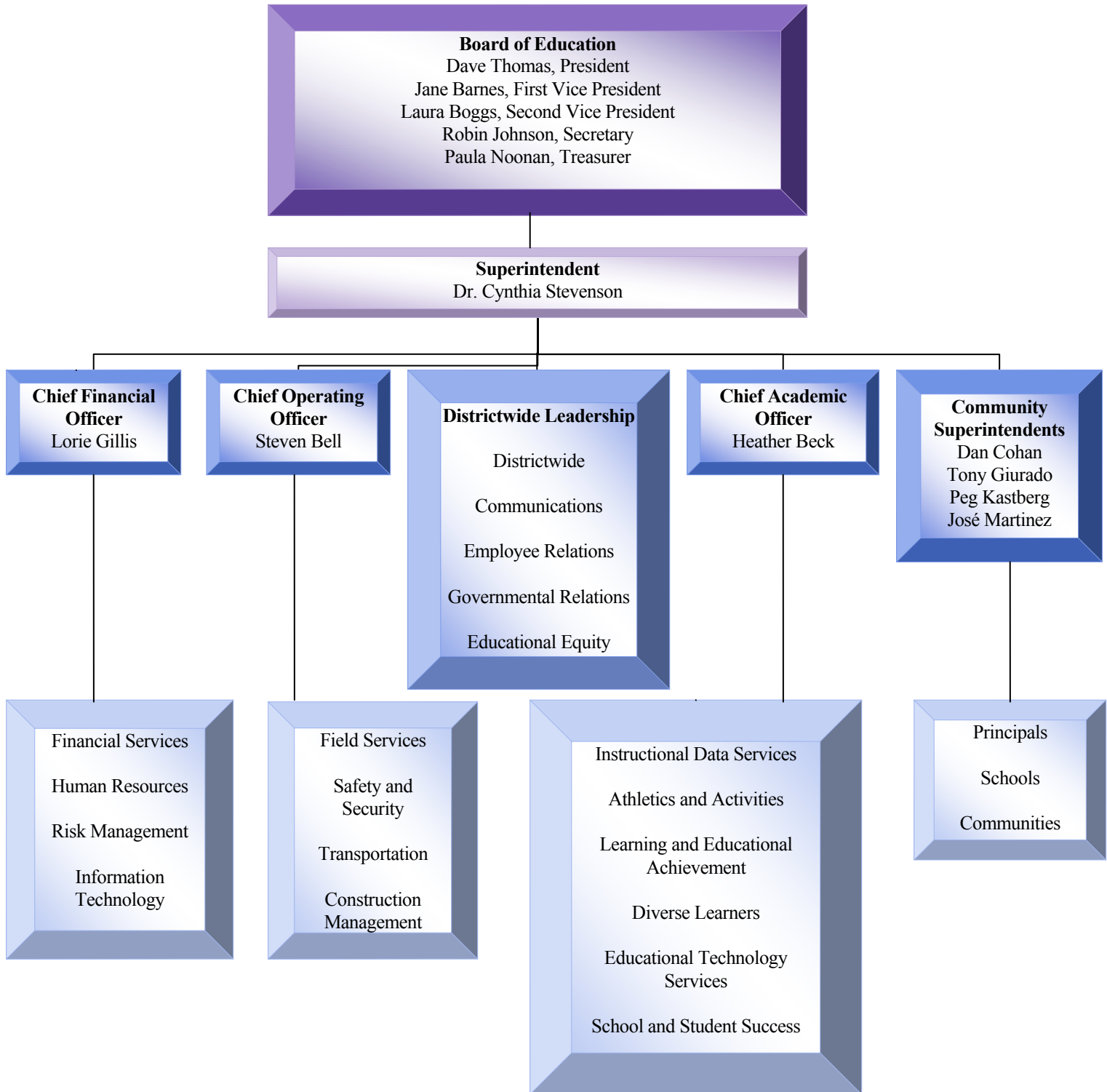
For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director



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
José Martinez Community Superintendent

Brady Stroup President, JCAA
Allen Taggart Legal Support/Executive Director - Employee Relations

**FINANCIAL
SECTION**

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County School District No. R-1 (the District) as of and for the year ended June 30, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Grants Fund, and Campus Activity Fund for the year then 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 3 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 18 through 30 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

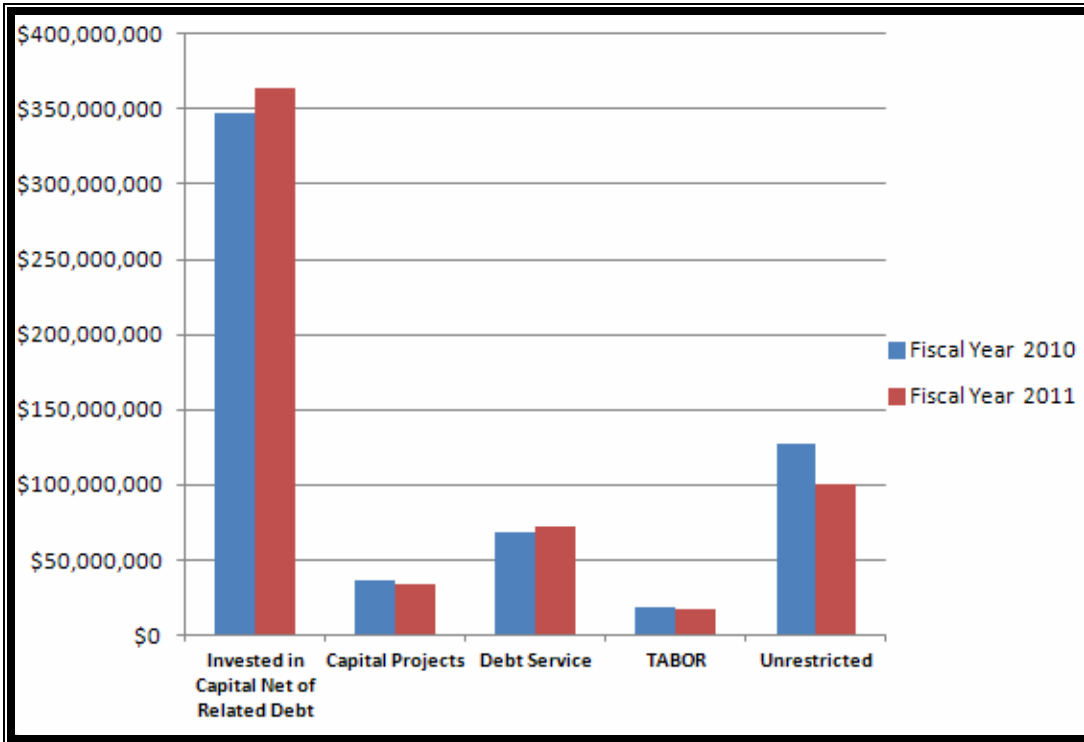
The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gundersen LLP

Greenwood Village, Colorado
November 3, 2011

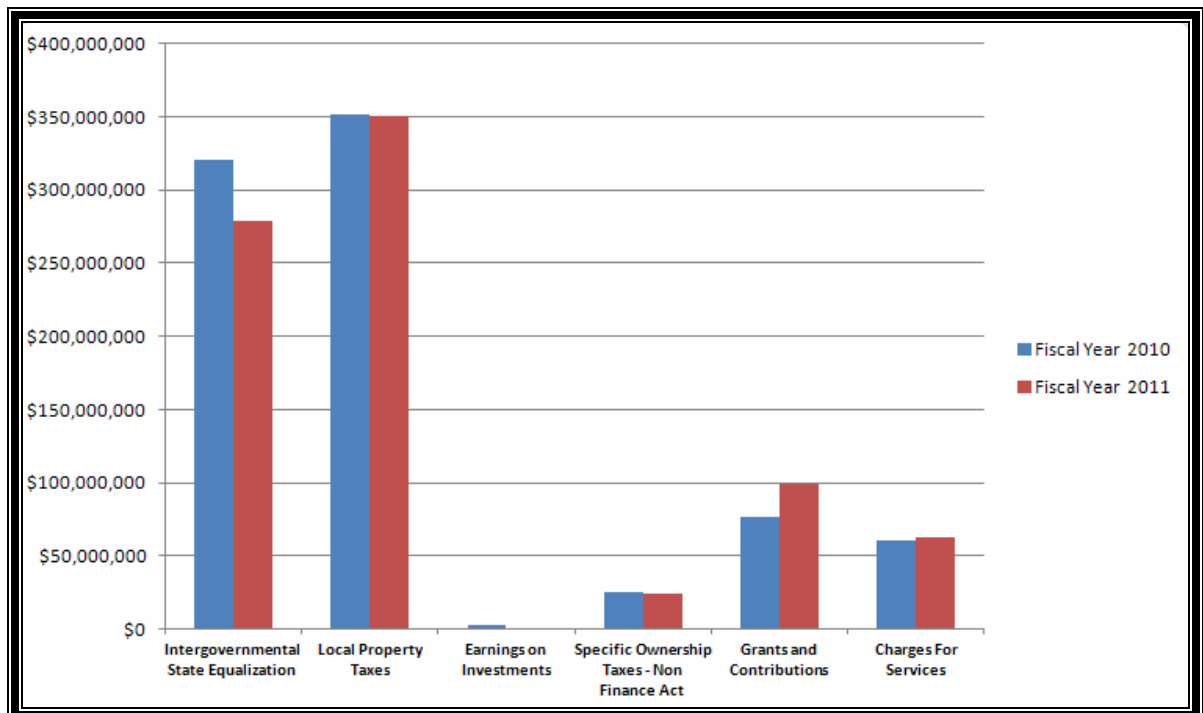
Management's Discussion and Analysis

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

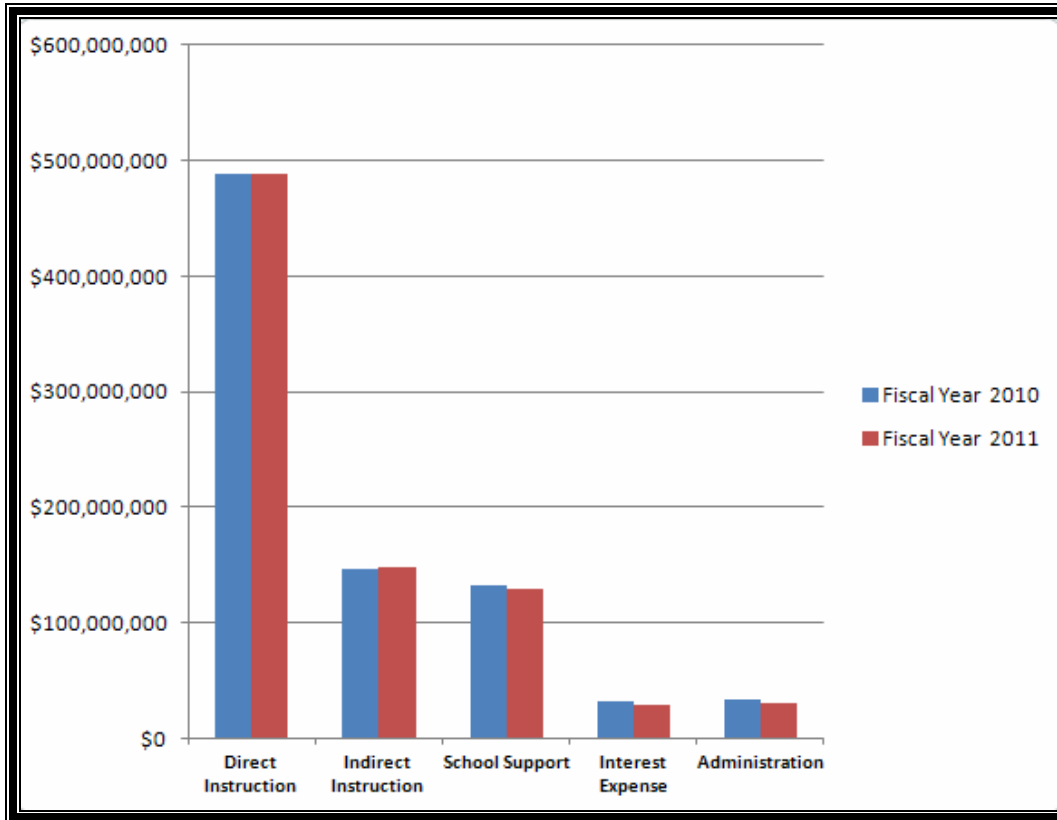


**Primary Government
Government-wide
Net Assets:**
Decreased \$9 million
from prior year.

**Primary Government
Government-wide
Revenues:**
Decreased \$22 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, 2011**



**Primary Government
Government-wide
Expenses:**
Decreased \$7 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, 2011. 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 assets decreased \$9 million in 2011. \$101 million (17 percent) of the total \$589 million in net assets is unrestricted and available to meet ongoing obligations. Unrestricted net assets decreased \$26 million from the prior year with the planned spend down of reserves.
- Government-wide total assets decreased \$63 million. Equity in pooled cash and investments decreased \$33 million due to planned spending on capital projects and planned utilization of general fund reserves. Intergovernmental receivables increased \$6 million over the prior year primarily driven by State Fiscal Stabilization funding in the General fund. Capital assets, net of depreciation, decreased \$36 million from the prior year. Lower additions of capital assets offset with increased depreciation caused the overall decrease.
- Government-wide total liabilities decreased \$53 million from the prior year. The liability for general obligation and certificates of participation debt decreased \$54 million from scheduled principal payments
- Government-wide revenues decreased \$22 million from the prior year. State equalization funding decreased \$43 million as a result of State rescissions and State adjustments to School Finance Act revenues. Grants funding increased \$24 million with the increased Edujobs and State Fiscal Stabilization grants and free and reduced lunch reimbursements. Interest earnings decreased \$2 million as a result of lower reserve balances and yields. Government-wide expenses decreased overall \$7 million as a result of adopted budgetary reductions offset partially with increased grant expenses.
- The combined governmental fund balance for fiscal 2011 is \$174 million, a decrease of \$22 million from the prior year. \$22 million of the general fund balance (4 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, 2011**

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 78-97.

Government-wide financial statements

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

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

The government-wide financial statements consolidate governmental and internal service activities that are supported from taxes and intergovernmental revenues and business-type activities that are intended to recover all or most of their costs from user fees and charges. Governmental activities consolidate governmental funds including the general fund, debt service fund, capital reserve capital projects fund, grant fund and campus activity 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, 2011, 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 90-97.

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.

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

The District maintains five different governmental funds, all are considered to be major funds. The governmental funds are the general fund, the capital reserve capital projects fund, the bond redemption debt service fund, the grants fund and the campus activity fund. They are presented separately in the fund financial statements.

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

The basic governmental fund financial statements can be found on pages 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 other supplemental information concerning the District's governmental and internal service funds. Combining and individual fund statements and schedules can be found on pages 78-79 of this report.

Government-wide financial analysis

Government-wide net assets

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

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenue, interest payable, estimates for claims and premiums, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal 2012. 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 2012. Long term debt obligations are discussed in greater detail in the section titled Capital Assets and

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

Debt Administration elsewhere in this analysis. The \$81 million of accrued salaries as of June 30, 2011 includes \$70 million of earned but unpaid salaries associated with teacher contracts for the 2011 school year requiring resources from fiscal 2012 to liquidate.

The assets of the primary government activities exceed liabilities by \$589 million with an unrestricted net asset balance of \$101 million.

A net investment of \$365 million in land, buildings, equipment, and vehicles, net of debt, to provide the services to the District's 85,000 public school students represents 62 percent of the District's net assets. The capital projects net assets of \$34 million are restricted for construction projects. Debt service net assets of \$72 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 Assets
As of June 30**

	Fiscal Year 2010			Fiscal Year 2011		
	Governmental Activities	Business-type Activities	Government-Wide	Governmental Activities	Business-type Activities	Government-Wide
Assets:						
Total current assets	\$ 353,817,298	\$ 13,186,803	\$ 367,004,101	\$ 329,114,012	\$ 13,033,290	\$ 342,147,302
Capital assets, net of depreciation	920,831,395	3,642,539	924,473,934	884,843,095	3,706,032	888,549,127
Total noncurrent assets	<u>51,341,474</u>	<u>-</u>	<u>51,341,474</u>	<u>49,591,908</u>	<u>-</u>	<u>49,591,908</u>
Total assets	<u>\$1,325,990,167</u>	<u>\$ 16,829,342</u>	<u>\$ 1,342,819,509</u>	<u>\$ 1,263,549,015</u>	<u>\$ 16,739,322</u>	<u>\$ 1,280,288,337</u>
Liabilities:						
Total current liabilities	\$ 175,937,469	\$ 2,195,080	\$ 178,132,549	\$ 176,550,747	\$ 2,247,637	\$ 178,798,384
Total noncurrent liabilities	<u>566,083,781</u>	<u>198,967</u>	<u>566,282,748</u>	<u>512,066,962</u>	<u>181,671</u>	<u>512,248,633</u>
Total liabilities	<u>742,021,250</u>	<u>2,394,047</u>	<u>744,415,297</u>	<u>688,617,709</u>	<u>2,429,308</u>	<u>691,047,017</u>
Net assets:						
Invested in capital, net of related debt	344,003,602	3,642,539	347,646,141	360,914,728	3,706,030	364,620,758
Restricted for:						
Capital projects	36,378,765	-	36,378,765	33,816,109	-	33,816,109
Debt service	68,230,744	-	68,230,744	72,341,627	-	72,341,627
TABOR	17,983,348	747,019	18,730,367	16,745,141	720,617	17,465,758
Unrestricted	<u>117,372,458</u>	<u>10,045,737</u>	<u>127,418,195</u>	<u>91,113,699</u>	<u>9,883,367</u>	<u>100,997,066</u>
Total net assets	<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>
Total liabilities and net assets	<u>1,325,990,167</u>	<u>\$ 16,829,342</u>	<u>\$ 1,342,819,509</u>	<u>\$ 1,263,549,015</u>	<u>\$ 16,739,322</u>	<u>\$ 1,280,288,337</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 2010		Fiscal Year 2011	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 920,831,395	\$ 3,642,539	\$ 884,843,095	\$ 3,706,032
Less: General obligation bonds	<u>576,827,793</u>	<u>-</u>	<u>523,928,367</u>	<u>-</u>
Invested in capital net of related debt	<u>\$ 344,003,602</u>	<u>\$ 3,642,539</u>	<u>\$ 360,914,728</u>	<u>\$ 3,706,032</u>

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

Government-wide activities

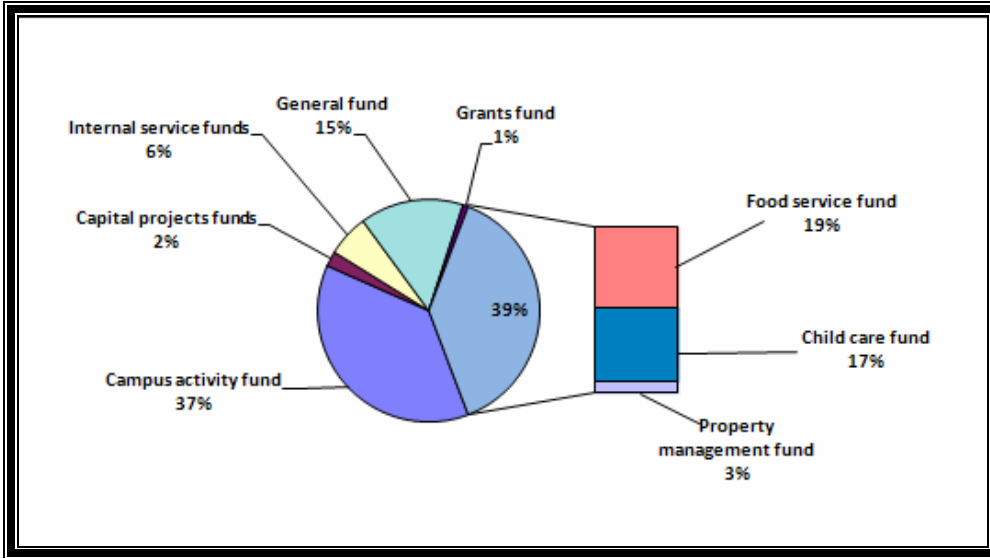
Government-wide activities decreased the net assets of the District by \$9 million during the year ended June 30, 2011. The following schedules, charts and analysis focus on this decrease.

