

Comprehensive Annual Financial Report

*For the fiscal year ended
June 30, 2018
Jefferson County, Colorado*

ARVADA

EDGEWATER

GOLDEN

LITTLETON

WESTMINSTER

CONIFER

EVERGREEN

LAKEWOOD

WHEAT RIDGE



JEFFCO PUBLIC SCHOOLS

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



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Presented to the Board of Education

Board Members

Ron Mitchell, President

Ali Lasell, First Vice President

Susan Harmon, Second Vice President

Amanda Stevens, Secretary

Brad Rupert, Treasurer

Superintendent

Jason E. Glass

Prepared by the Financial Services Division
Kathleen Askelson, Chief Financial Officer
Stephanie Corbo, Director of Finance

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

June 30, 2018

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November 8, 2018

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, 2018, 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 that the financial statements are free of any material misstatements.

Under provisions of Article 29-1-603, Colorado Revised Statutes, 1973, an independent public accounting firm must perform an annual audit of the district's accounts. CliftonLarsonAllen LLP, Certified Public Accountants, have issued unmodified ("clean") opinions on the district's financial statements for the year ended June 30, 2018. 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, 2018, 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 17–29 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, 2018, have been included.

The District's Profile

Jefferson County School District, No. R-1 (Jeffco) is the second largest K-12 school district in the state of Colorado. 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 five 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. 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 85,000 enrolled students. District programs and

services include basic K-12 education in elementary schools, middle schools, high schools, option schools, special education, vocational education, preschool and numerous other programs.

In 2018, the district increased to 18 operating charter schools that are legally separate entities with the opening of Great Work Montessori. 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 adopts the budget in June prior to the beginning of the subsequent fiscal year. Budget revisions may be adopted prior to January. The district maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. The district also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end and are generally re-established in the following year as an obligation against that year's appropriated budget. As demonstrated by the statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management.

Assessment of the District's Economic Condition

Growth in the national economy is expected to continue in 2019. The tightening labor market and higher paying jobs continues to fuel the national growth. Additionally, the passage of the federal Tax Cuts and Jobs Act (TCJA) has provided a boost which will continue to fuel the economic growth across the nation. The national gross domestic product (GDP) grew 2.3 percent in 2017, trending at a faster pace than prior year. It is likely that growth in consumer spending and business activity will continue through 2019 due to the TCJA; however, it is expected that this rapid short term growth will hinder the long-term growth.

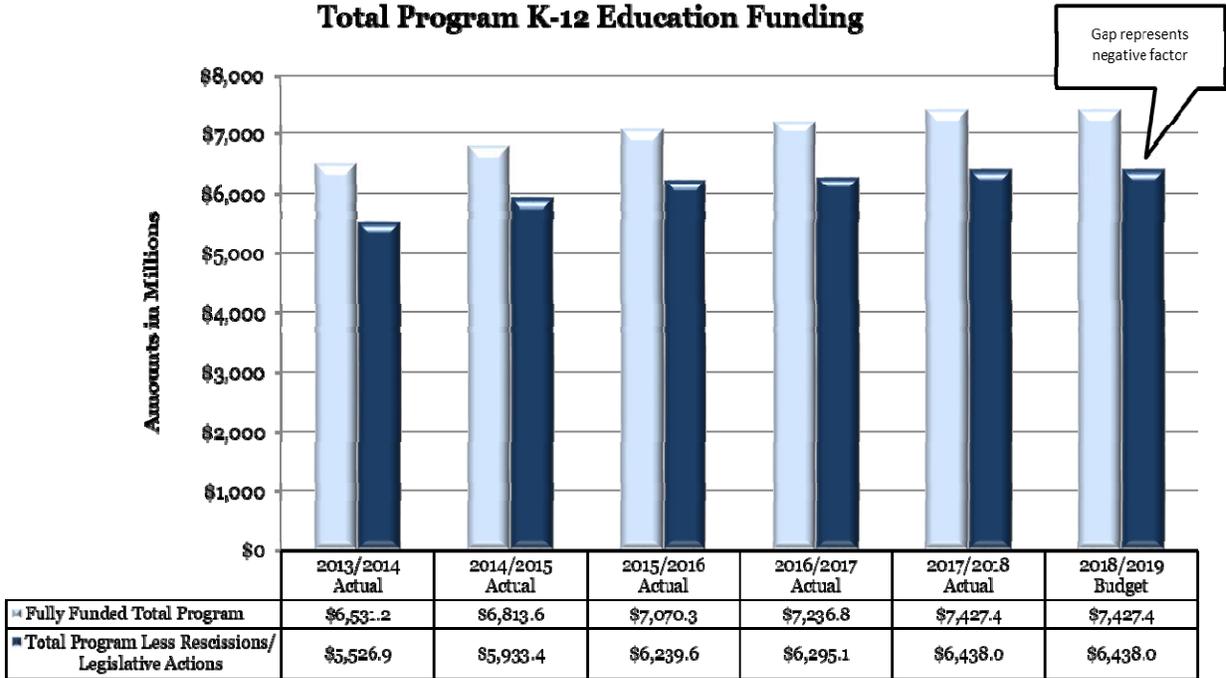
Colorado's economy continues to grow and is projected to continue through the remainder of 2018. Home prices have significantly increased, one of the sharpest increases in the country. While labor markets tighten, slowing business growth and home prices continue to increase, it is anticipated that long term economic growth of Colorado will begin to slow. The oil industry continues to boom at record levels while the gas industry continues to grow but has not fully recovered from the 2015 downturn. Population continues to rapidly increase and has grown 1.6 percent last year which is more than double the national rate. By 2020, it is expected that Colorado's population will reach 5.9 million.