**Comparative Schedule of Changes in Net Assets
For the fiscal years ended June 30, 2010 and 2011**

	Fiscal Year 2010			Fiscal Year 2011		
	Governmental Activities	Business-type Activities	Government Wide	Governmental Activities	Business-type Activities	Government Wide
Revenues						
Program revenues:						
Charges for services	\$ 36,992,375	\$ 23,707,590	\$ 60,699,965	\$ 38,675,714	\$ 23,678,780	\$ 62,354,494
Operating grants and contributions	64,101,505	10,964,421	75,065,926	87,453,318	11,709,247	99,162,565
Capital grants and contributions	-	1,172,164	1,172,164	-	352,528	352,528
General revenues:						
Taxes:						
Local property taxes	351,591,719	-	351,591,719	350,455,667	-	350,455,667
Automotive ownership taxes	24,730,646	-	24,730,646	23,665,288	-	23,665,288
Intergovernmental state equalization	321,046,426	-	321,046,426	278,313,571	-	278,313,571
Earnings on investments	<u>3,045,378</u>	<u>48,286</u>	<u>3,093,664</u>	<u>841,952</u>	<u>18,170</u>	<u>860,122</u>
Total revenues	<u>801,508,049</u>	<u>35,892,461</u>	<u>837,400,510</u>	<u>779,405,510</u>	<u>35,758,725</u>	<u>815,164,235</u>
Expenses						
Governmental activities:						
Direct instruction	488,851,713	-	488,851,713	488,170,063	-	488,170,063
Indirect instruction	146,058,971	-	146,058,971	148,378,364	-	148,378,364
Transportation	21,105,227	-	21,105,227	20,850,913	-	20,850,913
Custodial services	27,460,710	-	27,460,710	26,864,799	-	26,864,799
Field services	23,020,164	-	23,020,164	21,763,434	-	21,763,434
Telecommunications, networking and utilities	21,021,606	-	21,021,606	21,974,077	-	21,974,077
Support services	25,970,162	-	25,970,162	25,168,348	-	25,168,348
General administration	4,122,191	-	4,122,191	3,909,716	-	3,909,716
District-wide	1,383,435	-	1,383,435	596,970	-	596,970
Interest expense, unallocated	32,332,211	-	32,332,211	28,681,991	-	28,681,991
Food services	-	25,200,972	25,200,972	-	24,402,366	24,402,366
Child care	-	14,728,222	14,728,222	-	14,277,646	14,277,646
Property management	<u>-</u>	<u>2,051,238</u>	<u>2,051,238</u>	<u>-</u>	<u>1,288,442</u>	<u>1,288,442</u>
Total expenses	<u>791,326,390</u>	<u>41,980,432</u>	<u>833,306,822</u>	<u>786,358,675</u>	<u>39,968,454</u>	<u>826,327,129</u>
Increase (decrease) in net assets before transfers	<u>10,181,659</u>	<u>(6,087,971)</u>	<u>4,093,688</u>	<u>(6,953,165)</u>	<u>(4,209,729)</u>	<u>(11,162,894)</u>
Special item	-	-	-	2,000,000	-	2,000,000
Transfers	<u>(4,268,518)</u>	<u>4,268,518</u>	<u>-</u>	<u>(4,084,448)</u>	<u>4,084,448</u>	<u>-</u>
Increase (decrease) in net assets	5,913,141	(1,819,453)	4,093,688	(9,037,613)	(125,281)	(9,162,894)
Net assets, July 1	<u>578,055,776</u>	<u>16,254,748</u>	<u>594,310,524</u>	<u>583,968,917</u>	<u>14,435,295</u>	<u>598,404,212</u>
Net assets, June 30	<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>

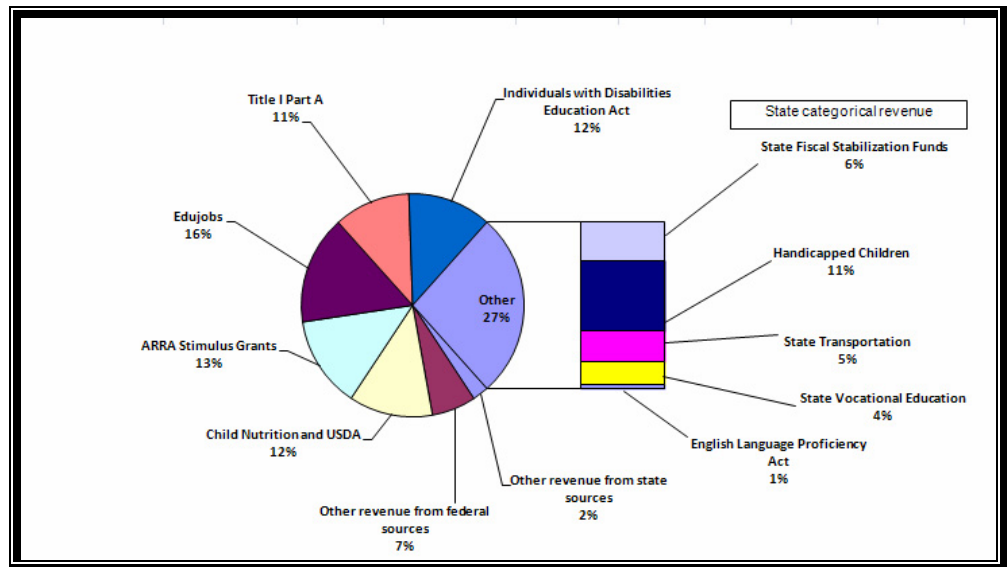
**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

Analysis of Revenues

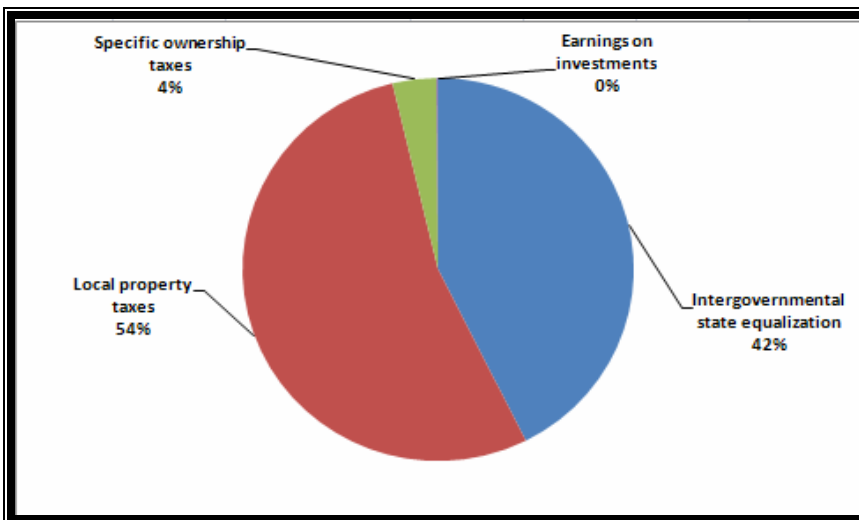


**Government-wide
Charges for Services
totals
\$62 million**

**Government-wide
Operating Grants and
Contributions (includes
Capital grants and
contributions) totals \$100
million**

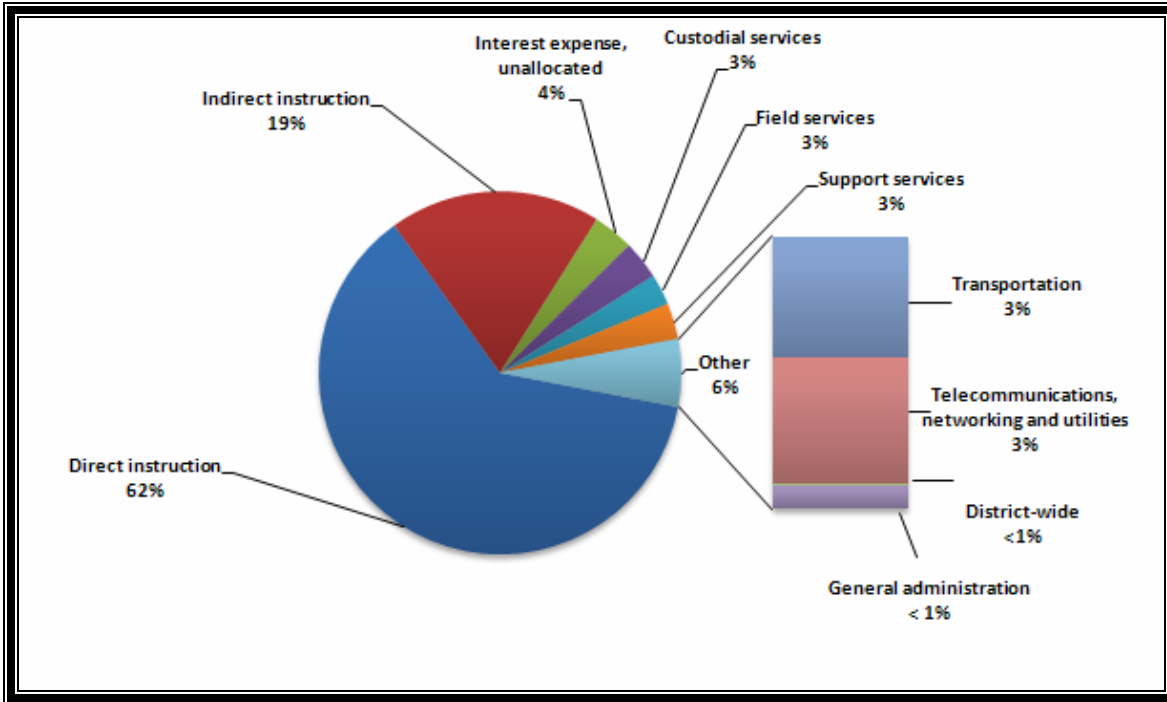


**Total general
revenues of \$653
million**



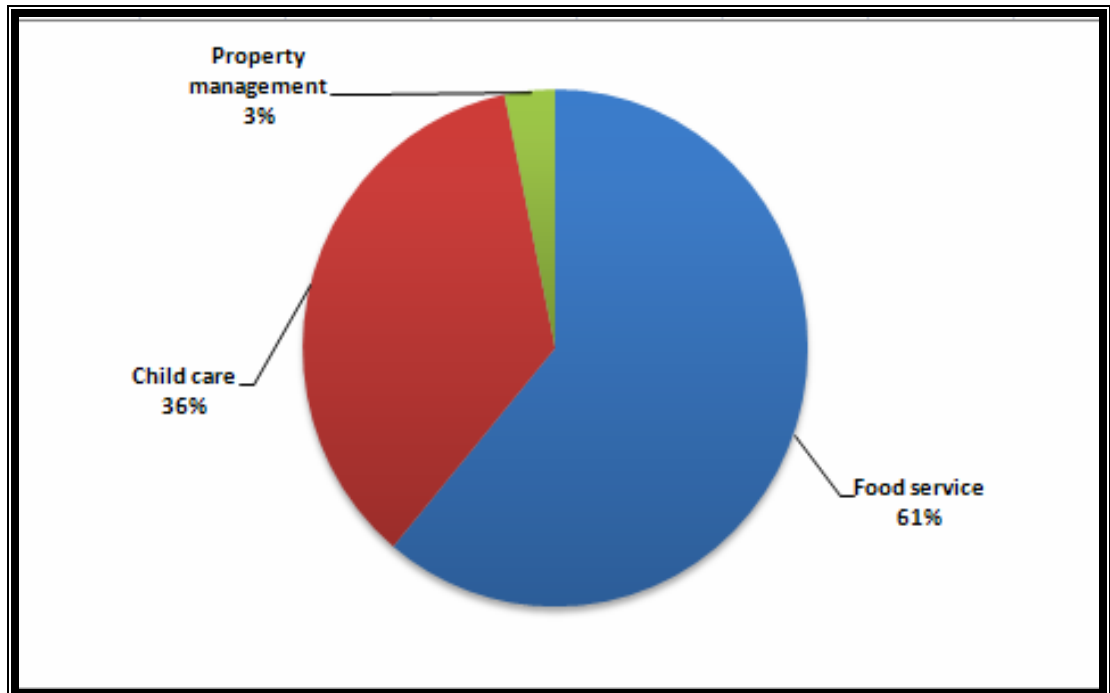
Jefferson County School District, No. R-1
 Management's Discussion and Analysis
 As of and for the fiscal year ended June 30, 2011

Analysis of Expenditures



Governmental activities
 Expenses total
 \$786 million

Business-type activities
 Expenses total
 \$40 million



**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

Government-wide revenues

Total government-wide revenues decreased \$22 million from the prior year. Operating grants and contributions increased \$23 million from the prior year. State equalization decreased \$43 million from the prior year. The Edujobs and State Fiscal Stabilization Fund grants were both onetime grants for \$16 million and \$6 million that the state used to help backfill the reduction in state funding. Grant funding for free and reduced lunches also increased by \$745,000 from more qualifying students. Local tax revenues decreased \$2 million, from continued decreases in automobile licensing and timing of property tax collections. The remaining reduction was due to the state reducing funding to schools in order to balance the state budget. The \$2 million special item revenue is from the sale of Russell Elementary, closed in fiscal 2011.

Government-wide expenses

Government-wide expenses decreased \$7 million from the prior year. Total expenses in the general fund decreased \$25 million from the prior year from budgeted reductions in staff, purchased services, materials and supplies. The debt service fund had increased expenses from principal and interest payments of \$4 million. The grants fund had increased expenses of \$16 million from the additional Edujobs grant, used to backfill reduced revenues in the general fund. 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 82-87 of this report. Following are highlights of activity in the District's internal service funds for fiscal year 2011.

- Central services provide copier and printing services for the school district. Revenues decreased \$218,000 for the year due to reduction in demand for services. Expenses for repairs and maintenance of copier equipment were reduced from the prior year by \$59,000. The fund had a net change in assets of \$22,000 for the year end, down \$189,000 from the prior year.
- The employee benefits fund accounts for the dental, vision and group life self insurance for the district. The fund spent down \$29,000 of its net assets for the year end. One time revenues of \$2 million received in fiscal 2010 were partially spent in 2011 on the district's wellness program. Claim expenses for vision and dental increased over 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 is lower compared to prior year due to insurance recoveries from a hail damage claim in 2010. Claim losses from property damage were lower in 2011. Primarily as a result of timing, the fund spent down net assets built up by the insurance recoveries by \$288,000 for 2011.
- The technology fund supports the districts technology initiatives and systems. Billings for services to the general fund were reduced in 2011 by \$3 million. Erate revenues were lower than the prior year as the prior year included revenues from 2009 and 2010. Expenses for projects in 2011 were lower than the prior year by \$602,000. Depreciation increased from the capitalization of completed projects in 2010. Net assets decreased \$1 million. The technology fund has built reserves to fund large capital investments in unified communications and other infrastructure.

The District's business-type activities decreased net assets by \$125,000. Key elements that highlight the activities in fiscal year 2011 are as follows. The basic proprietary fund financial statements are presented on pages 44-49.

- The food services fund had a reduction in net assets of \$704,000, down \$610,000 from the prior year. Students qualifying for free and reduced lunches increased from the prior year, increasing the federal reimbursement. Purchased food expenses decreased from the prior year with changes in menu items. The fund is planned to continue to spend down net assets built up from prior years contributed capital.
- The child care fund accounts for tuition based all day kindergarten, preschool and before and after care programs. The fund had an increase in net assets of \$297,000. Revenues were down from reductions in participation and the Colorado Preschool funding. Expenses were reduced for staffing, contracted services and supplies to offset the reductions in revenue.
- The property management fund accounts for revenues and expenditures related to the public use of District property. Net assets for the fund increased \$281,000. The prior year expenses contained approximately \$750,000 for the district wide capital asset master planning services in 2010.

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

Financial analysis of the District's governmental funds

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

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

Unassigned fund balance for the District at the end of the fiscal year is comprised of the general fund balance of \$22 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. Student funded enrollment decreased by 205 students during the fiscal year. This reduction amounts to approximately \$1.3 million in decreases from the state's School Finance Act funding. The immediate effect of this decrease is softened by the four-year average calculation used by the Colorado Department of Education.

The District continues its planned spend down of general fund reserves with a decrease in fund balance of \$25 million at year end. The prior year's fund balance decreased \$18 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 \$72 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 2012 principal and interest payments will be certified in December 2011. 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 revenues and expenditures increased \$16 million with the Edujobs grant, offset by other grant reductions of \$1 million. \$13 million in revenue and expenditures for 2011 was from the American Recovery and Reinvestment Act (ARRA) funding provided through Title I and IDEA grants with specific guidelines for use. These grants end September 2011. The remaining ARRA grant revenues for fiscal 2012 are estimated to be less than \$1 million.

The campus activity fund had increased revenue and expenditures for the year. There were increases in student activities and donations from the prior year.

General fund budgetary highlights

The final budget of the general fund included reductions in both revenues and expenditures. The major adjustments to the budget are as follows:

- \$38 million in budgetary reductions
- Decreased State of Colorado funding from rescissions,(backfilled in the grants fund- \$16 million).
- Decreased compensation expenses (transfer to grants fund - \$16 million).
- Net increase of transfers for adjustments to child care, insurance reserve and campus activity - \$274,000.

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

The unassigned fund balance for the general fund at the end of the fiscal year is \$22 million. For budgetary purposes, however, the current available resources for the general fund can be computed as follows:

Fund balance-GAAP basis	\$ 54,761,089
Add: Effect of salaries earned but unpaid	<u>70,379,434</u>
Total fund balance (Budgetary basis)	\$125,140,523
Less restricted for: TABOR	15,932,358
Board of education contingency	24,041,744
School carry forward	13,300,000
Maintenance operations	<u>2,000,000</u>
Unassigned fund balance (Budgetary basis)	<u>\$ 69,866,421</u>

As planned, the general fund, on a budget basis, spent down \$24 million in reserves. The final budget estimated a \$37 million spend down of reserves. Conservative revenue estimates were made due to state and local funding concerns. Additionally, actual expenditures were \$8 million lower than budget from unfilled positions and 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 \$638 million. Unassigned fund balance (budgetary basis) represents 11 percent of expenditures while total fund balance (budgetary basis) represents 20 percent of budget based expenditures. This is a percentage decrease from the prior year of 3 percent for unreserved fund balance and 2 percent of total fund balance. The passage of the mill levy override in November 2004 resulted in reserves being set aside to help offset future budget reductions. Fiscal 2011 is the third consecutive year using these reserves to help mitigate the amount of budget reduction needed to balance the budget.

Capital assets and debt administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2011 decreased to \$889 million (net of accumulated depreciation). The decrease is due to depreciation. The additions for buildings and renovations have slowed down as the end of the 2004 bond program nears completion. Capital assets include land, buildings, construction in progress, vehicles, and equipment.

Major capital events during the year include the following:

- Additions to construction in progress of \$25 million which include: Jefferson HS renovations, Jeffco Open partial replacement, District wide energy infrastructure improvements and multiple site roof replacements.
- Depreciation of \$65 million for governmental activities and \$399,000 for business-type activities.
- Major transfers from construction in progress to buildings include: Jeffco Open partial replacement, Alameda HS remodel, Ralston ES remodel and district wide access, surveillance and energy projects.

	Fiscal Year 2010		Fiscal Year 2011	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-depreciable assets:				-
Land	\$ 57,502,661	-	\$ 57,321,864	-
Construction in progress	<u>42,379,879</u>	<u>-</u>	<u>12,636,432</u>	<u>-</u>
Total non-depreciable assets	99,882,540	-	69,958,296	-
Depreciable assets (net of accumulated depreciation):				
Buildings and site improvements	793,339,865	-	787,473,007	-
Equipment and vehicles	<u>27,608,990</u>	<u>\$ 3,642,539</u>	<u>27,411,792</u>	<u>\$ 3,706,032</u>
Total depreciable assets	<u>820,948,855</u>	<u>3,642,539</u>	<u>814,884,799</u>	<u>3,706,032</u>
Total capital assets:	<u>\$ 920,831,395</u>	<u>\$ 3,642,539</u>	<u>\$ 884,843,095</u>	<u>\$ 3,706,032</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, 2011**

At June 30, 2011, the District had total bonded debt outstanding of \$503 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 \$33 million for governmental activities still outstanding at the end of the current fiscal year.

General Obligation Bonds, Capital Leases and Certificates of Participation

	Fiscal Year 2010			Fiscal Year 2011		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
General obligation bonds	\$ 553,715,000	-	\$ 553,715,000	\$ 502,790,000	-	\$ 502,790,000
Certificates of participation	<u>34,430,000</u>	<u>-</u>	<u>34,430,000</u>	<u>33,070,000</u>	<u>-</u>	<u>33,070,000</u>
Total outstanding long-term debt	<u>\$ 588,145,000</u>	<u>-</u>	<u>\$ 588,145,000</u>	<u>\$ 535,860,000</u>	<u>-</u>	<u>\$ 535,860,000</u>

The certificates of participation were issued to fund the supplemental retirement program. The District maintains an Aa3 rating from Moody's and an AA- with Standard & Poor's for general obligation debt. State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$1,461,910,139 and the legal debt margin was \$1,031,461,766.

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 2011/2012 budget, the Board of Education established objectives to be met by the budget process. They determined that the budget would:

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

The budget process will continue to:

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

Several factors impact the District's Adopted Budget and are considered when making budget assumptions; Public School Finance Act decreases, student funded counts declining, salary reductions, benefit costs increases, retirement savings and other reductions including school closures, staffing reduction and reductions to the capital reserve transfer. For the 2011/2012 Adopted Budget, \$39 million net revenue decrease is projected with \$41 million in net expenditure decreases. The District plans to continue spending down reserves in fiscal 2012 to mitigate further reductions, in the short term. The budget estimates the spend down to be \$33 million.

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

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2011**

Requests for information

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

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

Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Net Assets
June 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Current assets:				
Cash	\$ 107,547	\$ 4,883	\$ 112,430	\$ 57,819
Restricted cash	29,492	-	29,492	5,687,664
Restricted cash TABOR	-	-	-	1,226,689
Cash held by county treasurer	3,743,124	-	3,743,124	-
Equity in pooled cash and investments	211,540,241	10,022,886	221,563,127	7,383,948
Investments	70,440,950	-	70,440,950	-
Property taxes receivable	15,710,266	-	15,710,266	-
Accounts receivable	2,816,148	262,046	3,078,194	68,334
Intergovernmental receivable	19,018,960	1,191,058	20,210,018	-
Due from component units	43,245	-	43,245	-
Inventories	1,847,298	1,493,365	3,340,663	-
Prepaid expenses	3,816,741	59,052	3,875,793	32,424
Total current assets	<u>329,114,012</u>	<u>13,033,290</u>	<u>342,147,302</u>	<u>14,456,878</u>
Capital assets:				
Land and construction in progress	69,958,296	-	69,958,296	5,378,861
Depreciable assets	1,500,529,420	8,419,610	1,508,949,030	41,060,982
Accumulated depreciation	<u>(685,644,621)</u>	<u>(4,713,578)</u>	<u>(690,358,199)</u>	<u>(8,703,226)</u>
Capital assets, net of depreciation	<u>884,843,095</u>	<u>3,706,032</u>	<u>888,549,127</u>	<u>37,736,617</u>
Noncurrent assets:				
Deferred charges	932,538	-	932,538	1,106,029
Net pension asset	48,659,370	-	48,659,370	-
Total noncurrent assets	<u>49,591,908</u>	<u>-</u>	<u>49,591,908</u>	<u>1,106,029</u>
Total assets	<u>\$ 1,263,549,015</u>	<u>\$ 16,739,322</u>	<u>\$ 1,280,288,337</u>	<u>\$ 53,299,524</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 14,622,285	\$ 99,503	\$ 14,721,788	\$ 415,754
Accrued salaries and benefits	80,094,289	1,283,371	81,377,660	1,647,495
Payroll withholding	22,843,938	-	22,843,938	-
Due to primary government	-	-	-	43,245
Unearned revenue	2,435,116	864,763	3,299,879	401,558
Liability claims/premiums	3,912,211	-	3,912,211	-
Interest payable	1,137,910	-	1,137,910	368,159
General obligation bonds	50,080,000	-	50,080,000	-
Certificates of participation	1,425,000	-	1,425,000	-
Capital leases and promissory notes	-	-	-	1,049,142
Total current liabilities	<u>176,550,749</u>	<u>2,247,637</u>	<u>178,798,386</u>	<u>3,925,353</u>
Noncurrent liabilities:				
General obligation bonds	473,848,367	-	473,848,367	-
Certificates of participation	31,405,246	-	31,405,246	-
Capital leases	-	-	-	45,676,880
Early retirement	2,900,000	-	2,900,000	-
Compensated absences	3,913,349	181,671	4,095,020	-
Total noncurrent liabilities	<u>512,066,962</u>	<u>181,671</u>	<u>512,248,633</u>	<u>45,676,880</u>
Total liabilities	<u>688,617,711</u>	<u>2,429,308</u>	<u>691,047,019</u>	<u>49,602,233</u>
Net assets				
Invested in capital assets, net of related debt	360,914,728	3,706,030	364,620,758	(8,980,252)
Restricted for:				
Capital projects	33,816,109	-	33,816,109	319,083
Debt service	72,341,627	-	72,341,627	5,676,433
TABOR	16,745,141	720,617	17,465,758	1,226,689
Unrestricted	91,113,699	9,883,367	100,997,066	5,455,338
Total net assets	<u>574,931,304</u>	<u>14,310,014</u>	<u>589,241,318</u>	<u>3,697,291</u>
Total liabilities and net assets	<u>\$ 1,263,549,015</u>	<u>\$ 16,739,322</u>	<u>\$ 1,280,288,337</u>	<u>\$ 53,299,524</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, 2011

	Net (Expenses) Revenue and Changes in Net Assets							Component Units
	Program Revenues			Primary Government			TOTAL	
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Charter Schools		
Expenses								
Functions/Programs								
Primary government:								
Governmental activities:								
Direct instruction	\$ 488,170,063	\$ 5,148,800	\$ 69,228,523	\$ (413,792,740)	\$ -	\$ (413,792,740)	-	
Indirect instruction	148,378,364	28,066,756	13,358,689	(106,952,919)	-	(106,952,919)	-	
Transportation	20,850,913	354,195	4,866,106	(15,630,612)	-	(15,630,612)	-	
Custodial services	26,864,799	-	-	(26,864,799)	-	(26,864,799)	-	
Field services	21,763,434	3,747,188	-	(18,016,246)	-	(18,016,246)	-	
Telecommunications, networking and utilities	21,974,077	-	-	(21,974,077)	-	(21,974,077)	-	
Support services	25,168,348	-	-	(25,168,348)	-	(25,168,348)	-	
General administration	3,909,716	-	-	(3,909,716)	-	(3,909,716)	-	
District-wide	596,970	1,358,775	-	761,805	-	761,805	-	
Interest expense, unallocated	28,681,991	-	-	(28,681,991)	-	(28,681,991)	-	
Total governmental activities	786,358,675	38,675,714	87,453,318	(660,229,643)	-	(660,229,643)	-	
Business-type Activities:								
Food services	24,402,366	11,634,444	11,709,247	\$ -	\$ (706,147)	(706,147)	-	
Child care	14,277,646	10,281,161	-	-	(3,996,485)	(3,996,485)	-	
Property management	1,288,442	1,763,175	-	-	474,733	474,733	-	
Total business-type activities	39,968,454	23,678,780	11,709,247	-	(4,227,899)	(4,227,899)	-	
Total primary government	\$ 826,327,129	\$ 62,354,494	\$ 99,162,565	\$ (660,229,643)	\$ (4,227,899)	\$ (664,457,542)	-	
Component units-Charter schools	\$ 40,723,407	\$ 7,256,979	\$ -	\$ -	\$ -	\$ (33,466,428)	-	
General revenues								
Taxes:								
Local property taxes		350,455,667				350,455,667	-	
Automotive ownership taxes		23,665,288				23,665,288	-	
Unrestricted intergovernmental state equalization		278,313,571				278,313,571	34,092,100	
Unrestricted Investment income		841,952			18,170	860,122	-	
Special items		2,000,000			-	2,000,000	-	
Transfers		(4,084,448)			4,084,448	-	-	
Total general revenues and transfers		651,192,030			4,102,618	655,294,648	34,092,100	
Change in net assets		(9,037,613)			(125,281)	(9,162,894)	625,672	
Net assets July 1, 2010		583,968,917			14,435,295	598,404,212	3,071,619	
Net assets June 30, 2011		\$ 574,931,304			\$ 14,310,014	\$ 589,241,318	\$ 3,697,291	

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, 2011

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Assets			
Cash	\$ 3,152	\$ -	\$ 300
Restricted Cash	13	-	29,479
Cash held by county treasurer	3,366,942	376,182	-
Equity in pooled cash and investments	107,316,338	-	42,432,532
Investments	-	70,440,950	-
Property taxes receivable, net of allowance for doubtful collections of \$7,047,869	12,067,645	3,642,621	-
Accounts, notes, contracts, and interest receivable	1,676,808	-	51,342
Intergovernmental receivables	6,032,366	-	-
Due from other funds	7,232,810	-	-
Due from component units	43,245	-	-
Inventories	1,304,557	-	-
Prepaid items	229,258	-	-
Total assets	<u>\$ 139,273,134</u>	<u>\$ 74,459,753</u>	<u>\$ 42,513,653</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts and retainages payable	\$ 4,038,571	\$ -	\$ 8,483,791
Accrued salaries, benefits, and compensated absences	71,616,746	-	110,729
Due to other funds	-	-	-
Deferred property tax revenues	7,071,667	2,118,126	-
Other deferred revenues	1,785,062	-	-
Total liabilities	<u>84,512,046</u>	<u>2,118,126</u>	<u>8,594,520</u>
Fund balances:			
Nonspendable:			
Inventory	1,304,557	-	-
Prepaid items	229,258	-	-
Restricted for:			
TABOR	15,932,358	-	103,024
Grants	-	-	-
Debt service	-	72,341,627	-
Construction	-	-	33,816,109
Committed to:			
Utility reserve	2,000,000	-	-
Assigned to:			
School carry forward	13,300,000	-	-
Special revenue funds	-	-	-
Unassigned	21,994,915	-	-
Total fund balances	<u>54,761,088</u>	<u>72,341,627</u>	<u>33,919,133</u>
Total liabilities and fund balances	<u>\$ 139,273,134</u>	<u>\$ 74,459,753</u>	<u>\$ 42,513,653</u>

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

Grants Fund	Campus Activity Fund	Total Governmental Funds
\$ -	\$ 103,795	\$ 107,247
-	-	29,492
-	-	3,743,124
-	10,641,110	160,389,980
-	-	70,440,950
-	-	-
-	-	15,710,266
59,893	774,422	2,562,465
12,986,594	-	19,018,960
-	-	7,232,810
-	-	43,245
-	389,597	1,694,154
-	20,668	249,926
<u>\$ 13,046,487</u>	<u>\$ 11,929,592</u>	<u>\$ 281,222,619</u>

\$ 627,442	1,004,926	\$ 14,154,730
4,988,301	5,291	76,721,067
5,426,822	-	5,426,822
-	-	9,189,793
-	151,450	1,936,512
<u>11,042,565</u>	<u>1,161,667</u>	<u>107,428,924</u>

-	389,597	1,694,154
-	20,668	249,926
-	597,403	16,632,785
2,003,922	-	2,003,922
-	-	72,341,627
-	-	33,816,109
-	-	2,000,000
-	-	13,300,000
-	9,760,257	9,760,257
-	-	21,994,915
<u>2,003,922</u>	<u>10,767,925</u>	<u>173,793,695</u>
<u>\$ 13,046,487</u>	<u>\$ 11,929,592</u>	<u>\$ 281,222,619</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of governmental funds balance sheet to statement of net assets
 June 30, 2011

Governmental funds total fund balances	\$	173,793,695
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.		9,189,793
Capital assets used in governmental funds are not considered current financial resources and therefore, not reported in the governmental funds.		1,539,310,058
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.		932,538
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.		48,659,370
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net assets of the internal service funds are included in the governmental activities statement of net assets.		33,426,238
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.		666,415,407
Long-term liabilities for general obligation debt, net of discounts and premiums (\$523,928,367), certificates of participation net of discounts and premiums (\$32,830,246), early retirement estimate (\$2,900,000), and compensated absences (\$3,168,458) are not due and payable in the current period and, therefore, not reported in the funds.		562,827,071
Interest payable on certificates of participation and general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.		1,137,910
Governmental activities net assets	<u>\$</u>	<u>574,931,304</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, 2011

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Revenues:			
Taxes	\$ 293,115,815	\$ 82,018,332	\$ -
Intergovernmental	305,045,575	-	-
Investment income	760,524	1,839	75,353
Other	15,661,087	-	1,358,775
Total revenues	614,583,001	82,020,171	1,434,128
Expenditures:			
Current:			
Direct instruction	385,339,125	-	-
Indirect instruction	104,135,682	-	-
Transportation	20,483,317	-	-
Custodial services	26,426,741	-	-
Field services	16,980,978	-	-
Telecommunications, networking and utilities	21,461,102	-	-
Support services	19,468,562	-	-
General administration	3,828,233	-	-
District-wide	785,525	-	-
Capital outlay	-	-	29,121,654
Debt service:			
Principal retirements	1,360,000	50,925,000	-
Interest and fiscal charges	1,847,781	26,984,288	-
Total expenditures	602,117,046	77,909,288	29,121,654
 Excess (deficiency) of revenues over (under) expenditures	 12,465,955	 4,110,883	 (27,687,526)
Other Financing Sources (Uses):			
Transfers out	(37,165,333)	-	-
Transfers in	-	-	23,208,000
Total other financing sources (uses)	(37,165,333)	-	23,208,000
Special item			
Sale of property	-	-	2,000,000
 Net change in fund balances	 (24,699,378)	 4,110,883	 (2,479,526)
Fund balances - July 1, 2010	79,460,466	68,230,744	36,398,659
Fund balances - June 30, 2011	<u>\$ 54,761,088</u>	<u>\$ 72,341,627</u>	<u>\$ 33,919,133</u>

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

Grants Fund	Campus Activity Fund	Total Governmental Funds
\$ -	\$ -	375,134,147
60,721,314	-	365,766,889
-	4,236	841,952
474,962	23,797,179	41,292,003
<u>61,196,276</u>	<u>23,801,415</u>	<u>783,034,991</u>
46,410,904	-	431,750,029
14,812,444	23,659,460	142,607,586
-	-	20,483,317
-	-	26,426,741
-	-	16,980,978
-	-	21,461,102
-	-	19,468,562
-	-	3,828,233
-	-	785,525
-	-	29,121,654
-	-	52,285,000
-	-	28,832,069
<u>61,223,348</u>	<u>23,659,460</u>	<u>794,030,796</u>
(27,072)	141,955	(10,995,805)
-	-	(37,165,333)
-	629,385	23,837,385
-	629,385	(13,327,948)
-	-	2,000,000
(27,072)	771,340	(22,323,753)
2,030,994	9,996,585	196,117,448
<u>\$ 2,003,922</u>	<u>\$ 10,767,925</u>	<u>173,793,695</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, 2011

Governmental funds changes in fund balances	\$	(22,323,753)
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.		9,189,793
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.		54,243,958
Reverse the prior year interest payable accrued to offset current year expenditures.		1,242,233
Change in accrual for early retirement payments		700,000
Less:		
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net assets.		2,674,922
Unearned property taxes of the prior year: Property taxes unearned in the prior year and received in the current year are recognized in the prior year net assets on the statement of activities.		10,202,985
Interest payable on certificates of participation and general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.		1,137,910
Amortization of deferred charges from issuing general obligation debt and certificates of participation.		115,989
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 \$61,197,381) exceeded capital outlay (\$26,395,273) in the current period.		34,802,108
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.		1,633,576
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.		1,448,795
Amount of long term compensated absences accrued for the current year.		73,559
Governmental activities change in net assets	<u>\$</u>	<u>(9,037,613)</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, 2011

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 266,171,000	\$ 266,171,000	\$ 269,450,527	\$ 3,279,527
Automotive ownership taxes	25,000,000	25,000,000	23,665,288	(1,334,712)
Total taxes	<u>291,171,000</u>	<u>291,171,000</u>	<u>293,115,815</u>	<u>1,944,815</u>
State of Colorado:				
State equalization	298,985,000	276,956,000	278,313,571	1,357,571
Education of handicapped	11,500,000	11,500,000	11,157,216	(342,784)
Transportation	4,500,000	4,500,000	4,866,106	366,106
Vocational education	2,500,000	2,500,000	3,721,982	1,221,982
Other	600,000	6,929,000	6,986,700	57,700
Total State of Colorado	<u>318,085,000</u>	<u>302,385,000</u>	<u>305,045,575</u>	<u>2,660,575</u>
Investment income	2,000,000	2,000,000	760,524	(1,239,476)
Other	13,666,000	13,666,000	15,661,087	1,995,087
Total revenues	<u>624,922,000</u>	<u>609,222,000</u>	<u>614,583,001</u>	<u>5,361,001</u>
Expenditures:				
Current:				
Direct instruction	403,726,000	388,000,650	384,564,028	3,436,622
Indirect instruction	104,047,400	104,005,643	104,032,756	(27,113)
Transportation	21,812,000	21,808,600	20,357,300	1,451,300
Custodial services	27,411,800	27,093,000	26,380,115	712,885
Field services and property management	18,124,200	17,840,400	16,958,093	882,307
Telecommunications, network and utilities	21,095,000	21,465,000	21,461,102	3,898
Support services	20,160,900	20,334,100	19,452,574	881,526
General administration	3,837,400	4,355,642	3,848,215	507,427
District-wide	1,339,400	950,965	781,631	169,334
Debt Service:				
Principal retirements	1,360,000	1,360,000	1,360,000	-
Interest and fiscal charges	1,845,500	1,845,600	1,847,781	(2,181)
Total expenditures	<u>624,759,600</u>	<u>609,059,600</u>	<u>601,043,595</u>	<u>8,016,005</u>
Excess of revenues over expenditures	162,400	162,400	13,539,406	13,377,006
Other financing sources (uses) -				
Transfers out	(37,011,600)	(37,286,000)	(37,165,333)	120,667
Total other financing uses	<u>(37,011,600)</u>	<u>(37,286,000)</u>	<u>(37,165,333)</u>	<u>120,667</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (36,849,200)</u>	<u>\$ (37,123,600)</u>	<u>(23,625,927)</u>	<u>\$ 13,497,673</u>
Salaries, benefits, and compensated absences earned but unpaid: July 1, 2010			69,305,983	
June 30, 2011			(70,379,434)	
Fund balance - July 1, 2010			79,460,466	
Fund balance - June 30, 2011			<u>\$ 54,761,088</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, 2011

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Budget Basis	
	Original	Final		
Revenues:				
Intergovernmental:				
Federal government	\$ 44,880,000	\$ 68,976,800	\$ 58,372,859	\$ (10,603,941)
State of Colorado	2,080,000	3,484,500	2,348,455	(1,136,045)
Other:				
Gifts and grants	470,000	644,500	474,962	(169,538)
Total revenues	<u>47,430,000</u>	<u>73,105,800</u>	<u>61,196,276</u>	<u>(11,909,524)</u>
Expenditures:				
Current:				
Elementary instruction	8,530,000	23,395,200	20,867,300	2,527,900
Middle level instruction	1,050,000	811,200	818,236	(7,036)
Senior high instruction	620,000	1,557,600	1,850,745	(293,145)
Instructional services	10,940,000	14,682,400	14,812,444	(130,044)
Intervention services	26,260,000	32,659,500	22,874,623	9,784,877
Total expenditures	<u>47,400,000</u>	<u>73,105,900</u>	<u>61,223,348</u>	<u>11,882,552</u>
Excess of revenues over (under) expenditures	<u>\$ 30,000</u>	<u>\$ (100)</u>	(27,072)	<u>\$ (26,972)</u>
Fund balance - July 1, 2010			2,030,994	
Fund balance - June 30, 2011			<u>\$ 2,003,922</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)
Campus Activity Special Revenue Fund
Fiscal Year Ended June 30, 2011

	Campus Activity Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budget Basis	Final Budget - Positive (Negative)
Revenues:				
Interest	\$ 2,000	\$ 2,000	\$ 4,236	\$ 2,236
Student activities	6,212,200	6,212,200	6,783,734	571,534
Fund raising	4,989,800	4,989,800	4,661,295	(328,505)
Fees and dues	6,951,000	6,951,000	6,712,610	(238,390)
Donations	2,193,500	2,193,500	3,120,410	926,910
Miscellaneous	3,166,700	3,166,700	2,519,130	(647,570)
Total revenues	23,515,200	23,515,200	23,801,415	286,215
Expenditures:				
Current:				
Athletics and activities	24,394,600	24,394,600	23,659,460	735,140
Total expenditures	24,394,600	24,394,600	23,659,460	735,140
Excess of revenues over (under) expenditures	(879,400)	(879,400)	141,955	1,021,355
Other financing sources:				
Transfers in	700,000	750,000	629,385	(120,615)
Total other financing sources (uses)	700,000	750,000	629,385	(120,615)
Excess of revenues and other financing sources over (under) expenditures	\$ (179,400)	\$ (129,400)	771,340	\$ 900,740
Fund balance - July 1, 2010			9,996,585	
Fund balance - June 30, 2011			\$ 10,767,925	

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Net Assets
Proprietary Funds
June 30, 2011