Colorado State revenue continues to grow at a moderate pace. The Legislative Council economic report was positive showing an increase of \$297 million in 2018/2019. Article X, Section 29, of the Colorado Constitution, the Taxpayer's Bill of Rights (TABOR), limits the amount of revenue the state may retain and either spend or save. The limit is equal to the previous year's limit or revenue, whichever is lower, adjusted for inflation and population growth, plus any revenue changes approved by voters. Starting in 2010/2011 Referendum C provided a revenue cap amount above the TABOR limit that could also be kept. The cap is adjusted annually for inflation, population growth, and other TABOR adjustments. The economic short term outlook for Colorado is promising.

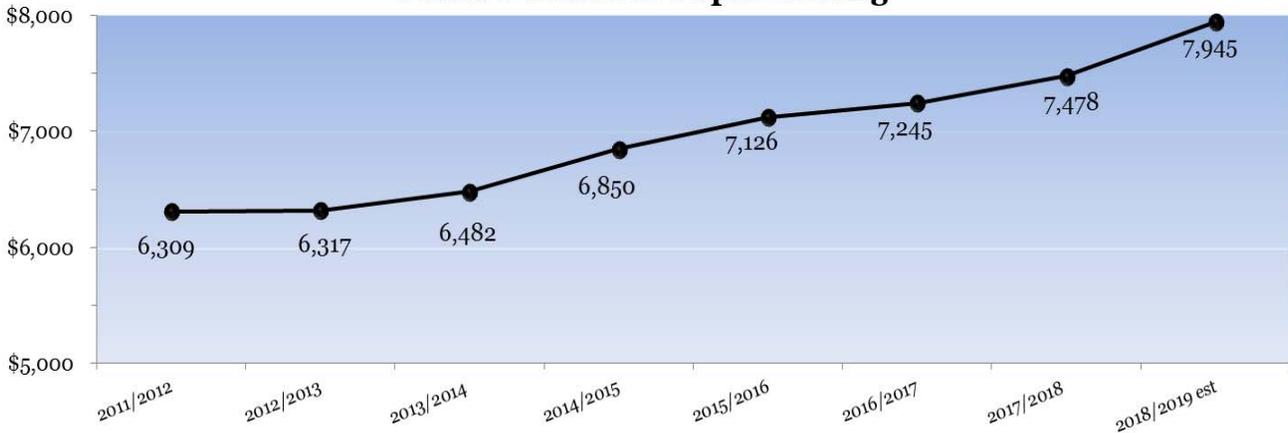
Colorado school districts are funded based on a formula that is comprised of revenues from local property taxes and state funding. This formula contains several factors that address different demographic needs of districts. To accommodate state revenue challenges, a budget stabilization (negative) factor was incorporated into the State School Finance Act formula to proportionately reduce funding to school districts. This factor is the mechanism used by the state to balance the budget while remaining within the legal limits of the funding formula. The deficit gap created by the budget stabilization factor grew for four years since its creation and then peaked at 16 percent (\$1 billion) in 2012/2013. Since that peak, the gap has decreased with the 2018/2019 factor at approximately \$672 million. The 2018/2019 School Finance Act provides an increase of 3.4 percent inflation that increased the base per pupil funding, anticipated student growth, and a buy down of the budget stabilization factor of \$150 million. There continues to be concern at the state level of the ability to sustain the funding in ongoing years with other budgetary required pressures and TABOR refunds.