Assets	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Current assets:		
Cash	\$ 1,486	\$ 3,397
Equity in pooled cash and investments	1,690,996	4,796,023
Accounts and other receivable	83,467	21,701
Intergovernmental receivables	1,191,058	-
Inventories	1,493,365	-
Prepaid items	59,052	-
Total current assets	<u>4,519,424</u>	<u>4,821,121</u>
Noncurrent assets:		
Capital assets:		
Vehicles and equipment	6,797,678	567,578
Less accumulated depreciation	<u>(3,911,882)</u>	<u>(279,082)</u>
Total capital assets, net of accumulated depreciation	2,885,796	288,496
Total assets	<u>\$ 7,405,220</u>	<u>\$ 5,109,617</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 23,033	\$ 51,424
Accrued salaries, benefits, and compensated absences	797,019	477,020
Payroll withholding	-	-
Due to other funds	-	-
Other unearned revenues	458,225	406,538
Estimated liability for premiums and claims	-	-
Total current liabilities	<u>1,278,277</u>	<u>934,982</u>
Non-current liabilities:		
Compensated absences	<u>112,277</u>	<u>59,831</u>
Total noncurrent liabilities	<u>112,277</u>	<u>59,831</u>
Total liabilities	<u>1,390,554</u>	<u>994,813</u>
Net assets:		
Invested in capital assets	2,885,796	288,496
Restricted for:		
TABOR	358,855	308,709
Unrestricted	<u>2,770,015</u>	<u>3,517,599</u>
Total net assets	<u>6,014,666</u>	<u>4,114,804</u>
Total liabilities and net assets	<u>\$ 7,405,220</u>	<u>\$ 5,109,617</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
\$ -	\$ 4,883	\$ 300
3,535,867	10,022,886	51,150,261
156,878	262,046	253,683
-	1,191,058	-
-	1,493,365	153,144
-	59,052	3,566,815
<u>3,692,745</u>	<u>13,033,290</u>	<u>55,124,203</u>
1,054,354	8,419,610	31,177,658
(522,614)	(4,713,578)	(19,229,214)
<u>531,740</u>	<u>3,706,032</u>	<u>11,948,444</u>
<u>\$ 4,224,485</u>	<u>\$ 16,739,322</u>	<u>\$ 67,072,647</u>
\$ 25,046	\$ 99,503	\$ 467,555
9,332	1,283,371	3,373,222
-	-	22,843,938
-	-	1,805,988
-	864,763	498,604
-	-	3,912,211
<u>34,378</u>	<u>2,247,637</u>	<u>32,901,518</u>
9,563	181,671	744,891
<u>9,563</u>	<u>181,671</u>	<u>744,891</u>
<u>43,941</u>	<u>2,429,308</u>	<u>33,646,409</u>
531,740	3,706,032	11,948,444
53,053	720,617	112,356
3,595,751	9,883,365	21,365,438
<u>4,180,544</u>	<u>14,310,014</u>	<u>33,426,238</u>
<u>\$ 4,224,485</u>	<u>\$ 16,739,322</u>	<u>\$ 67,072,647</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Operating Revenues:		
Food sales	\$ 11,076,798	\$ -
Insurance premiums	-	-
Service contracts	557,646	1,154,959
Tuition	-	9,126,202
Total operating revenues	<u>11,634,444</u>	<u>10,281,161</u>
Operating Expenses:		
Purchased food	8,934,850	-
USDA commodities	1,215,910	-
Salaries and employee benefits	11,391,151	11,483,508
Administration services	846,326	1,403,803
Utilities	357,975	15,923
Supplies	1,236,033	685,613
Repairs and maintenance	72,373	3,069
Rent	-	663,328
Depreciation	314,386	18,973
Other	5,772	3,429
Claim losses	-	-
Premiums paid	-	-
Total operating expenses	<u>24,374,776</u>	<u>14,277,646</u>
Income (loss) from operations	<u>(12,740,332)</u>	<u>(3,996,485)</u>
Non-operating revenues (expenses):		
USDA commodities	1,267,364	-
Reimbursement from government sponsored programs	10,441,883	-
Investment income	2,449	9,151
Interest expense	-	-
Loss on sale of capital assets	(27,590)	-
Total non-operating revenues (expenses)	<u>11,684,106</u>	<u>9,151</u>
Income (loss) before transfers and capital contributions	(1,056,226)	(3,987,334)
Capital contributions	352,528	-
Transfers out to other funds	-	-
Transfers in from other funds	-	4,284,448
Change in net assets	<u>(703,698)</u>	<u>297,114</u>
Total net assets - July 1, 2010	6,718,364	3,817,690
Total net assets - June 30, 2011	<u>\$ 6,014,666</u>	<u>\$ 4,114,804</u>

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

Business-Type Activities Enterprise Funds		Governmental Activities -
Property Management Fund	Totals	Internal Service Funds
\$ -	\$ 11,076,798	\$ -
-	-	8,724,330
1,763,175	3,475,780	19,341,615
-	9,126,202	-
<u>1,763,175</u>	<u>23,678,780</u>	<u>28,065,945</u>
-	8,934,850	-
-	1,215,910	-
830,068	23,704,727	13,379,091
97,890	2,348,019	3,974,026
201,197	575,095	50,813
70,389	1,992,035	1,676,727
100	75,542	3,306,724
-	663,328	-
65,326	398,685	3,579,911
22,156	31,357	30,104
-	-	10,535,578
-	-	2,257,853
<u>1,287,126</u>	<u>39,939,548</u>	<u>38,790,827</u>
<u>476,049</u>	<u>(16,260,768)</u>	<u>(10,724,882)</u>
-	1,267,364	-
-	10,441,883	-
6,570	18,170	47,910
-	-	(2,154)
<u>(1,316)</u>	<u>(28,906)</u>	<u>(13,169)</u>
<u>5,254</u>	<u>11,698,511</u>	<u>32,587</u>
481,303	(4,562,257)	(10,692,295)
-	352,528	-
(200,000)	(200,000)	-
-	4,284,448	9,243,500
<u>281,303</u>	<u>(125,281)</u>	<u>(1,448,795)</u>
3,899,241	14,435,295	34,875,033
<u>\$ 4,180,544</u>	<u>\$ 14,310,014</u>	<u>\$ 33,426,238</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Business-Type Activities	
	Enterprise Funds	
	Food Services Fund	Child Care Fund
Cash flows from operating activities:		
Receipts from customers	\$ 11,687,350	\$ 10,256,637
Payments to employees	(11,405,652)	(11,395,840)
Payments to vendors	(12,829,371)	(2,765,377)
Net cash provided by (used for) operating activities	(12,547,673)	(3,904,580)
Cash flows from noncapital financing activities:		
Transfers received	-	4,284,448
Transfers out	-	-
Federal reimbursements	11,730,809	-
Net cash provided (used for) by noncapital financing activities	11,730,809	4,284,448
Cash flows from capital and related financing activities:		
Purchase of capital assets	(72,515)	(16,112)
Interest payments	-	-
Net cash used for capital and related financing activities	(72,515)	(16,112)
Cash flows from investing activities:		
Interest received	2,449	9,151
Net cash provided by investing activities	2,449	9,151
Net increase (decrease) in cash and cash equivalents	(886,930)	372,907
Cash and cash equivalents - July 1, 2010	2,579,412	4,426,513
Cash and cash equivalents - June 30, 2011	\$ 1,692,482	\$ 4,799,420
Reconciliation of cash flows from operating activities:		
Operating Loss	\$ (12,740,332)	\$ (3,996,485)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	314,386	18,973
(Increase) decrease intergovernmental and other receivables	2,008	(1,712)
(Increase) decrease in prepaid items	(1,199)	-
Decrease in inventories	130,731	-
(Increase) in purchased food and supplies inventories	(194,021)	-
Increase (decrease) in accounts payable	(95,645)	9,788
Increase (decrease) in accrued salaries, benefits, and compensated absences	(14,501)	87,668
Increase in payroll withholding	-	-
Increase in due to other funds	-	-
Increase (decrease) in unearned revenues	50,900	(22,812)
(Decrease) in estimated liability for premiums and claims	-	-
Net cash provided by (used for) operating activities	\$ (12,547,673)	\$ (3,904,580)
Noncash investing, capital, and financing activities:		
Donated commodities acquired and used from USDA	\$ 1,215,910	\$ -
Disposal and write off of capital assets	27,590	-
Capital contributions	352,528	-

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
\$ 1,742,625	\$ 23,686,612	\$ 27,982,768
(830,800)	(23,632,292)	(13,263,822)
(369,131)	(15,963,879)	(20,848,878)
<u>542,694</u>	<u>(15,909,559)</u>	<u>(6,129,932)</u>
-	4,284,448	9,243,500
(200,000)	(200,000)	-
-	11,730,809	-
<u>(200,000)</u>	<u>15,815,257</u>	<u>9,243,500</u>
(49,928)	(138,555)	(5,081,811)
-	-	(2,154)
<u>(49,928)</u>	<u>(138,555)</u>	<u>(5,083,965)</u>
6,570	18,170	47,910
<u>6,570</u>	<u>18,170</u>	<u>47,910</u>
299,336	(214,687)	(1,922,487)
3,236,531	10,242,456	53,073,048
<u>\$ 3,535,867</u>	<u>\$ 10,027,769</u>	<u>\$ 51,150,561</u>
\$ 476,049	\$ (16,260,768)	\$ (10,724,882)
65,326	398,685	3,579,911
(20,550)	(20,254)	14,111
2,008	809	(567,917)
-	130,731	23,125
-	(194,021)	-
20,594	(65,263)	(396,178)
-	-	-
(733)	72,434	183,032
-	-	795,069
-	-	1,805,988
-	28,088	(97,288)
-	-	(744,903)
<u>\$ 542,694</u>	<u>\$ (15,909,559)</u>	<u>\$ (6,129,932)</u>
\$ -	\$ 1,215,910	\$ -
1,316	28,906	13,169
-	352,528	-



Notes to Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

June 30, 2011

1. Summary of significant accounting policies

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

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

A) Reporting entity

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

The District is not included in any other governmental reporting entity as defined in GASB No. 14. As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity as required by the Colorado Department of Education. None of the component units are considered to be a major fund.

Discretely presented component units - charter schools

The State of Colorado Legislature in 1993 enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101." This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter schools are financed from state school finance act revenues, property taxes and from revenues generated by the charter school, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the Jefferson County School District's Board of Education must approve all Charter School applications and budgets. The Charter Schools are discretely presented component units as required by the Colorado Department of Education. Charter schools have the option to issue separate financial statements. Lincoln Academy, Mountain Phoenix, Rocky Mountain Academy of Evergreen, Rocky Mountain Deaf Schools and Two Roads High School did not issue separate statements for fiscal year 2010.

Blended component unit - Jefferson County School District Finance Corporation

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

B) GASB statement No. 20

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

C) Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or programs are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Bond Redemption Debt Service Fund, Capital Reserve Capital Projects Funds, Grants Special Revenue Fund and Campus Activity Special Revenue 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.

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

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

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

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

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

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

E) Fund accounting

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

• **Major governmental funds**

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

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

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

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

• **Internal service funds**

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

F) Cash and investments

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

G) Restricted cash

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

H) Receivables

Property taxes levied in 2010 but not yet collected in 2011 are identified as property taxes receivable and unearned revenues at June 30, 2011, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$20,210,018 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, 2011, the District had \$20,175,735 and \$34,283 due from the Federal and State government, respectively, reflected as intergovernmental receivables in the accompanying basic financial statements.

I) Deferred charges

Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. As of June 30, 2011 the District had \$932,538 and component units \$1,106,029 in deferred charges.

J) Inventories and prepaid items

Materials and supplies inventories are stated at average cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed. Fund balance is considered nonspendable for the inventory balances as follows: General Fund - \$1,304,557 and Campus Activity Special Revenue Fund - \$389,597.

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 - \$229,258 and Campus Activity Special Revenue Fund - \$20,668.

K) Capital assets

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

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

L) Liabilities

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

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

M) Constitutional amendment

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

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to restrict emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These restricted fund balances are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2011, for budgetary purposes the District restricted \$15,932,358 in the General Fund, \$103,024 in the Capital Reserve Capital Projects Fund, \$597,403 in Campus Activity Special Revenue Fund, \$358,855 in the Food Service Fund, \$308,709 in the Child Care Fund, \$53,053 in the Property Management Fund, \$112,356 in Internal Service Funds and \$1,226,689 was restricted in the Component Units Charter Schools for this purpose.

N) Property taxes

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

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

O) Accumulated sick and personal leave and vacation

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

As of June 30, 2011, accumulated unused benefits are as follows:

Fund Types	Accumulated Vacation		
	Current (Due within one year)	Long-term	Total
<i>Governmental:</i>			
General	\$ 1,509,899	\$ 3,020,253	\$ 4,530,152
Grants fund	18,656	37,316	55,972
Capital projects	55,437	110,889	166,326
Internal service	<u>372,390</u>	<u>744,891</u>	<u>1,117,281</u>
	<u>1,956,382</u>	<u>3,913,349</u>	<u>5,869,731</u>
<i>Proprietary:</i>			
Enterprise	<u>90,829</u>	<u>181,671</u>	<u>272,500</u>
Total	<u>\$2,047,211</u>	<u>\$ 4,095,020</u>	<u>\$ 6,142,231</u>

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

Fund	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
General	\$ 2,936,740	\$ 484,732	\$ (401,220)	\$ 3,020,252
Grants fund	42,172	21,140	(25,996)	37,316
Capital projects	115,988	4,583	(9,682)	110,889
Enterprise	198,967	30,787	(48,083)	181,671
Internal service	<u>671,310</u>	<u>130,249</u>	<u>(56,667)</u>	<u>744,892</u>
	<u>\$ 3,965,177</u>	<u>\$ 671,491</u>	<u>\$ (541,648)</u>	<u>\$ 4,095,020</u>

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

P) Fund balance

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

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.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

2. Reconciliation of government-wide and fund financial statements

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

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

Due to the general fund from other funds – fund statements	\$ 7,276,055
Elimination of governmental and internal service interfund activity	<u>(7,232,810)</u>
Due to the primary government – governmental activities	<u>\$ 43,245</u>

3. Budgetary information

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

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

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

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Individual amendments in the General Fund varied slightly in relation to the original appropriation. The budget for the Grants Fund includes the adopted budget and additional expenditures and grants approved by the Board of Education. The budget and actuals for the Proprietary Funds and Internal Service Funds at June 30, 2011 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Food services fund	\$ 25,663,900	\$24,402,366	\$1,261,534
Child care fund	15,244,000	14,277,646	966,354
Property management fund	1,404,300	1,288,442	115,858
Central services fund	3,754,400	3,492,544	261,856
Employee benefits fund	8,064,100	6,977,733	1,086,367
Insurance reserve fund	9,852,800	8,996,073	856,727
Technology fund	20,083,000	19,339,800	743,200
Component Units	55,000,000	52,067,749	2,932,251

4. **Budget/GAAP reporting differences**

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

<u>Governmental Fund Type</u>	<u>Expenditures Reported on a GAAP Basis</u>	<u>Effect of: Salaries and Benefits Earned but Unpaid</u>	<u>Compensated Absences</u>	<u>Expenditures Reported on a Budget Basis</u>
General fund	\$ 602,117,046	\$ (1,031,701)	\$ (41,750)	\$ 601,043,595
Capital reserve capital projects fund	\$ 29,121,654	\$ (954)	\$ 2,550	\$ 29,123,250
Component units (charter schools):				
Collegiate Academy of Colorado	\$ 3,530,261	\$ 7,931	-	\$ 3,538,192
Compass Montessori-Wheatridge	2,598,684	56,431	-	2,655,115
Compass Montessori-Golden	2,966,508	30,048	-	2,996,556
Excel	3,544,283	(1,650)	-	3,542,633
Free Horizon	9,001,261	(16,205)	-	8,985,056
Jefferson	5,980,896	(628)	-	5,980,268
Lincoln Academy	3,807,320	40,033	-	3,847,353
Montessori Peaks	3,512,179	(6,440)	-	3,505,739
Mountain Phoenix	360,860	-	-	360,860
New America	1,919,852	(21,137)	-	1,898,715
Rocky Mtn. Academy	4,076,888	(1,691)	-	4,075,197
Rocky Mtn. Deaf School	1,582,085	3,902	-	1,585,987
Two Roads High School	1,972,719	(77,363)	-	1,895,356
Woodrow Wilson	3,394,629	(828)	-	3,393,801
Total component units	\$ 48,248,425	\$ 12,403	\$ -	\$ 48,260,828

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Governmental Fund Type	Fund Balance (Deficit) Reported on a GAAP Basis	Plus effect of accrued salaries, benefits and compensated absences earned but unpaid	Fund Balance on a Budgetary Basis
General fund	\$ 54,761,088	\$ 70,379,434	\$ 125,140,522
Capital reserve capital projects funds	<u>33,919,133</u>	<u>110,729</u>	<u>34,029,862</u>
Total governmental funds	<u>\$ 88,680,221</u>	<u>\$ 70,490,163</u>	<u>\$ 159,170,384</u>

Governmental Fund Type	Fund Balance (deficit) Reported on a GAAP Basis	Plus effect of accrued salaries, benefits and compensated absences earned but unpaid	Fund Balance on a Budgetary Basis
Component units:			
Collegiate Academy of Colorado	\$ 922,434	\$ 137,991	\$ 1,060,425
Compass Montessori – Wheatridge	(75,625)	158,100	82,475
Compass Montessori - Golden	845,551	126,572	972,123
Excel	1,918,290	134,599	2,052,889
Free Horizon	937,709	113,636	1,051,345
Jefferson	790,340	286,052	1,076,392
Lincoln Academy	886,962	135,440	1,022,402
Montessori Peaks	1,445,117	160,719	1,605,836
Mountain Phoenix	(33,255)	-	(33,255)
New America	89,689	59,241	148,930
Rocky Mtn. Academy	1,064,777	137,170	1,201,947
Rocky Mtn. Deaf School	163,274	63,067	226,341
Two Roads High School	382,325	77,364	459,689
Woodrow Wilson	<u>2,611,238</u>	<u>57,544</u>	<u>2,668,782</u>
Total component units	<u>\$ 11,948,826</u>	<u>\$ 1,647,495</u>	<u>\$13,596,321</u>

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

Salaries and benefits earned but unpaid at June 30, 2011, 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 \$70,379,434 to be permanently deferred and therefore available for budgetary purposes.

5. Excess expenditures over appropriations and deficit fund equity

As of June 30, 2011, two Component Unit Charter Schools had accumulated deficits of \$108,880. Mountain Phoenix was approved by the Board of Education to borrow \$95,000. The loan is to be repaid in full by 2014. The charter schools review their budgets with management and are monitored closely.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

6. Deposits and investments

Deposits:	Government-wide Statement of Net Assets		
	Primary Government	Component Units	Total
Cash	\$ 112,430	\$ 57,819	\$ 170,249
Restricted cash and cash held by third parties	3,772,616	6,914,353	10,686,969
Equity in pooled cash and investments	221,563,127	7,383,948	228,947,075
Investments	<u>70,440,950</u>	<u>-</u>	<u>70,440,950</u>
Total cash and investments	<u>\$ 295,889,123</u>	<u>\$ 14,356,120</u>	<u>\$ 310,245,243</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$9,010,744.

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, 2011, \$961,592 of the District and the discretely presented component unit's bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$660,446 are collateralized with securities held by the pledging financial institution through PDPA. Deposits of \$301,146 are insured under FDIC. The District's investment policy calls for minimizing this risk by pre-qualifying financial institutions.

Cash held in trust:

As of June 30, 2011 the District had \$3,743,124 held in trust. Jefferson County collects the property taxes for the District and holds the funds in trust until sent to the District monthly.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Investments:

As of June 30, 2011, the District (including the primary government and component units) had the following investments:

<u>Investment Type</u>	<u>Fair Market Value</u>	<u>Weighted Average Maturities (yrs)</u>	<u>Ratings</u>	
			<u>S&P</u>	<u>Moody's</u>
Money Market Mutual Funds	\$ 1,011,699	Overnight	AAA	Aaa
Colorado Local Government Liquid Asset Trust	172,485,488	Under 60 days	AAAm	Aaa
FFCB	11,532,035	.56	AAA	Aaa
FNMA	11,055,425	1.00	AAA	Aaa
FHLMC	7,490,777	.99	AAA	Aaa
FHLB	8,926,336	1.14	AAA	Aaa
US Treasury T-Note	3,140,850	.48	AAA	Aaa
Corporate Bonds	7,934,688	Average 1.87 years	26% AAA 36% AA+ 26% AA- 12% AA	61% Aa2 13% Aa1 13% Aa3 13% Aaa
Forward delivery agreement (U.S. Instrumentality)	70,440,950	Less than 1 year	N/A	N/A
Repurchase agreement	<u>7,216,249</u>	Overnight Sweep	N/A	N/A
	<u>\$ 301,234,497</u>			

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 no single investments greater than 5 percent of the total portfolio. The District does diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. District policy states that securities shall not exceed the following maximum limits as a percentage of the total portfolio.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

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%

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

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

7. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2011</u>
Non-depreciable assets:					
Land	\$ 57,502,661	\$ -	\$ (180,797)	\$ -	\$ 57,321,864
Construction in progress	<u>42,379,879</u>	<u>24,932,094</u>	<u>(25,198)</u>	<u>(54,650,343)</u>	<u>12,636,432</u>
Total non-depreciable assets	<u>\$ 99,882,540</u>	<u>\$ 24,932,094</u>	<u>\$ (205,995)</u>	<u>\$ (54,650,343)</u>	<u>\$ 69,958,296</u>
Depreciable assets:					
Buildings and site improvements	\$1,361,141,573	\$ 396,003	\$ (5,095,307)	\$ 54,395,343	\$1,410,837,612
Equipment and vehicles – Internal service funds	28,127,016	5,101,297	(2,050,655)	-	31,177,658
Equipment and vehicles	<u>59,612,637</u>	<u>1,067,176</u>	<u>(2,165,663)</u>	<u>-</u>	<u>58,514,150</u>
Total depreciable assets	<u>\$1,448,881,226</u>	<u>\$ 6,564,476</u>	<u>\$ (9,311,625)</u>	<u>\$ 54,395,343</u>	<u>\$1,500,529,420</u>
Less accumulated depreciation for:					
	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2011</u>
Building and site improvements	\$ (567,801,708)	\$ (58,476,929)	\$ 2,914,032	\$ -	\$ (623,364,605)
Equipment and vehicles – Internal service funds	(17,667,302)	(3,579,912)	2,018,000	-	(19,229,214)
Equipment and vehicles	<u>(42,463,361)</u>	<u>(2,720,452)</u>	<u>2,133,011</u>	<u>-</u>	<u>(43,050,802)</u>
Total accumulated depreciation	<u>\$ (627,932,371)</u>	<u>\$ (64,777,293)</u>	<u>\$ 7,065,043</u>	<u>\$ -</u>	<u>\$ (685,644,621)</u>
Total capital assets, net	<u>\$ 920,831,395</u>	<u>\$(33,280,723)</u>	<u>\$ (2,452,577)</u>	<u>\$ (255,000)</u>	<u>\$ 884,843,095</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Business-type activities