SB18-200 passed and was not included in the fiscal year PERA pension and OPEB liability. The public employees' retirement association (PERA) provides retirement and other benefits to employees of the school districts, state, local governments, and other public entities across the state. The bill makes changes to the hybrid defined benefit plan administered by PERA with the goal of eliminating, with a high probability, the unfunded actuarial accrued liability of each of PERA's divisions and thereby reach a 100% funded ratio for each division within the next 30 years. The bill modifies benefits, increases contributions, ensures alignment of contributions, service credit, and benefits, and makes other modifications

State of Colorado Total Program K-12 Education Funding



Jeffco's Total Per Pupil Funding

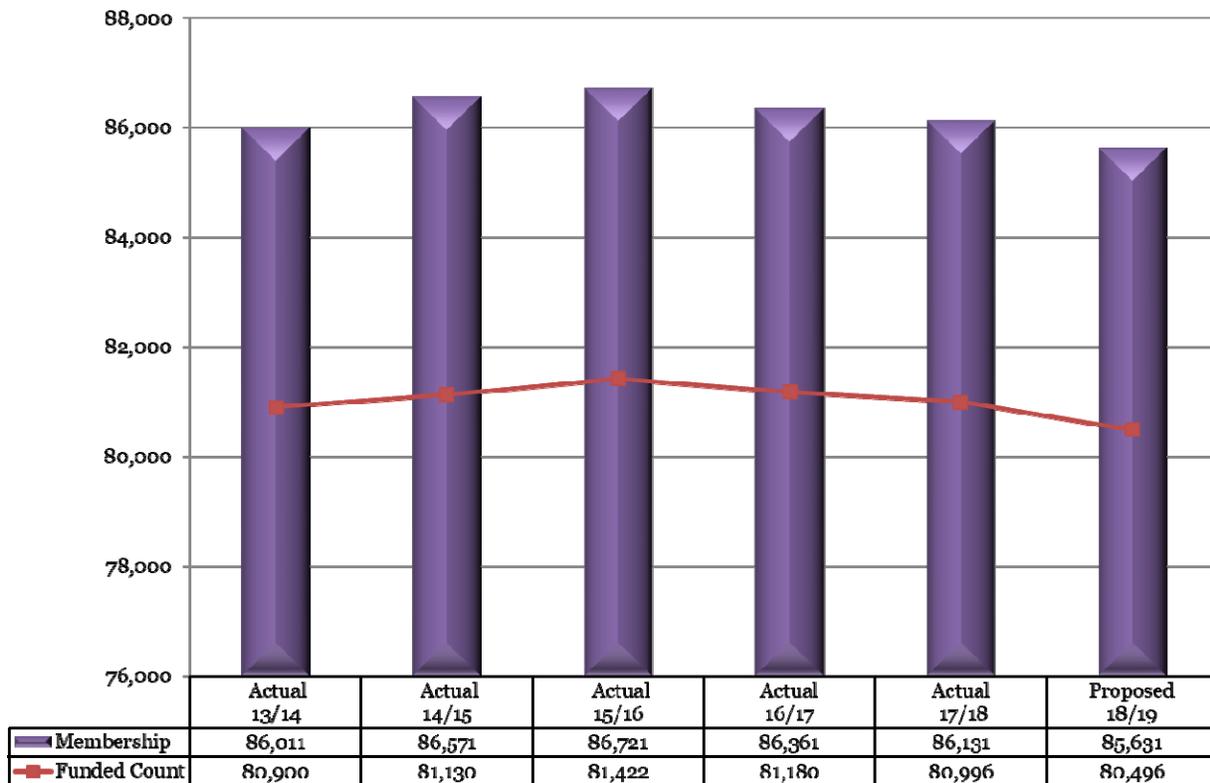


**2016/2017 - CDE has based Total Program and Per Pupil funding numbers on projected enrollment and adoption of the School Finance Act.
 **2017/2018 assumes the budget stabilization (negative) factor decreases to \$828M, and enrollment decreases slightly from 2016/2017.

The shift in demographics of Jefferson County also contributes to the district's budget challenges. The population of the county is impacted by multiple factors. Economic influences, low birth rates, aging populations of neighborhoods, and affordable housing all effect the student growth in the district. As some

areas of the district remain flat or have declining enrollment, other areas show significant growth. Significant shifts in enrollment can cause changes in facility needs and issues of building utilization.

Jeffco Student Membership and Funded Count



Major Initiatives

Jeffco Generations

In 2017/2018, district leadership engaged community members, students, and staff to elevate Jeffco’s values and desired educational experiences for Jeffco students. This engagement resulted in the Jeffco Generations Vision and strategic plan. The Jeffco Generations Vision and Strategic Plan define the characteristics needed for Jeffco graduates to lead and participate in tomorrow’s economy and society.

The Jeffco Generations Strategic Plan focuses on “keeping the main thing, the main thing”, and the main thing is learning. More specifically a focus on authentic, relevant, and engaging learning experiences for all students. These learning experiences include the incorporation of the *Jeffco Generations Skills*:

- Content Mastery
- Civic & Global Engagement
- Self-Direction & Personal Responsibility
- Communication
- Critical & Creative Thinking
- Collaboration & Leading by Influence
- Agility & Adaptability

In addition to a focus on the student learning experiences, Jeffco Generations recognizes that students come to school with different strengths, backgrounds, advantages, and challenges. To meet the needs of all Jeffco’s students, the strategic plan additionally identifies priorities in “Conditions for Learning” and “Readiness for Learning.”

The Jeffco Generations Strategic Plan is organized in three major strategies (Learning, Conditions for Learning, and Readiness for Learning) and more specific areas of focus within each strategy referred to as “tactics”:

Learning Strategy

- Transform student task
- Responsive Teaching
- Customized Pathways
- Technology to transform learning
- Expanding (the full range of) Human Experiences

Conditions for Learning Strategy

- Professional Model of Teaching
- High Expectations
- Commitment to Equity
- Educator Learning

Readiness for Learning Strategy

- Schools as Community Hubs
- Social-Emotional Supports
- Expand early childhood education
- Family and Community Engagement

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 continues 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.
- The Audit Committee assists and supports the Board of Education with fulfilling its fiduciary responsibilities. The committee is comprised of members of the Board of Education and community.
- Quarterly financial reports are a Board of Education agenda item. The Board reviews the quarterly reports with the Financial Oversight Committee and the Audit Committee. The reports are designed to meet the Colorado Revised Statute 22-45-102 requirements.

Budget Development Process

The budget development process is a long-term initiative that 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 2018/2019 Adopted Budget for details on the budgeting process.

Student Based Budgeting

Student based budgeting (SBB) continues to provide the opportunity for principals to make site-specific, student based decisions on the deployment of resources to obtain the greatest student achievement. It provides greater flexibility to support students’ needs and goals, is a uniform and consistent funding model across all schools, and provides better transparency for school funding. District leadership continues to partner with principals, ensuring the SBB model continues to support such needs.

Budgeting For Outcomes

With the successful launch of Budgeting for Outcomes (BFO), the district has fully implemented BFO for the 2018/2019 fiscal year. BFO continues to use an explicit planning process to identify district-wide goals and aims to fund programs that will directly contribute to the success of those identified goals. Recognizing that Jeffco's community requires change from year to year, BFO allows for budgeting based on current goals for the upcoming budget year and consideration for other departments' future needs. Please refer to the 2018/2019 Adopted Budget for details on specific department BFO forms.

Student Achievement

The district's focus on student achievement includes meeting the goals defined by Jeffco's Board of Education, the Colorado Department of Education and the federal government as indicated below:

- 1) Jeffco's Board of Education has defined specific academic targets in the following Board Policy Ends:

Ends 1: Every school and the district will have an engaging climate and culture.

Ends 2: Every school and the district will ensure that every student has the opportunity to work towards being connected to career, college and/or life aspirations through systems and practices.

Ends 3: Every school and the district will have effective learning systems and shared leadership.

Jeffco Public Schools has identified system indicators to measure outcomes for the district's strategic plan.

- 2) The Education Accountability Act of 2009 (SB 09-163) holds the state, districts, and individual public schools accountable for performance on the same set of indicators and related measures statewide. The state accountability system is administered by the Colorado Department of Education (CDE). Colorado aims to prepare all students for postsecondary learning or to enter the workforce by the time they graduate from the K-12 system. CDE has defined three performance indicator areas key to achieving this outcome:
 - Academic Achievement
 - 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 three state 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.

- 3) The Federal government passed the Every Student Succeeds Act (ESSA) in December 2015 and CDE has begun implementation of the state ESSA plan in the 2018-2019 school year.