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

	Balance July 1, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Equipment	\$ 6,472,713	\$ 170,044	\$ (100,079)	\$ 255,000	\$ 6,797,678
Accumulated depreciation	<u>(3,669,985)</u>	<u>(314,386)</u>	<u>72,489</u>	<u>-</u>	<u>(3,911,882)</u>
Total	<u>\$ 2,802,728</u>	<u>\$ (144,342)</u>	<u>\$ (27,590)</u>	<u>\$ 255,000</u>	<u>\$ 2,885,796</u>

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

	Balance July 1, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Equipment	\$ 578,126	\$ 16,112	\$ (26,660)	\$ -	\$ 567,578
Accumulated depreciation	<u>(286,769)</u>	<u>(18,973)</u>	<u>26,660</u>	<u>-</u>	<u>(279,082)</u>
Total	<u>\$ 291,357</u>	<u>\$ (2,861)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,496</u>

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

	Balance July 1, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Equipment	\$ 1,010,500	\$ 49,928	\$ (6,074)	\$ -	\$ 1,054,354
Accumulated depreciation	<u>(462,046)</u>	<u>(65,326)</u>	<u>4,758</u>	<u>-</u>	<u>(522,614)</u>
Total	<u>\$ 548,454</u>	<u>\$ (15,398)</u>	<u>\$ (1,316)</u>	<u>\$ -</u>	<u>\$ 531,740</u>

Total capital assets being depreciated, business-type activities	\$ 8,419,610
Accumulated depreciation	<u>(4,713,578)</u>
Business-type activities capital assets, net	<u>\$ 3,706,032</u>

Discretely presented component units

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

	Balance July 1, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Non-depreciable assets:					
Land	\$ 4,294,935	\$ 1,083,926	\$ -	\$ -	\$ 5,378,861
Total Non-depreciable assets:	<u>\$ 4,294,935</u>	<u>\$ 1,083,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,378,861</u>
Depreciable assets:					
Buildings and equipment	\$ 34,873,878	\$ 6,191,314	\$ (4,210)	\$ -	\$ 41,060,982
Accumulated depreciation	<u>(7,391,562)</u>	<u>(1,315,874)</u>	<u>4,210</u>	<u>-</u>	<u>(8,703,226)</u>
Total	<u>\$ 31,777,251</u>	<u>\$ 5,959,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,736,617</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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

<u>Governmental activities:</u>	
Direct instruction	\$ 46,767,670
Indirect instruction	9,461,283
Field services	4,122,664
Support services	10,456
General administration	4,085
District-wide (non-departmental)	831,223
Capital assets held by the District's internal service funds	<u>3,579,912</u>
Total depreciation expense – governmental activities	<u>\$ 64,777,293</u>
<u>Business-type activities:</u>	
Food services	\$ 314,386
Child care	18,973
Property management	<u>65,326</u>
Total depreciation expense – business-type activities	<u>\$ 398,685</u>

Construction commitments

The District has active construction projects as of June 30, 2011. 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, 2011, are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
District Wide Safe, Warm, Dry Projects	\$1,852,071	\$4,331,374
Jefferson HS Improvements	3,607,638	2,347,783
District Wide Fire/Security Projects	1,820,697	1,347,367
District Wide Roof Projects	969,797	706,167
Warren Tech Roof Replacement	1,150,801	561,683
District Wide Metasys Projects	185,140	477,799
Arvada HS Roof Replacement	442,380	439,056

8. Interfund receivables and payables

The following identifies amounts due to and from individual funds at June 30, 2011:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General fund	\$ 7,232,810	\$ -
Grants fund	-	5,426,822
Internal service – Technology fund	<u>-</u>	<u>1,805,988</u>
	<u>\$7,232,810</u>	<u>\$7,232,810</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

9. Transfers

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. At June 30, 2011 the detail for these transfers is as follows:

Campus activity fund	\$ 429,385
Capital reserve capital projects fund	<u>23,208,000</u>
Net transfers within the governmental funds	<u>23,637,385</u>
Child care fund	4,284,448
Internal service funds	<u>9,243,500</u>
Net transfers into the proprietary funds	<u>13,527,948</u>
 Total transfers out from the General fund	 <u>\$ 37,165,333</u>
 Property management fund transfer out	 \$ 200,000
Campus activity fund transfer in	<u>\$ 200,000</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, 2011, are comprised of the following:

	Balance July 1, 2010	Additions	Retirements	Outstanding June 30, 2011	Current Portion
<u>Governmental activities</u>					
Supplemental Retirement 2006A COP's	22,660,000	-	(890,000)	21,770,000	935,000
Supplemental Retirement 2006B COP's	11,770,000	-	(470,000)	11,300,000	490,000
Less deferred amounts:					
For discounts	<u>(255,222)</u>	\$ -	<u>15,468</u>	<u>(239,754)</u>	-
Governmental activity long-term liabilities	<u>\$ 34,174,778</u>	<u>\$ -</u>	<u>\$ (1,344,532)</u>	<u>\$ 32,830,246</u>	<u>\$ 1,425,000</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, 2011 was \$16,176,771.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

Component unit activities:	Balance	Additions	Retirements	Outstanding	Current Portion
	July 1, 2010			June 30, 2010	
Component units – Buildings/Capital leases	\$ 42,048,708	\$ 11,935,000	\$ (4,783,708)	\$ 49,200,000	\$ 1,030,000
Less deferred amounts:					
For discounts, premiums and losses	<u>(2,287,670)</u>	<u>(412,839)</u>	<u>105,133</u>	<u>(2,595,376)</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 39,761,038</u>	<u>\$ 11,522,161</u>	<u>\$ (4,678,575)</u>	<u>\$ 46,604,624</u>	<u>\$ 1,030,000</u>
Component Units - Promissory notes	<u>\$ 97,649</u>	<u>\$ 105,000</u>	<u>\$ (81,251)</u>	<u>\$ 121,398</u>	<u>\$ 19,142</u>

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

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

Capital leases

Fiscal Year Ending <u>June 30</u>	Governmental Activities		Component Units	
	COP's		Charter Schools	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,425,000	\$ 1,776,859	\$ 1,030,000	\$ 2,671,883
2013	1,490,000	1,704,834	1,165,000	2,625,411
2014	1,575,000	1,628,233	1,225,000	2,571,171
2015	1,655,000	1,546,531	1,270,000	2,513,488
2016	1,740,000	1,459,802	1,340,000	2,452,512
2017-2021	10,225,000	5,779,858	7,240,000	11,173,577
2022-2026	13,425,000	2,583,751	10,345,000	9,039,052
2027-2031	1,535,000	42,975	11,785,000	5,940,198
2032-2036	-	-	10,165,000	2,668,113
2037	-	-	3,635,000	633,520
Total	<u>\$33,070,000</u>	<u>\$16,522,843</u>	<u>\$49,200,000</u>	<u>\$42,288,925</u>

Promissory note

Fiscal Year Ending <u>June 30</u>	Component Units	
	Charter Schools	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 19,142	\$ 7,134
2013	20,173	5,766
2014	9,302	4,742
2015	9,884	4,160
2016	10,492	3,551
2017-2021	<u>52,405</u>	<u>7,211</u>
Total	<u>\$ 121,398</u>	<u>\$ 32,564</u>

The District has appropriated amounts from 2012 revenues in the General Fund to meet the lease payments for the COP principal and interest which is due in 2012.

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, 2011 are comprised of the following:

\$309,885,000 1997 Series Refunding Bonds due in semi-annual installments with one payment remaining of \$36,385,300 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.	\$ 35,240,000
\$48,315,000 2003 Series Refunding Bonds due in semi-annual installments with annual payments of \$430,000 to \$18,130,000 through December 15, 2014. Interest rate: 3.00% to 5.00%.	34,640,000
\$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%.	48,590,000
\$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 annual payments of \$857,800 to \$36,747,800 through December 15, 2012. Interest rate: 4.00% to 5.00%	35,890,000
\$233,400,000 2010 Series Refunding Bonds due in semi-annual installments with annual payments of \$844,400 to \$35,335,375 through December 15, 2027. Interest rate: 2.00% to 5.00%.	<u>229,745,000</u>
Total	<u>\$ 502,790,000</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

	Balance July 1, <u>2010</u>	New and Refunding <u>Issues</u>	Payments & Amortization <u>of Discount</u>	Balance June 30, <u>2011</u>	Current <u>Portion</u>
<u>General obligation bonds:</u>					
Refunding – 1997	\$ 68,380,000	\$ -	\$ (33,140,000)	\$ 35,240,000	\$ 35,240,000
Refunding – 2003	34,680,000	-	(40,000)	34,640,000	40,000
Construction – 2004	12,865,000	-	-	12,865,000	-
Refunding – 2004	62,680,000	-	(14,090,000)	48,590,000	14,800,000
Refunding – 2005	39,020,000	-	-	39,020,000	-
Construction – 2006	66,800,000	-	-	66,800,000	-
Refunding – 2007	35,890,000	-	-	35,890,000	-
Refunding – 2010	233,400,000	-	(3,655,000)	229,745,000	-
Less deferred amounts:					
On refunding, discounts and premiums	<u>23,112,793</u>	<u>-</u>	<u>(1,974,426)</u>	<u>21,138,367</u>	<u>-</u>
	<u>\$ 576,827,793</u>	<u>\$ -</u>	<u>\$ (52,899,426)</u>	<u>\$ 523,928,367</u>	<u>\$ 50,080,000</u>

Future year's general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 50,080,000	\$ 23,999,638
2013	51,465,000	21,217,444
2014	22,100,000	19,438,000
2015	23,125,000	18,359,175
2016	23,340,000	17,219,300
2017-2021	134,270,000	67,365,450
2022-2026	164,155,000	30,236,369
2027	<u>34,255,000</u>	<u>899,194</u>
Total	<u>\$ 502,790,000</u>	<u>\$ 198,734,570</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, 2011, are \$1,461,910,139 and \$1,031,461,766, 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, 2011 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	\$267,087,429	\$244,135,000

13. Risk management

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

The District retains the first \$100,000 of any property loss, the first \$500,000 of 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 \$3,267,247 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2011. 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, 2011 for the District.

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

Balance July 1, 2010	\$ 3,442,732
Increase (Decrease) in estimated claims:	
Estimated property claims	135,120
Automobile claims	(382,269)
General liability claims	(27,205)
Workers' compensation claims	<u>98,869</u>
Balance June 30, 2011	<u>\$ 3,267,247</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>2010</u>	<u>2011</u>
Amount of claims liabilities at July 1	\$ 3,860,094	\$ 3,442,732
Incurred claims and change in reserve	5,169,196	4,653,208
Payments on claims	<u>(5,586,558)</u>	<u>(4,828,693)</u>
Amount of claims liabilities at June 30	<u>\$ 3,442,732</u>	<u>\$ 3,267,247</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 \$278,696 and \$41,530 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2011, related to the District's self-insured dental and vision plans respectively and \$324,738 for medical insurance and other benefit premiums.

	<u>2010</u>	<u>2011</u>
Amount of claims liabilities at July 1	\$ 794,000	\$ 345,178
Incurred claims and change in reserve	5,750,768	5,882,370
Payments on claims	<u>(6,199,590)</u>	<u>(5,907,322)</u>
Amount of claims liabilities at June 30	<u>\$ 345,178</u>	<u>\$ 320,226</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 2011 rate changed from 13.85 percent to 14.75 percent on January 1, 2011. 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, 2009, 2010 and 2011 were \$62,511,295 and \$68,447,923, and \$71,514,626 respectively, equal to their required contributions for each year.

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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, 2009, 2010 and 2011 were \$5,031,947, \$5,147,482, and \$5,041,258 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 2009, \$16,500 in 2010, and \$16,500 in 2011).

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 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. Plan information is available from the District employee benefits department, 1829 Denver West Drive, Golden, CO. 80401. (303)982-6527.

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 for the foreseeable future would not be made to the Plan.

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)	\$ 769,089
Actual annual contribution for fiscal year 2011	<u>(500,000)</u>
Decrease in net pension obligation (Asset)	269,089
Interest on net pension obligation	(3,017,577)
Adjustment on annual required contribution	4,382,064
Net pension asset, beginning of year	<u>(50,292,946)</u>
Net pension asset, end of year	<u>\$ (48,659,370)</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, 2010 actuarial valuation prepared by Mercer, 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

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
August 31, 2008	\$1,632,034	\$633,936	38.8%	\$ (51,728,133)
August 31, 2009	1,935,187	500,000	25.8	(50,292,946)
August 31, 2010	2,133,576	500,000	23.4	(48,659,370)

Schedule of funding progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
August 31, 2008	\$13,357,446	\$20,796,503	\$7,439,057	64.2%	\$101,810,221	7.3%
August 31, 2009	10,118,882	18,954,414	8,835,532	53.4	96,143,874	9.2
August 31, 2010	9,050,419	17,877,458	8,827,039	50.6	89,702,941	9.8

Payment of unused sick and personal leave in the amount of \$1,262,208 was paid to early retirees in fiscal year 2011. The Board has appropriated \$2,900,000 for its early retirement programs to be paid in Fiscal year 2012. Budgeted expenditures for unused sick and personal leave for Fiscal year 2011 is \$2,900,000.

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.



Supplemental Information

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



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
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Bond Redemption Debt Service Fund
Fiscal Year Ended June 30, 2011

Bond Redemption Debt Service Fund			
	Original and Final Budget	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes:			
Property taxes	\$ 81,900,000	\$ 82,018,332	\$ 118,332
Interest	75,000	1,839	(73,161)
Total taxes	81,975,000	82,020,171	45,171
Expenditures:			
Debt Service			
Principal retirement	50,925,000	50,925,000	-
Interest and fiscal charges	27,002,000	26,984,288	17,712
Total expenditures	77,927,000	77,909,288	17,712
Excess of revenues over expenditures	\$ 4,048,000	4,110,883	\$ 62,883
Fund balances - July 1, 2010		68,230,744	
Fund balances - June 30, 2011		\$ 72,341,627	

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, 2011

Capital Reserve Capital Projects Fund				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Budget Basis	Final Budget - Positive (Negative)
Revenues:				
Interest	\$ 225,000	\$ 225,000	\$ 75,354	\$ (149,646)
Other	425,000	425,000	1,358,775	933,775
Total revenues	650,000	650,000	1,434,129	784,129
Expenditures:				
Capital outlay:				
New buildings and land	32,524,800	39,524,800	1,800,172	37,724,628
School additions and improvements	-	-	13,075,676	(13,075,676)
Grounds improvements	-	-	920,403	(920,403)
Mechanical and electrical improvements	-	-	7,647,513	(7,647,513)
Roof replacement	-	-	5,220,543	(5,220,543)
Vehicles and large equipment	2,234,900	2,234,900	458,943	1,775,957
Total expenditures	34,759,700	41,759,700	29,123,250	12,636,450
Excess of revenues over (under) expenditures	(34,109,700)	(41,109,700)	(27,689,121)	13,420,579
Other financing sources:				
Transfers in	23,208,000	23,208,000	23,208,000	-
Total other financing sources	23,208,000	23,208,000	23,208,000	-
Special item				
Sale of property	-	-	2,000,000	2,000,000
Excess of revenues and other financing sources over expenditures	\$ (10,901,700)	\$ (17,901,700)	(2,481,121)	\$ 15,420,579
Salaries, benefits, and compensated absences earned but unpaid:				
July 1, 2010			112,324	
June 30, 2011			(110,729)	
Fund balance - July 1, 2010			36,398,659	
Fund balance - June 30, 2011			\$ 33,919,133	



Internal Service Funds

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

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

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011

<u>Assets</u>	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Current assets:			
Cash	\$ 300	\$ -	\$ -
Equity in pooled cash and investments	1,243,785	40,050,477	9,855,999
Accounts and other receivable	25,932	6,485	41,193
Inventories	129,513	-	-
Prepaid items	681	-	1,647,470
Total current assets	<u>1,400,211</u>	<u>40,056,962</u>	<u>11,544,662</u>
Capital assets:			
Vehicles and equipment	2,212,442	-	144,597
Less accumulated depreciation	<u>(1,452,040)</u>	<u>-</u>	<u>(75,639)</u>
Total capital assets net of accumulated depreciation	760,402	-	68,958
Total assets	<u>\$ 2,160,613</u>	<u>\$ 40,056,962</u>	<u>\$ 11,613,620</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	\$ 89,555	\$ 542	\$ 71,566
Accrued salaries, benefits, and compensated absences	63,201	2,547,085	134,478
Payroll withholding	-	22,843,938	-
Due to other funds	-	-	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	644,964	3,267,247
Total current liabilities	<u>152,756</u>	<u>26,036,529</u>	<u>3,473,291</u>
Non-current liabilities:			
Compensated absences	<u>53,970</u>	<u>1,316</u>	<u>124,560</u>
Total non-current liabilities	<u>53,970</u>	<u>1,316</u>	<u>124,560</u>
Total liabilities	<u>206,726</u>	<u>26,037,845</u>	<u>3,597,851</u>
<u>Net Assets</u>			
Invested in capital assets	760,402	-	68,958
Restricted for:			
TABOR	2,065	9,515	56,832
Unrestricted	<u>1,191,420</u>	<u>14,009,602</u>	<u>7,889,979</u>
Total net assets	<u>1,953,887</u>	<u>14,019,117</u>	<u>8,015,769</u>
Total liabilities and net assets	<u>\$ 2,160,613</u>	<u>\$ 40,056,962</u>	<u>\$ 11,613,620</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	51,150,261
180,073	253,683
23,631	153,144
1,918,664	3,566,815
<u>2,122,368</u>	<u>55,124,203</u>
28,820,619	31,177,658
<u>(17,701,535)</u>	<u>(19,229,214)</u>
11,119,084	11,948,444
<u>\$ 13,241,452</u>	<u>\$ 67,072,647</u>

\$ 305,892	\$ 467,555
628,458	3,373,222
-	22,843,938
1,805,988	1,805,988
498,604	498,604
-	3,912,211
<u>3,238,942</u>	<u>32,901,518</u>
565,045	744,891
<u>565,045</u>	<u>744,891</u>
<u>3,803,987</u>	<u>33,646,409</u>
11,119,084	11,948,444
43,944	112,356
<u>(1,725,563)</u>	<u>21,365,438</u>
9,437,465	33,426,238
<u>\$ 13,241,452</u>	<u>\$ 67,072,647</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
Fiscal Year Ended June 30, 2011

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Revenues:			
Insurance premiums	\$ -	\$ 6,923,053	\$ 1,801,277
Service contracts	3,512,081	-	93,114
Total revenues	<u>3,512,081</u>	<u>6,923,053</u>	<u>1,894,391</u>
Expenses:			
Salaries and employee benefits	1,091,227	162,881	2,022,956
Administration services	234,404	631,179	332,215
Utilities	9,039	-	-
Supplies	1,355,809	-	-
Repairs and maintenance	553,482	-	-
Depreciation	236,725	-	31,144
Other	166	-	-
Claim losses	-	5,882,370	4,653,208
Premiums paid	-	301,303	1,956,550
Total expenses	<u>3,480,852</u>	<u>6,977,733</u>	<u>8,996,073</u>
Income (loss) from operations	<u>31,229</u>	<u>(54,680)</u>	<u>(7,101,682)</u>
Non-operating revenues (expenses):			
Interest revenues	2,271	25,659	19,980
Interest expense	-	-	-
Gain (loss) on sale of capital assets	(11,692)	-	-
Total non-operating revenues (expenses)	<u>(9,421)</u>	<u>25,659</u>	<u>19,980</u>
Income (loss) before transfers	21,808	(29,021)	(7,081,702)
Transfers from the general fund	-	-	6,793,500
Change in net assets	<u>21,808</u>	<u>(29,021)</u>	<u>(288,202)</u>
Net assets - July 1, 2010	1,932,079	14,048,138	8,303,971
Net assets - June 30, 2011	<u>\$ 1,953,887</u>	<u>\$ 14,019,117</u>	<u>\$ 8,015,769</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 8,724,330
15,736,420	19,341,615
<u>15,736,420</u>	<u>28,065,945</u>
10,102,027	13,379,091
2,776,228	3,974,026
41,774	50,813
320,918	1,676,727
2,753,242	3,306,724
3,312,042	3,579,911
29,938	30,104
-	10,535,578
-	<u>2,257,853</u>
<u>19,336,169</u>	<u>38,790,827</u>
<u>(3,599,749)</u>	<u>(10,724,882)</u>
-	47,910
(2,154)	(2,154)
<u>(1,477)</u>	<u>(13,169)</u>
<u>(3,631)</u>	<u>32,587</u>
(3,603,380)	(10,692,295)
2,450,000	9,243,500
<u>(1,153,380)</u>	<u>(1,448,795)</u>
10,590,845	34,875,033
<u>\$ 9,437,465</u>	<u>\$ 33,426,238</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2011