Licensed Employee Compensation Challenges

Having an effective teacher in every classroom remains at the center of the Human Resources work. Multiple factors contribute to this including a robust selection process; performance management and feedback processes; and competitive pay and benefits. In the spring of 2018 the district negotiated compensation increases for effective educators that included experience steps, credit and degree advancement, and a 3 percent COLA. These compensation increases are improvements in the district compensation structures and to employee earnings, but the district continues to lag other metro districts in salary and wages.

21st Century Learning Environments – Capital Improvements

The condition of the physical infrastructure is integral to the core mission of the district. The district transfers revenue to the capital reserve fund in order to expand, improve and maintain its existing property portfolio. 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 service life of at least 50 years.

The district’s policy for capital improvement funding has been that all large scale capital improvement projects are financed through the use of general obligation bonds. Those projects include construction of new facilities and capital renewal including, but not limited to, additions to existing facilities, major renovations, replacement of roofing, envelope improvements (doors, windows), and building systems such as heating/ventilating, electrical and plumbing. When bond funding has not been available and there is a critical need for new buildings or additions, certificates of participation or reserves have been used as a funding vehicle.

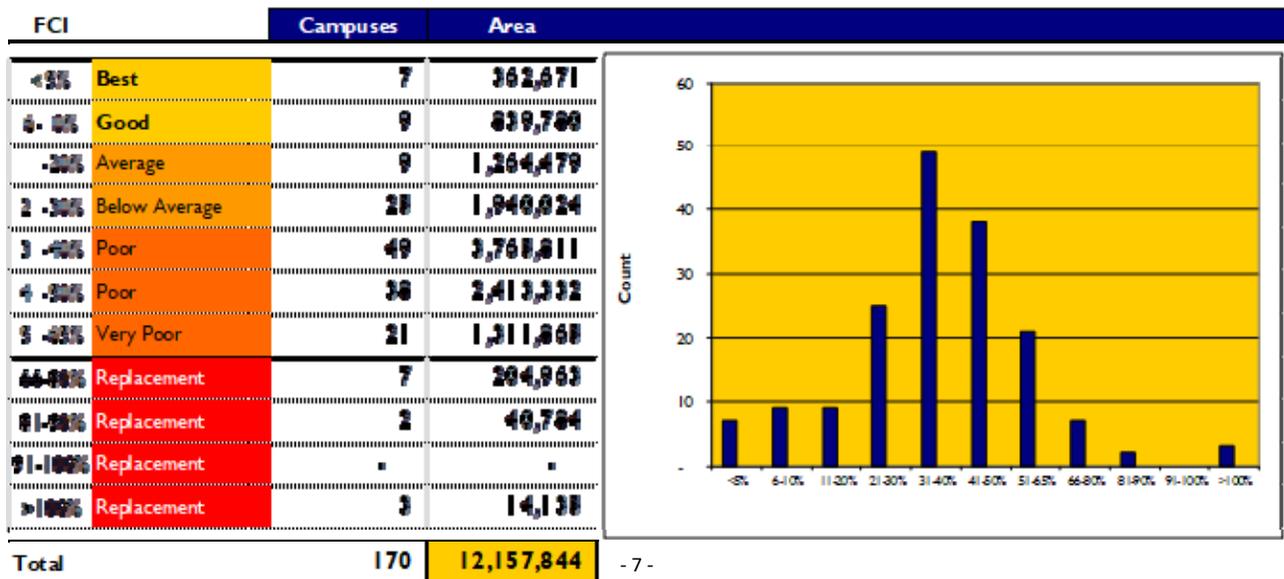
All smaller scale capital improvements are financed from the capital reserve fund. The capital reserve fund will spend between \$17 million and \$19 million each year for capital improvements to facilities. The amount, while seemingly large, becomes small when put in the perspective of supporting 89 elementary schools, six K-8 schools, five preschool centers, 17 middle schools, 15 high schools, two 7-12 schools, 18 districtwide/option schools, four stadiums, and numerous other programs and support facilities with an area of approximately 12 million square feet and replacement value of \$2.88 billion. The district’s facility master planning process is critical in prioritizing the needs for schools. Projects in this category include improvement or replacement of finishes, fixtures and furnishings, security systems, fire alarm, parking lots, site work and minor remodeling.