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,512,807	\$ 6,929,843	\$ 1,900,985
Cash paid to employees	(1,093,543)	(162,484)	(2,021,149)
Cash paid to vendors	(2,210,410)	(6,520,897)	(6,991,104)
Net cash provided by (used for) in operating activities	208,854	246,462	(7,111,268)
Cash flows from noncapital financing activities:			
Transfers in and (out)	-	-	6,793,500
Net cash provided by noncapital financing activities	-	-	6,793,500
Cash flows from capital and related financing activities:			
Purchase of capital assets	(342,026)	-	(7,422)
Interest payments	-	-	-
Net cash (used for) in capital and related financing activities	(342,026)	-	(7,422)
Cash flows from investing activities:			
Interest received	2,271	25,659	19,980
Net cash provided by investing activities	2,271	25,659	19,980
Net increase (decrease) in cash and cash equivalents	(130,901)	272,121	(305,210)
Cash and cash equivalents - July 1, 2010	1,374,986	39,778,356	10,161,209
Cash and cash equivalents - June 30, 2011	\$ 1,244,085	\$ 40,050,477	\$ 9,855,999
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ 31,229	\$ (54,680)	\$ (7,101,682)
Cash flows from operating activities:			
Depreciation	236,725	-	31,144
Decrease intergovernmental and other receivables	726	6,790	6,595
(Increase) decrease in prepaid items	(681)	-	116,045
(Increase) decrease in other inventories	(9,949)	-	-
Increase (decrease) in accounts payable	(46,880)	541	10,308
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	(2,316)	68,160	1,807
Increase in payroll withholding	-	795,069	-
Increase in due to other funds	-	-	-
(Decrease) in deferred revenues	-	-	-
(Decrease) in estimated liability for premiums and claims	-	(569,418)	(175,485)
Net cash provided by (used for) in operating activities	\$ 208,854	\$ 246,462	\$ (7,111,268)
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ 11,692	\$ -	\$ -

Technology Fund	Governmental Activities - Internal Service Funds
\$ 15,639,133	\$ 27,982,768
(9,986,646)	(13,263,822)
(5,126,467)	(20,848,878)
<u>526,020</u>	<u>(6,129,932)</u>
2,450,000	9,243,500
<u>2,450,000</u>	<u>9,243,500</u>
(4,732,363)	(5,081,811)
(2,154)	(2,154)
<u>(4,734,517)</u>	<u>(5,083,965)</u>
-	47,910
<u>-</u>	<u>47,910</u>
(1,758,497)	(1,922,487)
1,758,497	53,073,048
<u>\$ -</u>	<u>\$ 51,150,561</u>
\$ (3,599,749)	\$ (10,724,882)
3,312,042	3,579,911
-	14,111
(683,281)	(567,917)
33,074	23,125
(360,147)	(396,178)
115,381	183,032
-	795,069
1,805,988	1,805,988
(97,288)	(97,288)
-	(744,903)
<u>\$ 526,020</u>	<u>\$ (6,129,932)</u>
\$ 1,477	\$ 13,169



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 Assets
Component Units
June 30, 2011

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Assets						
Current assets:						
Cash	\$ 300	\$ 200	\$ 51,646	\$ 500	\$ 500	\$ 1,300
Restricted cash	757,745	-	709,100	747,871	538,724	421,117
Restricted cash for TABOR	105,435	64,140	87,891	109,171	84,949	185,691
Equity in pooled cash and investments	204,746	102,825	161,164	1,266,638	651,072	492,062
Accounts receivable	-	140	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total current assets:	<u>1,068,226</u>	<u>167,305</u>	<u>1,009,801</u>	<u>2,124,180</u>	<u>1,275,245</u>	<u>1,100,170</u>
Noncurrent assets:						
Deferred charges	121,692	-	90,950	176,751	141,622	93,557
Nondepreciable assets	650,000	-	1,016,509	235,981	820,872	40,638
Depreciable assets	5,139,175	85,993	4,464,440	5,011,183	5,023,130	3,289,392
Accumulated depreciation	<u>(1,515,973)</u>	<u>(22,043)</u>	<u>(1,043,397)</u>	<u>(1,025,711)</u>	<u>(34,378)</u>	<u>(1,041,183)</u>
Total noncurrent assets:	<u>4,394,894</u>	<u>63,950</u>	<u>4,528,502</u>	<u>4,398,204</u>	<u>5,951,246</u>	<u>2,382,404</u>
Total assets	<u>\$ 5,463,120</u>	<u>\$ 231,255</u>	<u>\$ 5,538,303</u>	<u>\$ 6,522,384</u>	<u>\$ 7,226,491</u>	<u>\$ 3,482,574</u>
Liabilities						
Current liabilities:						
Accounts payable	\$ 7,301	\$ 3,970	\$ 5,916	\$ 60,733	\$ 25,943	\$ 23,778
Accrued salaries and benefits	137,991	158,100	126,572	134,599	113,636	286,052
Due to the general fund	-	-	-	-	-	-
Unearned revenues	500	80,860	31,762	10,558	197,957	-
Accrued interest	14,647	63	124,784	29,982	14,863	6,843
Current capital leases and promissory notes	<u>205,000</u>	<u>10,918</u>	<u>123,224</u>	<u>170,000</u>	<u>100,000</u>	<u>70,000</u>
Total current liabilities:	<u>365,439</u>	<u>253,911</u>	<u>412,258</u>	<u>405,872</u>	<u>452,399</u>	<u>386,673</u>
Noncurrent liabilities:						
Capital Leases and promissory notes	<u>6,640,764</u>	<u>11,419</u>	<u>5,370,273</u>	<u>5,922,319</u>	<u>6,388,091</u>	<u>2,710,822</u>
Total Noncurrent liabilities:	<u>6,640,764</u>	<u>11,419</u>	<u>5,370,273</u>	<u>5,922,319</u>	<u>6,388,091</u>	<u>2,710,822</u>
Total liabilities	<u>7,006,203</u>	<u>265,330</u>	<u>5,782,531</u>	<u>6,328,191</u>	<u>6,840,490</u>	<u>3,097,495</u>
Net Assets						
Invested in capital net of debt	(2,572,562)	41,613	(1,055,942)	(1,870,866)	(674,248)	(491,975)
Restricted for:						
Capital projects	-	-	-	-	4,217	305,790
Debt service	757,745	-	709,100	747,871	532,424	421,117
TABOR	105,435	64,140	87,891	109,171	84,949	185,691
Unrestricted	<u>166,299</u>	<u>(139,828)</u>	<u>14,723</u>	<u>1,208,017</u>	<u>438,659</u>	<u>(35,544)</u>
Total net assets	<u>(1,543,083)</u>	<u>(34,075)</u>	<u>(244,228)</u>	<u>194,193</u>	<u>386,001</u>	<u>385,079</u>
Total liabilities and net assets	<u>\$ 5,463,120</u>	<u>\$ 231,255</u>	<u>\$ 5,538,303</u>	<u>\$ 6,522,384</u>	<u>\$ 7,226,491</u>	<u>\$ 3,482,574</u>

Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 700	\$ 500	\$ 300	\$ 300	\$ 498	\$ 75	\$ 500	\$ 500	\$ 57,819
327,896	855,705	-	-	669,206	-	-	660,300	5,687,664
105,514	106,101	12,319	45,173	81,967	53,006	70,215	115,117	1,226,689
657,697	660,207	-	257,439	476,202	118,876	411,937	1,923,083	7,383,948
393	1,503	-	5,499	3,409	57,390	-	-	68,334
-	-	18,750	-	-	13,674	-	-	32,424
1,092,200	1,624,016	31,369	308,411	1,231,282	243,021	482,652	2,699,000	14,456,878
68,057	86,438	-	-	163,862	-	-	163,100	1,106,029
554,052	1,099,229	-	-	79,926	-	-	881,654	5,378,861
3,336,100	4,645,388	78,966	415,673	4,584,998	6,427	-	4,980,117	41,060,982
(944,035)	(1,027,584)	(10,529)	(92,495)	(898,504)	(6,427)	-	(1,040,967)	(8,703,226)
3,014,174	4,803,471	68,437	323,178	3,930,282	-	-	4,983,904	38,842,646
<u>\$ 4,106,374</u>	<u>\$ 6,427,487</u>	<u>\$ 99,806</u>	<u>\$ 631,589</u>	<u>\$ 5,161,564</u>	<u>\$ 243,021</u>	<u>\$ 482,652</u>	<u>\$ 7,682,904</u>	<u>\$ 53,299,524</u>
\$ 46,915	\$ 9,730	\$ 21,379	\$ 159,481	\$ 1,488	\$ 16,680	\$ 22,963	\$ 9,477	\$ 415,754
135,440	160,719	-	59,241	137,170	63,067	77,364	57,544	1,647,495
-	-	43,245	-	-	-	-	-	43,245
22,883	8,450	-	-	27,847	-	-	20,741	401,558
30,422	64,156	-	-	58,664	-	-	23,735	368,159
95,000	140,000	-	-	-	-	-	135,000	1,049,142
330,660	383,055	64,624	218,722	225,169	79,747	100,327	246,497	3,925,353
1,846,768	5,994,653	-	-	5,007,414	-	-	5,784,357	45,676,880
1,846,768	5,994,653	-	-	5,007,414	-	-	5,784,357	45,676,880
2,177,428	6,377,708	64,624	218,722	5,232,583	79,747	100,327	6,030,854	49,602,233
1,004,349	(1,417,620)	68,437	323,178	(1,236,063)	-	-	(1,098,553)	(8,980,252)
-	-	-	-	9,076	-	-	-	319,083
327,896	855,705	-	-	664,275	-	-	660,300	5,676,433
105,514	106,101	12,319	45,173	81,967	53,006	70,215	115,117	1,226,689
491,187	505,593	(45,574)	44,516	409,726	110,268	312,110	1,975,186	5,455,338
1,928,946	49,779	35,182	412,867	(71,019)	163,274	382,325	1,652,050	3,697,291
<u>\$ 4,106,374</u>	<u>\$ 6,427,487</u>	<u>\$ 99,806</u>	<u>\$ 631,589</u>	<u>\$ 5,161,564</u>	<u>\$ 243,021</u>	<u>\$ 482,652</u>	<u>\$ 7,682,904</u>	<u>\$ 53,299,524</u>



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

Fiscal year ended June 30, 2011

	Expenses	Charges For Services	Governmental Activities	General Revenues	Change in net assets	Net assets beginning	Net assets ending
Schools							
Collegiate Academy of Colorado	\$ 3,480,300	\$ 305,204	\$ (3,175,096)	\$ 3,239,370	\$ 64,274	\$ (1,607,356)	\$ (1,543,082)
Compass Montessori - Wheatridge	2,592,063	815,349	(1,776,714)	1,403,781	(372,933)	338,856	(34,077)
Compass Montessori - Golden	2,920,489	763,640	(2,156,849)	2,244,256	87,407	(331,635)	(244,228)
Excel Charter School	3,575,831	530,227	(3,045,604)	3,123,667	78,063	116,130	194,193
Free Horizon	2,962,879	875,066	(2,087,813)	1,956,575	(131,238)	517,241	386,003
Jefferson Academy	6,017,889	464,114	(5,553,775)	5,812,200	258,425	126,654	385,079
Lincoln Academy Charter School	3,384,574	233,779	(3,150,795)	3,292,256	141,461	1,787,484	1,928,945
Montessori Peaks	3,564,325	864,417	(2,699,908)	2,724,846	24,938	24,841	49,779
Mountain Phoenix	366,125	17,232	(348,893)	397,808	48,915	(13,733)	35,182
New America	1,700,289	28,801	(1,671,488)	1,476,978	(194,510)	607,377	412,867
Rocky Mountain Academy Evergreen	3,093,198	540,741	(2,554,457)	2,243,035	(311,422)	240,402	(71,020)
Rocky Mountain Deaf School	1,582,727	1,366,225	(216,502)	428,515	212,013	(48,739)	163,274
Two Roads High School	1,972,719	109,891	(1,862,828)	2,245,153	382,325	-	382,325
Woodrow Wilson Academy	3,507,999	342,293	(3,165,706)	3,503,660	337,954	1,314,097	1,652,051
Total	<u>40,723,407</u>	<u>7,256,979</u>	<u>(33,466,428)</u>	<u>34,092,100</u>	<u>625,672</u>	<u>3,071,619</u>	<u>3,697,291</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
All Component Units
Combining Balance Sheet
June 30, 2011

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Assets						
Assets:						
Cash	\$ 300	\$ 200	\$ 51,646	\$ 500	\$ 500	\$ 1,300
Restricted Cash	863,180	64,140	796,991	857,042	623,673	606,808
Equity in pooled cash and investments	204,746	102,825	161,164	1,266,638	651,072	492,062
Accounts, notes, contracts, and interest receivable	-	140	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total Assets	\$ 1,068,226	\$ 167,305	\$ 1,009,801	\$ 2,124,180	\$ 1,275,245	\$ 1,100,170
Liabilities and fund balances (deficit)						
Liabilities:						
Accounts and retainages payable	\$ 7,301	\$ 3,970	\$ 5,916	\$ 60,733	\$ 25,943	\$ 23,778
Accrued salaries, benefits, and compensated absences	137,991	158,100	126,572	134,599	113,636	286,052
Due to primary government	-	-	-	-	-	-
Unearned revenues	500	80,860	31,762	10,558	197,957	-
Total Liabilities	145,792	242,930	164,250	205,890	337,536	309,830
Fund balances:						
Restricted for:						
TABOR	105,435	64,140	87,891	109,171	84,949	185,691
Debt service	757,745	-	709,100	747,871	532,424	421,117
Construction	-	-	-	-	4,217	305,790
Unassigned	59,254	(139,765)	48,560	1,061,248	316,119	(122,258)
Total fund balances (deficit)	922,434	(75,625)	845,551	1,918,290	937,709	790,340
Total liabilities and fund balances	\$ 1,068,226	\$ 167,305	\$ 1,009,801	\$ 2,124,180	\$ 1,275,245	\$ 1,100,170
Amounts reported for component unit activities in the statement of net assets are different because:						
Component units total fund balance	\$ 922,434	\$ (75,625)	\$ 845,551	\$ 1,918,290	\$ 937,709	\$ 790,340
Add: Capital assets	5,789,175	85,993	5,480,949	5,247,164	5,844,002	3,330,030
Deferred charges	121,692	-	90,950	176,751	141,622	93,557
Less: Accumulated depreciation	(1,515,973)	(22,043)	(1,043,397)	(1,025,711)	(34,378)	(1,041,183)
Long-term liabilities	(6,845,764)	(22,337)	(5,493,497)	(6,092,319)	(6,488,091)	(2,780,822)
Accrued interest	(14,647)	(63)	(124,784)	(29,982)	(14,863)	(6,843)
Net assets of component unit activities	\$(1,543,083)	\$ (34,075)	\$ (244,228)	\$ 194,193	\$ 386,001	\$ 385,079

Lincoln Academy Charter School	Montessori Peaks	Mountain Phoenix	New America	Rocky Mountain Academy Evergreen	Rocky Mountain Deaf School	Two Roads High School	Woodrow Wilson Academy	Total Charter Schools
\$ 700	\$ 500	\$ 300	\$ 300	\$ 498	\$ 75	\$ 500	\$ 500	\$ 57,819
433,410	961,806	12,319	45,173	751,173	53,006	70,215	775,417	6,914,353
657,697	660,207	-	257,439	476,202	118,876	411,937	1,923,083	7,383,948
393	1,503	-	5,499	3,409	57,390	-	-	68,334
-	-	18,750	-	-	13,674	-	-	32,424
<u>\$ 1,092,200</u>	<u>\$ 1,624,016</u>	<u>\$ 31,369</u>	<u>\$ 308,411</u>	<u>\$ 1,231,282</u>	<u>\$ 243,021</u>	<u>\$ 482,652</u>	<u>\$ 2,699,000</u>	<u>\$ 14,456,878</u>
\$ 46,915	\$ 9,730	\$ 21,379	\$ 159,481	\$ 1,488	\$ 16,680	\$ 22,963	\$ 9,477	\$ 415,754
135,440	160,719	-	59,241	137,170	63,067	77,364	57,544	1,647,495
-	-	43,245	-	-	-	-	-	43,245
22,883	8,450	-	-	27,847	-	-	20,741	401,558
<u>205,238</u>	<u>178,899</u>	<u>64,624</u>	<u>218,722</u>	<u>166,505</u>	<u>79,747</u>	<u>100,327</u>	<u>87,762</u>	<u>2,508,052</u>
105,514	106,101	12,319	45,173	81,967	53,006	70,215	115,117	1,226,689
327,896	855,705	-	-	664,275	-	-	660,300	5,676,433
-	-	-	-	9,076	-	-	-	319,083
453,552	483,311	(45,574)	44,516	309,459	110,268	312,110	1,835,821	4,726,621
886,962	1,445,117	(33,255)	89,689	1,064,777	163,274	382,325	2,611,238	11,948,826
<u>\$ 1,092,200</u>	<u>\$ 1,624,016</u>	<u>\$ 31,369</u>	<u>\$ 308,411</u>	<u>\$ 1,231,282</u>	<u>\$ 243,021</u>	<u>\$ 482,652</u>	<u>\$ 2,699,000</u>	<u>\$ 14,456,878</u>
\$ 886,962	\$ 1,445,117	\$ (33,255)	\$ 89,689	\$ 1,064,777	\$ 163,274	\$ 382,325	\$ 2,611,238	\$ 11,948,826
3,890,152	5,744,617	78,966	415,673	4,664,924	6,427	-	5,861,771	46,439,843
68,057	86,438	-	-	163,862	-	-	163,100	1,106,029
(944,035)	(1,027,584)	(10,529)	(92,495)	(898,504)	(6,427)	-	(1,040,967)	(8,703,226)
(1,941,768)	(6,134,653)	-	-	(5,007,414)	-	-	(5,919,357)	(46,726,022)
(30,422)	(64,156)	-	-	(58,664)	-	-	(23,735)	(368,159)
<u>\$ 1,928,946</u>	<u>\$ 49,779</u>	<u>\$ 35,182</u>	<u>\$ 412,867</u>	<u>\$ (71,019)</u>	<u>\$ 163,274</u>	<u>\$ 382,325</u>	<u>\$ 1,652,050</u>	<u>\$ 3,697,291</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, 2011

	Collegiate Academy of Colorado	Compass Montessori - Wheatridge	Compass Montessori - Golden	Excel Charter School	Free Horizon	Jefferson Academy
Revenues:						
Intergovernmental	\$ 3,239,370	\$ 1,403,781	\$ 2,244,256	\$ 3,123,667	\$ 1,956,575	\$ 5,812,200
Other revenue	305,204	815,349	763,640	530,227	875,066	464,114
Total revenues	<u>3,544,574</u>	<u>2,219,130</u>	<u>3,007,896</u>	<u>3,653,894</u>	<u>2,831,641</u>	<u>6,276,314</u>
Expenditures:						
Current:						
Salaries and benefits	2,012,126	1,491,335	1,678,217	1,943,125	1,886,270	4,119,103
Purchased services	698,075	982,834	570,349	847,850	902,740	1,176,303
Materials and supplies	222,887	112,282	156,622	220,356	84,662	440,335
Capital outlay	19,885	-	103,000	5,385	5,686,605	12,905
Debt service	577,288	12,233	458,320	527,567	440,984	232,250
Total other instructional programs	<u>3,530,261</u>	<u>2,598,684</u>	<u>2,966,508</u>	<u>3,544,283</u>	<u>9,001,261</u>	<u>5,980,896</u>
Excess of revenues over (under) expenditures	14,313	(379,554)	41,388	109,611	(6,169,620)	295,418
Other Financing Sources (uses):						
Other financing sources - capital leases	-	-	105,000	-	6,658,335	-
Other financing uses - refunding capital leases	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>105,000</u>	<u>-</u>	<u>6,658,335</u>	<u>-</u>
Excess of Revenues and other Financing Sources Over (Under) Expenditures	14,313	(379,554)	146,388	109,611	488,715	295,418
Fund balance (deficit) - July 1, 2010	908,121	303,929	699,163	1,808,679	448,994	494,922
Fund balance (deficit) - June 30, 2011	<u>\$ 922,434</u>	<u>\$ (75,625)</u>	<u>\$ 845,551</u>	<u>\$ 1,918,290</u>	<u>\$ 937,709</u>	<u>\$ 790,340</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	\$ 14,313	\$ (379,554)	\$ 146,388	\$ 109,611	\$ 488,715	\$ 295,418
Less: Depreciation expense	(174,326)	(3,531)	(148,745)	(166,302)	(10,493)	(107,854)
Other sources - debt and amortization of issuance costs	(11,046)	-	(131,061)	(40,410)	(6,386,469)	(7,170)
Change in accrued interest	448	21	1,886	464	(14,779)	126
Add: Net capital outlay asset additions	19,885	-	103,000	9,700	5,686,605	12,905
Principal payment on long-term liabilities	215,000	10,131	115,939	165,000	105,183	65,000
Change in net assets of component unit activities	<u>\$ 64,274</u>	<u>\$ (372,933)</u>	<u>\$ 87,407</u>	<u>\$ 78,063</u>	<u>\$ (131,238)</u>	<u>\$ 258,425</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
\$ 3,292,256	\$ 2,724,846	\$ 397,808	\$ 1,476,978	\$ 2,243,035	\$ 428,515	\$ 2,245,153	\$ 3,503,660	\$ 34,092,100
233,779	864,417	17,232	28,801	540,741	1,366,225	109,891	342,293	7,256,979
<u>3,526,035</u>	<u>3,589,263</u>	<u>415,040</u>	<u>1,505,779</u>	<u>2,783,776</u>	<u>1,794,740</u>	<u>2,355,044</u>	<u>3,845,953</u>	<u>41,349,079</u>
2,260,606	2,215,751	223,453	828,235	1,859,875	1,158,041	1,305,747	2,035,055	25,016,939
721,590	592,274	118,492	782,447	1,153,373	382,593	192,186	791,918	9,913,024
170,008	166,213	18,915	58,467	75,559	41,451	474,786	136,213	2,378,756
470,701	15,986	-	250,703	691,179	-	-	14,577	7,270,926
184,415	521,955	-	-	296,902	-	-	416,866	3,668,780
<u>3,807,320</u>	<u>3,512,179</u>	<u>360,860</u>	<u>1,919,852</u>	<u>4,076,888</u>	<u>1,582,085</u>	<u>1,972,719</u>	<u>3,394,629</u>	<u>48,248,425</u>
(281,285)	77,084	54,180	(414,073)	(1,293,112)	212,655	382,325	451,324	(6,899,346)
-	-	-	-	5,385,000	-	-	-	12,148,335
-	-	-	-	(3,819,324)	-	-	-	(3,819,324)
-	-	-	-	1,565,676	-	-	-	8,329,011
(281,285)	77,084	54,180	(414,073)	272,564	212,655	382,325	451,324	1,429,665
1,168,247	1,368,033	(87,435)	503,762	792,213	(49,381)	-	2,159,914	10,519,161
<u>\$ 886,962</u>	<u>\$ 1,445,117</u>	<u>\$ (33,255)</u>	<u>\$ 89,689</u>	<u>\$ 1,064,777</u>	<u>\$ 163,274</u>	<u>\$ 382,325</u>	<u>\$ 2,611,238</u>	<u>\$ 11,948,826</u>
\$ (281,285)	\$ 77,084	\$ 54,180	\$ (414,073)	\$ 272,564	\$ 212,655	\$ 382,325	\$ 451,324	\$ 1,429,665
(133,586)	(159,031)	(5,265)	(31,140)	(114,535)	(642)	-	(260,424)	(1,315,874)
(5,419)	(40,271)	-	-	440,060	-	-	2,136	(6,179,650)
1,050	1,170	-	-	(54,399)	-	-	341	(63,672)
470,701	15,986	-	250,703	691,179	-	-	14,577	7,275,241
90,000	130,000	-	-	(1,546,291)	-	-	130,000	(520,038)
<u>\$ 141,461</u>	<u>\$ 24,938</u>	<u>\$ 48,915</u>	<u>\$ (194,510)</u>	<u>\$ (311,422)</u>	<u>\$ 212,013</u>	<u>\$ 382,325</u>	<u>\$ 337,954</u>	<u>\$ 625,672</u>



**STATISTICAL
SECTION**

Statistical Section

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

<u>Content</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	100-107
Revenue Capacity These schedules contain information to help the reader assess the District's property tax revenue.	108-113
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	114-119
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	120-121
Operating Information These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	122-127

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 192,295,707	\$ 228,673,057	\$ 253,475,823	\$ 270,489,848
Restricted	117,705,895	116,678,582	103,913,984	111,961,310
Unrestricted	<u>(25,682,188)</u>	<u>(36,083,924)</u>	<u>(11,550,151)</u>	<u>44,946,760</u>
Total governmental activities net assets	<u>\$ 284,319,414</u>	<u>\$ 309,267,715</u>	<u>\$ 345,839,656</u>	<u>\$ 427,397,918</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 3,440,762	\$ 3,258,516	\$ 3,399,394	\$ 2,887,640
Restricted	754,406	707,591	695,777	688,076
Unrestricted	<u>1,522,123</u>	<u>3,052,250</u>	<u>3,175,818</u>	<u>5,240,516</u>
Total business-type activities net assets	<u>\$ 5,717,291</u>	<u>\$ 7,018,357</u>	<u>\$ 7,270,989</u>	<u>\$ 8,816,232</u>
Primary government				
Invested in capital assets, net of related debt	\$ 195,736,469	\$ 231,931,573	\$ 256,875,217	\$ 273,377,488
Restricted	118,460,301	117,386,173	104,609,761	112,649,386
Unrestricted	<u>(24,160,065)</u>	<u>(33,031,674)</u>	<u>(8,374,333)</u>	<u>50,187,276</u>
Total primary government net assets	<u>\$ 290,036,705</u>	<u>\$ 316,286,072</u>	<u>\$ 353,110,645</u>	<u>\$ 436,214,150</u>

Fiscal Year

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 272,131,267	\$ 279,690,380	\$ 282,779,947	\$ 300,549,882	\$ 344,003,602	\$ 360,914,728
119,886,342	137,222,692	157,681,790	149,063,262	122,592,857	122,902,877
82,472,483	84,308,430	130,950,972	128,442,632	117,372,458	91,113,699
<u>\$ 474,490,092</u>	<u>\$ 501,221,502</u>	<u>\$ 571,412,709</u>	<u>\$ 578,055,776</u>	<u>\$ 583,968,917</u>	<u>\$ 574,931,304</u>
\$ 2,610,619	\$ 2,524,688	\$ 2,399,710	\$ 2,702,062	\$ 3,642,539	\$ 3,706,030
709,513	758,429	799,858	781,383	747,019	720,617
8,077,616	10,085,377	12,430,067	12,771,303	10,045,737	9,883,367
<u>\$ 11,397,748</u>	<u>\$ 13,368,494</u>	<u>\$ 15,629,635</u>	<u>\$ 16,254,748</u>	<u>\$ 14,435,295</u>	<u>\$ 14,310,014</u>
\$ 274,741,886	\$ 282,215,068	\$ 285,179,657	\$ 303,251,944	\$ 347,646,141	\$ 364,620,758
120,595,855	137,981,121	158,481,648	149,844,645	123,339,876	123,623,494
90,550,099	94,393,807	143,381,039	141,213,935	127,418,195	100,997,066
<u>\$ 485,887,840</u>	<u>\$ 514,589,996</u>	<u>\$ 587,042,344</u>	<u>\$ 594,310,524</u>	<u>\$ 598,404,212</u>	<u>\$ 589,241,318</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses				
Governmental activities:				
Direct instruction	\$ 383,676,598	\$ 403,856,718	\$ 393,967,062	\$ 389,330,732
Indirect instruction	118,481,544	110,773,132	119,072,440	120,382,252
Transportation	15,166,425	16,578,118	16,503,065	17,269,372
Custodial services	20,704,710	22,772,963	22,871,857	23,354,067
Field services	18,778,279	18,656,531	19,278,349	18,665,080
Telecommunications, networking and utilities	14,938,323	15,635,459	15,351,982	16,500,402
Support services	18,002,476	16,671,745	17,279,408	18,753,372
General administration	4,193,120	3,191,935	2,146,565	2,859,645
District-wide	7,178,389	4,191,780	3,659,049	2,374,468
Interest expense, unallocated	33,904,182	29,200,913	28,086,956	31,651,073
Total governmental activities expenses	635,024,046	641,529,294	638,216,733	641,140,463
Business-type activities				
Food services	18,630,611	19,107,187	19,804,428	19,130,176
Child care	9,711,619	9,743,957	9,691,422	9,899,843
Property management	761,767	738,914	1,307,756	1,466,991
Other enterprise	1,143,019	1,028,664	-	-
Total business-type activities expenses	30,247,016	30,618,722	30,803,606	30,497,010
Total primary government expenses	\$ 665,271,062	\$ 672,148,016	\$ 669,020,339	\$ 671,637,473
Program Revenues				
Governmental activities:				
Charges for services:				
Direct instruction	\$ 2,983,826	\$ 3,446,024	\$ 3,525,071	\$ 4,366,210
Indirect instruction	31,103,268	34,940,446	37,296,822	32,540,920
Transportation	2,107,646	1,326,401	1,633,996	229,677
Field services	3,452,977	3,889,617	3,685,314	3,258,778
District-wide	5,563,091	5,263,916	3,883,322	2,744,283
Operating grants and contributions:				
Direct instruction	38,961,292	38,735,403	39,949,569	37,005,381
Indirect instruction	2,856,317	5,158,382	5,453,930	6,038,113
Transportation	4,133,412	4,110,010	4,240,861	4,393,792
Total governmental activities program revenues	91,161,829	96,870,199	99,668,885	90,577,154
Business-type activities				
Charges for services:				
Food services	13,445,517	13,413,970	13,063,321	12,705,589
Child care	7,724,631	8,009,184	8,195,872	8,383,059
Property management	1,003,288	994,532	1,836,380	1,802,491
Other enterprise	1,503,601	1,107,821	-	-
Operating grants and contributions:				
Food services	4,808,590	5,212,753	5,809,925	6,360,540
Capital grants and contributions:				
Food services	957,594	1,222,500	1,257,672	1,011,907
Property management	-	-	-	-
Other enterprise	-	15,000	-	-
Total business-type activities program revenues	29,443,221	29,975,760	30,163,170	30,263,586
Total primary government program revenues	\$ 120,605,050	\$ 126,845,959	\$ 129,832,055	\$ 120,840,740
Net (Expense)/Revenue				
Governmental activities	\$ (543,862,217)	\$ (544,659,095)	\$ (538,547,848)	\$ (550,563,309)
Business-type activities	(803,795)	(642,962)	(640,436)	(233,424)
Total primary government net expense	\$ (544,666,012)	\$ (545,302,057)	\$ (539,188,284)	\$ (550,796,733)
General revenues and other changes in net assets				
Taxes				
Local property taxes	\$ 262,928,865	\$ 271,609,501	\$ 274,625,109	\$ 319,150,542
Automotive ownership taxes	32,091,124	31,043,970	30,794,472	30,817,445
School finance act	244,648,985	262,962,410	268,567,509	273,963,074
Earnings on investments	5,972,439	3,089,821	2,023,751	9,924,454
Special Item	-	-	-	-
Transfers (a)	(2,081,126)	(1,934,501)	(891,052)	(1,733,944)
Total governmental activities	543,560,287	566,771,201	575,119,789	632,121,571
Business-type activities:				
Earnings on investments	38,694	9,527	2,016	44,723
Transfers	2,081,126	1,934,501	891,052	1,733,944
Total business-type activities	2,119,820	1,944,028	893,068	1,778,667
Total primary government	\$ 545,680,107	\$ 568,715,229	\$ 576,012,857	\$ 633,900,238
Change in Net Assets				
Governmental activities	\$ (301,930)	\$ 22,112,106	\$ 36,571,941	\$ 81,558,262
Business-type activities	1,316,025	1,301,066	252,632	1,545,243
Total primary government	\$ 1,014,095	\$ 23,413,172	\$ 36,824,573	\$ 83,103,505

Fiscal Year

	2006	2007	2008	2009	2010	2011
\$	420,089,848	\$ 436,859,865	\$ 441,488,697	\$ 475,473,399	\$ 488,851,713	\$ 488,170,063
	126,074,406	124,087,808	125,534,158	139,506,864	146,058,971	148,378,364
	18,779,643	19,993,110	20,201,331	21,744,799	21,105,227	20,850,913
	24,209,356	25,002,154	26,277,156	27,158,925	27,460,710	26,864,799
	21,508,695	20,441,219	21,725,526	24,507,637	23,020,164	21,763,434
	19,653,828	17,523,410	18,945,386	19,361,791	21,021,606	21,974,077
	18,789,170	18,212,328	21,950,387	23,191,961	25,970,162	25,168,348
	2,894,361	3,127,500	2,575,859	3,328,842	4,122,191	3,909,716
	1,548,547	1,624,570	2,296,287	1,123,258	1,383,435	596,970
	36,819,243	37,525,398	36,810,282	34,967,047	32,332,211	28,681,991
	690,367,097	704,397,362	717,805,069	770,364,523	\$ 791,326,390	\$ 786,358,675
	19,750,220	21,215,750	22,169,060	23,425,181	25,200,972	24,402,366
	11,039,953	12,138,653	13,611,593	14,547,344	14,728,222	14,277,646
	1,125,385	1,319,568	1,356,529	1,225,624	2,051,238	1,288,442
	-	-	-	-	-	-
	31,915,558	34,673,971	37,137,182	39,198,149	41,980,432	39,968,454
\$	722,282,655	\$ 739,071,333	\$ 754,942,251	\$ 809,562,672	\$ 833,306,822	\$ 826,327,129
\$	4,329,271	\$ 4,847,435	\$ 4,149,185	\$ 4,323,891	\$ 5,053,827	\$ 5,148,800
	29,837,974	30,532,826	31,273,508	30,296,343	27,065,122	28,066,756
	502,601	435,245	446,566	384,133	400,388	354,195
	2,292,589	3,255,854	11,994,896	3,169,242	3,998,449	3,747,188
	3,537,713	1,993,172	1,969,309	569,173	474,589	1,358,775
	41,131,579	45,512,301	43,214,748	41,273,450	49,402,008	69,228,523
	7,020,660	7,729,655	7,350,301	7,225,032	9,914,138	13,358,689
	4,234,626	4,081,376	4,302,427	4,463,314	4,785,359	4,866,106
	92,887,013	98,387,864	104,700,940	91,704,578	101,093,880	126,129,032
	12,906,439	13,222,800	13,233,844	12,732,788	11,736,773	11,634,444
	8,669,515	9,747,943	11,285,473	11,019,746	10,295,931	10,281,161
	1,906,311	1,937,185	1,921,999	1,728,955	1,674,886	1,763,175
	-	-	-	-	-	-
	7,092,392	7,414,794	7,758,304	8,735,385	10,964,421	11,709,247
	1,405,393	1,281,906	1,981,771	1,682,642	1,172,164	352,528
	-	-	-	32,738	-	-
	-	-	-	-	-	-
	31,980,050	33,604,628	36,181,391	35,932,254	35,844,175	35,740,555
\$	124,867,063	\$ 131,992,492	\$ 140,882,331	\$ 127,636,832	\$ 136,938,055	\$ 161,869,587
\$	(597,480,084)	\$ (606,009,498)	\$ (613,104,129)	\$ (678,659,945)	\$ (690,232,510)	\$ (660,229,643)
	64,492	(1,069,343)	(955,791)	(3,265,895)	(6,136,257)	(4,227,899)
\$	(597,415,592)	\$ (607,078,841)	\$ (614,059,920)	\$ (681,925,840)	\$ (696,368,767)	\$ (664,457,542)
\$	321,679,910	\$ 323,604,561	\$ 351,299,729	\$ 349,209,271	\$ 351,591,719	\$ 350,455,667
	30,814,386	29,414,761	28,858,670	26,428,023	24,730,646	23,665,288
	281,173,393	289,340,251	293,763,172	307,102,545	321,046,426	278,313,571
	13,237,589	16,617,507	14,824,519	6,230,214	3,045,378	841,952
	-	(36,049,258)	(2,620,742)	-	-	2,000,000
	(2,333,020)	(2,717,145)	(2,830,012)	(3,667,041)	(4,268,518)	(4,084,448)
	644,572,258	620,210,677	683,295,336	685,303,012	\$ 696,145,651	\$ 651,192,030
	184,004	322,944	386,920	223,967	48,286	18,170
	2,333,020	2,717,145	2,830,012	3,667,041	4,268,518	4,084,448
	2,517,024	3,040,089	3,216,932	3,891,008	4,316,804	4,102,618
\$	647,089,282	\$ 623,250,766	\$ 686,512,268	\$ 689,194,020	\$ 700,462,455	\$ 655,294,648
\$	47,092,174	\$ 14,201,179	\$ 70,191,207	\$ 6,643,067	\$ 5,913,141	\$ (9,037,613)
	2,581,516	1,970,746	2,261,141	625,113	(1,819,453)	(125,281)
\$	49,673,690	\$ 16,171,925	\$ 72,452,348	\$ 7,268,180	\$ 4,093,688	\$ (9,162,894)

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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	28,570,597	21,624,045	17,845,224	20,017,939	21,464,542
Unreserved	<u>(30,852,000)</u>	<u>(38,036,687)</u>	<u>(32,447,844)</u>	<u>22,912,895</u>	<u>50,631,896</u>
Total general fund	<u>\$ (2,281,403)</u>	<u>\$ (16,412,642)</u>	<u>\$ (14,602,620)</u>	<u>\$ 42,930,834</u>	<u>\$ 72,096,438</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Reserved	113,334,703	106,172,193	92,998,438	359,255,671	297,538,614
Unreserved, reported in:					
Special revenue funds	<u>6,931,972</u>	<u>6,367,463</u>	<u>6,005,720</u>	<u>6,625,601</u>	<u>6,730,727</u>
Total all other governmental funds	<u>\$ 120,266,675</u>	<u>\$ 112,539,656</u>	<u>\$ 99,004,158</u>	<u>\$ 365,881,272</u>	<u>\$ 304,269,341</u>

a) In fiscal year 2009, the District adopted GASB Statement No. 54, Fund Balance Reporting and Fund Type Definition, 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>
\$ -	\$ -	\$ 1,859,185	\$ 1,533,697	\$ 1,533,815
-	-	16,943,784	17,249,094	15,932,358
-	-	15,700,000	2,000,000	2,000,000
-	-	6,476,265	12,700,000	13,300,000
-	-	56,787,350	45,977,675	21,994,915
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>
\$ -	\$ -	\$ 374,986	\$ 377,613	\$ 410,265
-	-	133,186,115	107,254,805	108,862,085
-	-	8,128,793	9,024,564	9,760,257
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>

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

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues				
Taxes	\$ 296,701,600	\$ 299,934,107	\$ 304,409,919	\$ 351,941,711
Intergovernmental	290,600,006	310,966,205	318,211,869	321,400,360
Interest	5,800,179	3,089,821	2,023,751	9,924,454
Other	42,320,764	44,976,788	46,339,211	47,875,643
Total revenues	<u>635,422,549</u>	<u>658,966,921</u>	<u>670,984,750</u>	<u>731,142,168</u>
Expenditures				
Direct instruction	335,287,629	362,594,502	363,285,730	358,618,075
Indirect instruction	112,558,563	118,402,775	112,680,365	115,402,442
Transportation	15,081,315	16,461,189	16,513,997	17,027,582
Custodial services	20,678,375	22,662,070	22,739,292	23,053,952
Field services	15,392,722	16,641,671	16,809,203	16,600,149
Telecommunications, networking and utilities	14,274,105	15,764,323	15,940,510	16,424,892
Support services	15,908,474	16,386,545	17,036,206	16,297,504
General administration	3,639,111	2,978,076	2,016,778	2,721,353
Districtwide	1,000,370	1,179,969	828,320	678,239
Capital outlay	64,750,148	42,385,785	37,025,914	42,507,356
Debt service				
Principal	33,420,000	35,110,000	38,625,000	36,215,000
Interest	31,172,723	28,609,813	28,106,178	39,781,092
Total expenditures	<u>663,163,535</u>	<u>679,176,718</u>	<u>671,607,493</u>	<u>685,327,636</u>
Excess of revenues over (under) expenditures	(27,740,986)	(20,209,797)	(622,743)	45,814,532
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	(30,169,184)	(33,179,406)	(32,587,152)	(27,642,544)
Transfers in	18,657,058	19,416,000	21,484,419	20,738,015
Total other financing sources (uses)	<u>(11,512,126)</u>	<u>(4,484,656)</u>	<u>(11,102,733)</u>	<u>278,596,036</u>
Special Item: Supplemental Retirement Contribution	-	-	-	-
Net change in fund balances	<u>\$ (39,253,112)</u>	<u>\$ (24,694,453)</u>	<u>\$ (11,725,476)</u>	<u>\$ 324,410,568</u>
Debt service as a percentage of noncapital expenditures	10.6%	10.0%	10.5%	11.8%

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 352,032,843	\$ 356,019,175	\$ 376,039,826	\$ 375,892,943	\$ 374,594,521	\$ 375,134,147
333,560,257	346,663,583	348,630,647	360,064,341	385,147,930	365,766,889
13,237,590	16,617,508	14,824,519	6,230,214	3,045,377	841,952
46,436,068	41,217,685	43,162,248	41,339,653	39,671,470	41,292,003
<u>745,266,758</u>	<u>760,517,951</u>	<u>782,657,240</u>	<u>783,527,151</u>	<u>802,459,298</u>	<u>783,034,991</u>
377,762,106	392,101,766	410,321,635	421,454,600	435,488,836	431,750,029
120,459,541	119,231,799	128,922,159	136,721,737	139,563,450	142,607,586
18,502,815	18,898,149	21,046,842	21,630,426	20,801,433	20,483,317
23,956,510	24,942,750	27,375,447	26,858,804	27,170,968	26,426,741
17,608,414	18,584,068	19,260,767	21,002,692	19,400,040	16,980,978
19,606,348	17,218,062	19,441,113	19,036,775	20,786,072	21,461,102
17,482,207	17,755,527	19,506,311	22,895,006	22,814,261	19,468,562
2,716,752	3,135,039	2,666,852	3,348,044	4,119,005	3,828,233
662,017	735,878	1,380,883	980,999	827,863	785,525
91,940,532	129,343,041	109,400,964	87,808,282	50,355,185	29,121,654
37,935,000	39,885,000	42,600,000	44,810,000	51,600,000	52,285,000
36,890,523	37,562,972	38,479,744	35,439,587	30,498,774	28,832,069
<u>765,522,765</u>	<u>819,394,051</u>	<u>840,402,717</u>	<u>841,986,952</u>	<u>823,425,887</u>	<u>794,030,796</u>
(20,256,007)	(58,876,100)	(57,745,477)	(58,459,801)	(20,966,589)	(10,995,805)
-	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	-
(30,898,320)	(30,287,445)	(33,097,312)	(35,484,341)	(43,179,718)	(37,165,333)
18,708,000	19,208,000	21,408,000	22,328,000	29,709,800	23,837,385
<u>(12,190,320)</u>	<u>101,420,846</u>	<u>(11,422,428)</u>	<u>(13,156,341)</u>	<u>(22,372,441)</u>	<u>(13,327,948)</u>
-	(36,049,258)	(2,620,742)	-	-	2,000,000
<u>\$ (32,446,327)</u>	<u>\$ 6,495,488</u>	<u>\$ (71,788,647)</u>	<u>\$ (71,616,142)</u>	<u>\$ (43,339,030)</u>	<u>\$ (22,323,753)</u>
11.1%	11.1%	11.1%	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)
2002	3,548,445	1,636,541	471,096	21,551	5,934
2003	3,610,972	1,633,992	470,016	22,025	5,998
2004	3,784,449	1,744,314	506,747	23,037	7,371
2005	3,828,912	1,750,309	496,363	24,538	6,929
2006	3,935,613	1,970,232	502,297	25,275	7,971
2007	3,989,081	1,953,258	502,370	26,349	8,503
2008	4,270,101	2,174,353	564,280	30,685	8,986
2009	4,308,594	2,178,628	586,701	31,576	6,701
2010	4,238,350	2,249,807	606,931	33,911	5,255
2011	4,251,217	2,191,182	598,493	31,958	2,429

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>
215,468	5,899,035	45.20	45,361,477	13.00
231,254	5,974,257	45.39	46,108,599	12.96
246,370	6,312,288	43.85	54,763,946	11.53
221,699	6,328,750	51.10	55,709,328	11.36
223,203	6,664,591	48.34	57,874,509	11.52
230,513	6,710,074	48.48	58,481,141	11.48
242,326	7,290,731	47.50	62,853,282	11.60
244,200	7,356,400	47.60	63,428,368	11.60
271,355	7,405,609	47.35	63,105,199	11.74
277,320	7,352,599	47.46	63,080,682	11.66



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
2002	35.20	10.00	45.20	22.42	27.23
2003	35.24	10.15	45.39	23.54	27.23
2004	33.70	10.15	43.85	23.87	27.23
2005	39.85	11.25	51.10	24.35	27.24
2006	37.80	11.25	49.05	24.35	27.24
2007	37.78	11.25	49.03	24.35	27.23
2008	36.87	11.25	48.12	24.35	27.23
2009	37.03	11.25	48.28	24.35	27.23
2010	36.90	11.25	48.15	24.35	27.23
2011	36.96	11.25	48.21	24.35	27.23

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	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
MillerCoors LLC/Coors Brewing Company	\$ 138,442,580	1	1.9 %	\$ 74,933,990	3	1.3 %
Public Service Co of Colorado	128,277,299	2	1.7	92,310,290	1	1.6
Qwest Corp	67,802,200	3	0.9	76,110,400	2	1.3
Martin Marietta Corporation	28,749,730	4	0.4	72,469,640	4	1.2
Colorado Mills Mall Limited Partnership	28,710,000	5	0.4			
Plains End LLC	28,336,695	6	0.4			
SP4 Westmoor LP	28,332,913	7	0.4			
Ball Metal Beverage Container Corp	22,694,656	8	0.3			
Denver West Office	22,260,561	9	0.3	23,529,270	5	0.4
United Launch Alliance LLC	21,327,283	10	0.3			
Westmoor Business Park				22,990,050	6	0.4
Southwest Plaza Mall				21,916,700	7	0.4
Ball Corporation				18,222,150	8	0.3
Westminster Mall				13,645,600	9	0.2
KN Interstate Gas Transmission CO				11,841,500	10	0.2
Total	<u>\$ 514,933,917</u>		<u>7.0 %</u>	<u>\$ 427,969,590</u>		<u>7.1 %</u>

Source: Jefferson County

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collected	(1) Total Tax Collections	% of Total Tax Collected to Tax Levy
2002	264,210,517	250,017,865	94.6	14,358,902	264,376,767	100.0
2003	271,163,790	256,050,652	94.4	12,387,911	268,438,563	99.0
2004	276,374,730	260,315,593	94.2	13,212,875	273,528,468	99.0
2005	322,746,732	306,490,187	95.0	14,333,830	320,824,017	99.4
2006	324,930,276	308,601,938	95.0	12,188,005	320,789,943	98.8
2007	328,515,387	314,407,449	95.7	11,733,893	326,141,342	99.3
2008	349,794,736	331,199,301	94.7	15,536,805	346,736,106	99.1
2009	353,658,743	333,495,499	94.3	15,482,126	348,977,625	98.7
2010	354,066,586	332,813,015	94.0	16,555,364	349,368,379	98.7
2011	352,393,439	332,186,581	94.0	18,746,027	350,932,608	99.6

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
2002	541,868,460	8,535,000	1,732,500	852,101
2003	513,529,286	16,045,000	2,155,014	525,432
2004	480,392,738	10,930,000	1,422,926	180,045
2005	700,940,289	9,825,000	763,744	-
2006	664,553,474	8,700,000	362,374	-
2007	693,618,979	45,670,000	156,530	-
2008	651,955,000	43,335,000	-	-
2009	609,570,000	40,910,000	-	-
2010	553,715,000	34,430,000	-	-
2011	502,790,000	33,070,000	-	-

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

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

*Not available

<u>Total Primary Government</u>	<u>Ratio of Net Bonded Debt to Assessed Value (a)</u>	<u>Net Bonded Debt Per Capita</u>	<u>Population</u>	<u>Percentage of Personal Income</u>
552,988,061	9.37%	1,042	530,821	2.7
532,254,732	8.91%	994	535,658	2.5
492,925,709	7.81%	920	535,657	2.3
711,529,033	11.24%	1,328	535,657	3.2
673,615,848	10.11%	1,251	538,556	2.9
739,445,509	11.02%	1,378	536,748	3.0
695,290,000	9.54%	1,291	538,371	2.7
650,480,000	8.84%	1,197	543,278	2.4
588,145,000	7.94%	1,074	547,728	2.1
535,860,000	7.29%	1,002	534,543	*



Debt Capacity Schedule 10
Jefferson County School District, No.R-1
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

	<u>Estimated Outstanding General Obligation Debt</u>	<u>Percentage Applicable to Jefferson County School District</u>	<u>Estimated Amount Applicable to Jefferson County School District</u>
<u>Direct Debt</u>			
Jefferson County School District, No. R-1	\$ 502,790,000	100%	\$ 502,790,000
<u>Overlapping Debt</u>			
Plaza Metro District No. 1	88,000,000	100%	88,000,000
Arista Metro District	57,175,000	100%	57,175,000
Denver West Metro District	55,745,000	100%	55,745,000
West Metro Fire Protection District	38,470,000	96.36%	37,069,692
Countrydale Metro District	26,990,000	100%	26,990,000
South Suburban Park & Rec District	25,910,000	0.96%	248,736
North Metro Fire Rescue District	24,050,000	9.50%	2,284,750
Bowles Metro District	23,300,000	49.51%	11,535,830
Foothills Park & Rec District	16,150,000	100%	16,150,000
Mount Carbon Metro District	16,000,000	100%	16,000,000
Confier Metro District	13,000,000	100%	13,000,000
Kipling Ridge Metro District	12,975,000	100%	12,975,000
Evergreen Park & Rec District	12,710,000	100%	12,710,000
APEX Park & Rec District	11,970,000	100%	11,970,000
Mountain Shadows Metro District	11,400,000	100%	11,400,000
Other	143,621,425	100%	143,621,425
Total Overlapping Debt	<u>577,466,425</u>		<u>516,875,433</u>
Total Direct and Overlapping Debt	<u>\$ 1,080,256,425</u>		<u>\$ 1,019,665,433</u>

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General bonded debt outstanding				
General obligation debt	\$541,868,460	\$513,529,286	\$480,392,738	\$700,940,289
Percentage of estimated property value (a)	1.19%	1.11%	0.88%	1.26%
Per capita (b)	1,021	959	897	1,309
Less: Amounts set aside to repay general debt	(48,534,818)	(49,985,495)	(52,208,259)	(57,407,112)
Total net debt applicable to debt limit	493,333,642	463,543,791	428,184,479	643,533,177
Legal debt limit (c)	1,169,047,220	1,194,896,294	1,260,603,585	1,263,992,262
Legal debt margin (d)	<u>\$675,713,578</u>	<u>\$731,352,503</u>	<u>\$832,419,106</u>	<u>\$620,459,085</u>
Legal debt margin as a percentage of the debt limit	57.80%	61.21%	66.03%	49.09%

- Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.
- (a) Property value data can be found in Schedule 5: Taxable Assessed and Estimated Full Value of Property.
 - (b) Population data can be found in Schedule 9: Ratios of Outstanding Debt by Type.
 - (c) Colorado Revised Statute 22-42-104 limits the District's available borrowing to no more than 20% of the assessed value of property.
 - (d) The legal debt margin is the District's available borrowing authority calculated by subtracting the net debt applicable to the legal debt from the debt limit.

Fiscal Year					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$664,553,474	\$693,618,979	\$651,955,000	\$609,570,000	\$553,715,000	\$502,790,000
1.15%	1.19%	1.04%	0.96%	0.88%	0.80%
1,234	1,292	1,211	1,122	1,011	941
<u>(57,623,732)</u>	<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>
606,929,742	635,535,829	588,932,413	540,645,333	485,484,256	430,448,373
1,324,813,065	1,340,113,353	1,453,903,886	1,464,620,756	1,470,834,296	1,461,910,139
<u>\$717,883,323</u>	<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>
54.19%	52.58%	59.49%	63.09%	66.99%	70.56%

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2001	529,401	17,946,694	33,900	41	13.1	87,240	3.2
2002	530,821	20,280,547	38,206	42	14.5	86,613	5.1
2003	535,658	21,105,997	39,402	42	14.5	85,700	5.6
2004	531,424	21,594,414	40,635	38	14.5	85,478	4.4
2005	538,556	22,547,185	41,866	38	14.5	85,083	4.2
2006	536,748	23,445,309	43,680	39	14.5	84,790	4.2
2007	538,371	24,810,381	46,084	39	14.5	86,200	3.9
2008	543,278	25,471,483	46,885	40	14.5	84,796	4.7
2009	547,728	26,617,700	48,597	40	14.5	84,948	7.5
2010	534,543	27,695,071	51,811	40	14.5	84,618	8.6

Sources: Jefferson County

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

Employer	2011			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 Two Fiscal Years

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

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 Nine 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	*	45.99

(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

This statement was implemented in 2004 with GASB Statement 44. Information prior to 2003 is not available.

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

	2004	2005	2006	2007	2008	2009	2010	2011
Elementary/Pre-K schools	103	103	103	104	104	103	103	100
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
Total program capacity	41,880	41,880	41,880	42,052	43,475	44,330	51,047	50,711
Enrollment	40,060	39,123	38,806	39,023	40,532	40,053	40,947	40,874
Middle schools	19	19	19	20	20	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
Total program capacity	13,759	13,759	14,502	15,062	15,626	15,812	16,410	16,410
Enrollment	12,816	12,592	12,182	11,811	11,537	11,209	10,770	10,755
High schools	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
Total program capacity	24,959	24,959	25,455	26,759	27,796	28,680	30,063	30,063
Enrollment	25,199	25,282	25,293	25,042	24,623	24,108	23,939	23,384
Option schools/Districtwide	10	10	11	11	11	13	15	15
Total square feet	703,629	703,629	894,106	894,106	894,106	894,106	900,062	900,062
Enrollment	3,314	4,347	4,571	4,403	3,239	4,321	4,094	4,054
Charter schools	11	11	11	12	13	13	13	14
Enrollment	3,516	4,134	4,231	4,511	4,865	4,952	5,198	5,551
Support facilities								
Total square feet	419,518	419,518	419,518	419,518	419,518	419,518	468,413	468,413

Sources: Jefferson County Schools Enrollment Data

Jefferson County Schools Facility Conditions Assessment Report

This statement was implemented in 2004 with GASB Statement 44. Information prior to 2004 is not available.

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 Eight 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

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



**SINGLE AUDIT
REPORTING
SECTION**

Single Audit

The Single Audit Act Amendments of 1996 mandate independent financial and compliance audits of federal award programs. In addition to the required independent 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, 2011

Table of Contents

	<u>Page</u>
Schedule of Expenditures of Federal Awards.....	134
Notes to Schedule of Expenditures of Federal Awards	137
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	139
Independent Auditors' Report on Compliance with Requirements That Could have a Direct and Material Effect On Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	143
Summary of Findings and Questioned Costs	147



**Schedule of Expenditures
of Federal Awards**

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2010 through June 30, 2011

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, 2011	10.550		1,267,364
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2011	10.553		1,925,864
National school lunch program June 30, 2011	10.555		8,116,473
Summer food service program for children June 30, 2011	10.559		105,215
Child nutrition cluster subtotal			10,147,552
Agency subtotal			11,414,916
<u>U.S. Department of Justice</u>			
Justice Assistance Grant Program	16.738	7738	51,635
<u>U.S. Department of Transportation</u>			
Highway Planning and Construction	20.205	7205	38,761
<u>U. S. Department of Education</u>			
Direct:			
Title VII - Indian education-formula grants to LEA and tribal schools	84.060a	4060	152,933
Fund for improvement of education	84.215	5215	2,119
Twenty-First century community learning	84.287	5287	455,863
Total direct			610,915
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B	84.027	4027	12,053,034
Individuals with disabilities education act-preschool services	84.173	4173	261,334
ARRA - IDEA Part -B	84.391	4391	8,426,632
ARRA - IDEA Preschool	84.392	4392	182,581
Special education cluster subtotal			20,923,581
Adult education-state administered basic grant program	84.002	5002/6002	219,679
Title I grants to local education agencies	84.010	4010/5010/7010	10,985,261
Title I School Improvement	84.377	5010	40,926
ARRA - Title I-A & Title I-D	84.389	4389/7389	3,964,925
Title I-C Migrant Education	84.011	4011	333,010
Title IV-A - Safe and drug free schools -- state grants	84.186	4186	48,801
McKinney Homeless - education for children and youth	84.196	5196	32,417
Public charter schools	84.282	5282	504,671
Goals 2000-parental assistance	84.310	6310	14,555
Title II-D - Enhancing Educational Technology	84.318	4318	87,236
ARRA - Title II -D - Enhancing Educational Technology	84.386	4386	163,719
Title I-G - Advanced Placement for Disadvantaged Students	84.330	5330	3,036
Colorado Graduation Pathways	84.360	5360	137,126
Title III - English language acquisition, enhancement, and academic achievement	84.365	4365/7365	591,483
Title II - B - Math and Science	84.366	5366	219,394
Title II - A - teacher quality	84.367	4367/6367	2,416,429
ARRA - Title V Part D Teacher Incentive Fund	84.385	4385	450,279
ARRA - McKinney Vento	84.387	5387	53,220
ARRA - Alternative Compensation for Teachers	84.397	5397	286,055
ARRA - Education Jobs Fund	84.410	4410	15,710,516
ARRA - State Fiscal StabilizationFund	84.394	4394	6,032,366
School Violence Prevention	84.929	6929	33,717

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2010 through June 30, 2011

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
Passed through Colorado Community College and Occupational: Vocational and applied technology education-basic state grants	84.048a	4048	428,298
Passed through Colorado Department of Human Services: Rehabilitation services – vocational rehabilitation grants to states (SWAP)	84.126	6126	324,161
Agency subtotal			<u>64,615,776</u>
<u>Corporation for National and Community Service</u>			
Passed through Colorado Department of Local Affairs: AmeriCorp	94.006	7006	<u>64,234</u>
<u>US Department of Health and Human Services</u>			
Passed through Jefferson County Human Services Temporary Assistance for Needy Families (TANF)	93.558	8558	<u>46,812</u>
Total expenditures of federal awards			<u><u>\$ 76,232,134</u></u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2011

(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 \$1,267,364 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, 2011.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 76,232,134
Less: USDA *	<u>(11,414,916)</u>
	<u>\$ 64,817,218</u>

General and Grants Fund

Grant fund expenditures	\$ 61,223,348
Less: State expenditures	(2,438,496)
Plus: Federal expenditures in the general fund	<u>6,032,366</u>
	<u>\$ 64,817,218</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, 2011, and have issued our report thereon dated November 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated November 3, 2011.

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

Clifton Gunderson LLP

Greenwood Village, Colorado
November 3, 2011

**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 No. R-1 (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, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified 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 2011-01. *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 responses and, accordingly, we express no opinion on it.

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

Clifton Henderson LLP

Greenwood Village, Colorado
November 3, 2011

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2011

PART I

Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

- (a) Material weaknesses identified: NO
- (b) Significant deficiencies identified that are not considered to be material weakness: NONE REPORTED

Noncompliance material to financial statements: NO

Federal Awards

Internal Control over major programs:

- (a) Material weaknesses identified: NO
- (b) Significant deficiencies identified that are not considered to be material weakness: YES

The type of auditor's report issued on compliance for major programs: 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>Name of Federal Program or Cluster</u>	<u>CFDA</u>
National School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
Title I Grants to Local Education Agencies	84.010
Title I-A and Title I-D, ARRA	84.389
Special Education – Grants to States (IDEA, Part B)	84.027
Special Education – Preschool Grants (IDEA, Preschool)	84.173
Special Education – Grants to States (IDEA, Part B), ARRA	84.391
Special Education – Preschool Grants (IDEA Preschool), ARRA	83.392
State Fiscal Stabilization Fund, ARRA	84.394
Alternative Compensation for Teachers	84.397
Education Jobs Fund, ARRA	84.410
Title V-D Teacher Incentive Fund, ARRA	84.385

Dollar threshold used to distinguish between Type A and Type B programs: \$2,286,964

Auditee qualified as a low-risk auditee? YES

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2011

PART II – Findings Related to Financial Statements

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

PART III – Federal Award Findings and Questioned Costs

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

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:	There was no evidence of review and approval of cash reimbursement request forms by someone separate from the preparer prior to submission.
Effect:	The District may request reimbursement for more or less funding than needed to meet its cash management needs.
Questioned Costs:	None
Context:	Out of four cash reimbursement request forms tested, two had no evidence of review and approval prior to submission. The June 2011 cash reimbursement request forms for the State Fiscal Stabilization Fund and Education Jobs Fund were not reviewed by someone other than the preparer. Despite lack of review, we noted no errors in the reimbursement request during our testing.
Cause:	Due to the new and unusual nature of these grants, the reimbursement requests were prepared by the individual who normally performed the review and approval of the reimbursement request. No review was performed over these submissions.
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.
Managements Response:	All reimbursements will be reviewed and approved by someone other than the preparer. This will be achieved by having the preparer sign (or initial) the reimbursement request document and then having the approver review and sign the document.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2011

PART III – Federal Award Findings and Questioned Costs

Finding 2010-1

US Department of Agriculture
Passed through Colorado Department of Education
National School Lunch Program – CFDA #10.553
School Breakfast Program – CFDA #10.555

Eligibility
Significant Deficiency and Noncompliance

Summary: During eligibility testing, it was noted that one instance batch cover sheet was unsigned. Signing the batch cover sheet documents the review of the applications in that batch. Note that the batches are signed by the same person processing the batch. We also noted one instance where the income reported on the application did not agree with the income entered into MCS. Note that the actual income reported on the application did not change the eligibility status of the applicant.

Status: Implemented.

Finding 2010-2

US Department of Agriculture
Passed through Colorado Department of Education
National School Lunch Program – CFDA #10.553
School Breakfast Program – CFDA #10.555

Special Tests and Provisions
Significant Deficiency and Noncompliance

Summary: During the testing of the verification compliance requirement, we noted one instance out of the forty in our sample where the income support was hand written by the applicant and the amounts written did not sum to the amount written by the applicant or the amount entered into MCS. We also noted one instance where the supporting income documentation could not be found; however, MCS noted the information had been received.

Status: Implemented.



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

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



Colorado Department of Education
Fiscal Year 2010-2011
Colorado School District/BOCES
Auditor's Integrity Report

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	79,460,465	577,417,669	602,117,046	54,761,088
18 Risk Mgmt Sub-Fund of General Fund	-0	6,793,500	6,793,500	0
19 Colorado Preschool Program Fund	0	4,284,448	4,284,448	0
Subtotal	79,460,465	588,495,617	613,194,994	54,761,088
11 Charter School Fund	10,519,160	53,354,176	51,924,510	11,948,826
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	2,030,994	61,196,276	61,223,347	2,003,922
23 Pupil Activity Special Revenue Fund	9,996,583	24,430,801	23,659,460	10,767,925
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	68,230,744	82,020,171	77,909,288	72,341,627
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	36,398,659	26,642,128	29,121,654	33,919,133
TOTALS	206,636,605	836,139,169	857,033,253	185,742,521
Proprietary				
51 Food Service Fund	6,718,363	23,841,906	24,545,603	6,014,666
50 Other Enterprise Funds	7,716,934	11,860,056	11,281,642	8,295,348
64 (63) Risk-Related Activity Fund	8,303,972	1,757,851	2,046,054	8,015,769
60,65-69 Other Internal Service Funds	26,571,066	3,914,960	5,075,557	25,410,469
TOTALS	49,310,335	41,374,774	42,948,856	47,736,252
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.