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

District Wide Facilities Master Plan

In compliance with district policies, long-term facilities planning and the development of a district-wide Facilities Master Plan (FMP) is continuing work, of which, current and accurate data is the foundation. In 2009, to ensure consistent and objective collection of data, the district authorized a comprehensive assessment of its facilities. The assessment consisted of a capacity analysis, an educational adequacy assessment, a building condition assessment and a review of all site and building systems with a life cycle renewal forecast. The first Facility Condition Assessment Summary of Findings was published in September 2010. Each year, staff completes the annual cycle of assessing one-third of the district’s facilities, as well as updated cost estimates and life cycle forecasts. These up-to-date assessments are used for planning and prioritization of all capital spending. Part of the assessment process assigns a Facility Condition Index (FCI) to district facilities. The FCI provides a relative scale of the overall condition of the facility or group of facilities within a facility portfolio. The district will continue to be diligent in analysis, monitoring and management of facilities. The facilities master plan is considered as part of the overall financial plan. Below is a summary of FCI by Site Location from the 2017-2018 Summary of Findings.

Districtwide Facility Condition Index (FCI) w/Life Cycle by Site Location



Renewed Instructional and Business Technology Systems

The District Technology Plan guides the district's technology decisions, and because of the rapid changes in technology, the plan is refreshed every year. The plan objectives, expectations and measurements are reviewed and modified every three years in order to accommodate technology changes and/or funding challenges. The Facilities Master Plan (FMP) 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. During the spring of 2015/2016 school year, a Technology Convocation team consisting of principals, teachers, digital librarians and staff from the Educational Research and Design (ERD) and Information Technology (IT) departments met to revise the previous 2011-2015 technology plan and complete the 2016-2019 version published in early 2017. Work will begin in the 2018-2019 school year to publish the 2020-2023 Technology Plan incorporating the Jeffco Generations vision and the tactics associate with technology in the classroom that supports student learning.

In addition to the work from Jeffco Generations the multi-year technology will utilize Horizon's K12 2019 report, and include the International Society for Technology in Education (ISTE) standards. The Jeffco Schools Technology Plan is designed to meet three key objectives: 1) Security – to provide reliable systems and processes to adequately protect all potentially sensitive data while instilling digital citizenship; 2) Communication – to prioritize effective, thorough and timely communications to, from, and between students, teachers, school leaders, parents and district staff as it pertains to educational and information technology in the district; and 3) Equitably empower – to enable all Jeffco schools to realize their student achievement goals by empowering them with technological decision-making tools, infrastructure and support.

In addition, the Technology and Data Privacy Advisory Committee (TDPAC) advises the Board of Education on district technology strategies, systems and overall data governance. The committee reviews the District's Technology Plan considering alignment with instructional goals and opportunities for technology innovation as well as district privacy policies and practices. Data governance and the protection of student and staff information is also a critical focus at the district. Ensuring that data is protected with all technology processes is required to create a consistent and secure handling of the data across the district. Jeffco has maintained its status as a national K-12 technology leader with the collaboration of technology and instructional staff to develop and implement robust data systems. As the district thinks strategically about emerging instructional trends, the Information Technology department with support from Education Research & Design (ERD) is leading efforts to plan and implement the build-out of our IT infrastructure.

A three phase approach was developed to address these critical infrastructure needs: Classroom Wireless Access, Internet Access, and Wide Area Network (WAN) which connects schools (buildings) to the district offices (Ed Center/Quail) our "School Links." The IT department has completed two of the three phases: 1) The Mobile Device Readiness (MDR) program funded in 2010 is ongoing and sustains the classroom wireless learning environment; 2) Internet access was implemented in 2016 with the addition of the Front Range GigaPop Fiber Ring that allows internet speeds capable of delivering the demand for our students and educators; and 3) Gigabit fiber to our school and re-architecting the network they use to connect to the internet. This phase involves completing a 14-school proof of concept (POC) in the Northwest Arvada area where we have partnered with the City of Arvada to build the next generation network. The work on this pilot and the development of Intergovernmental Agreements (IGAs) with the City of Arvada will provide a template for future work with the remaining municipalities in the district and their divisions such as (emergency services, libraries, etc.).

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 (CAFR) for the fiscal year ended June 30, 2017. This was the thirty-fifth consecutive year the district has received this prestigious award. In order to be awarded a Certificate of Achievement, the district published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We

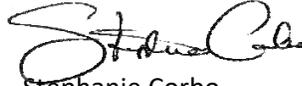
believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Kathleen Askelson
Chief Financial Officer



Stephanie Corbo
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

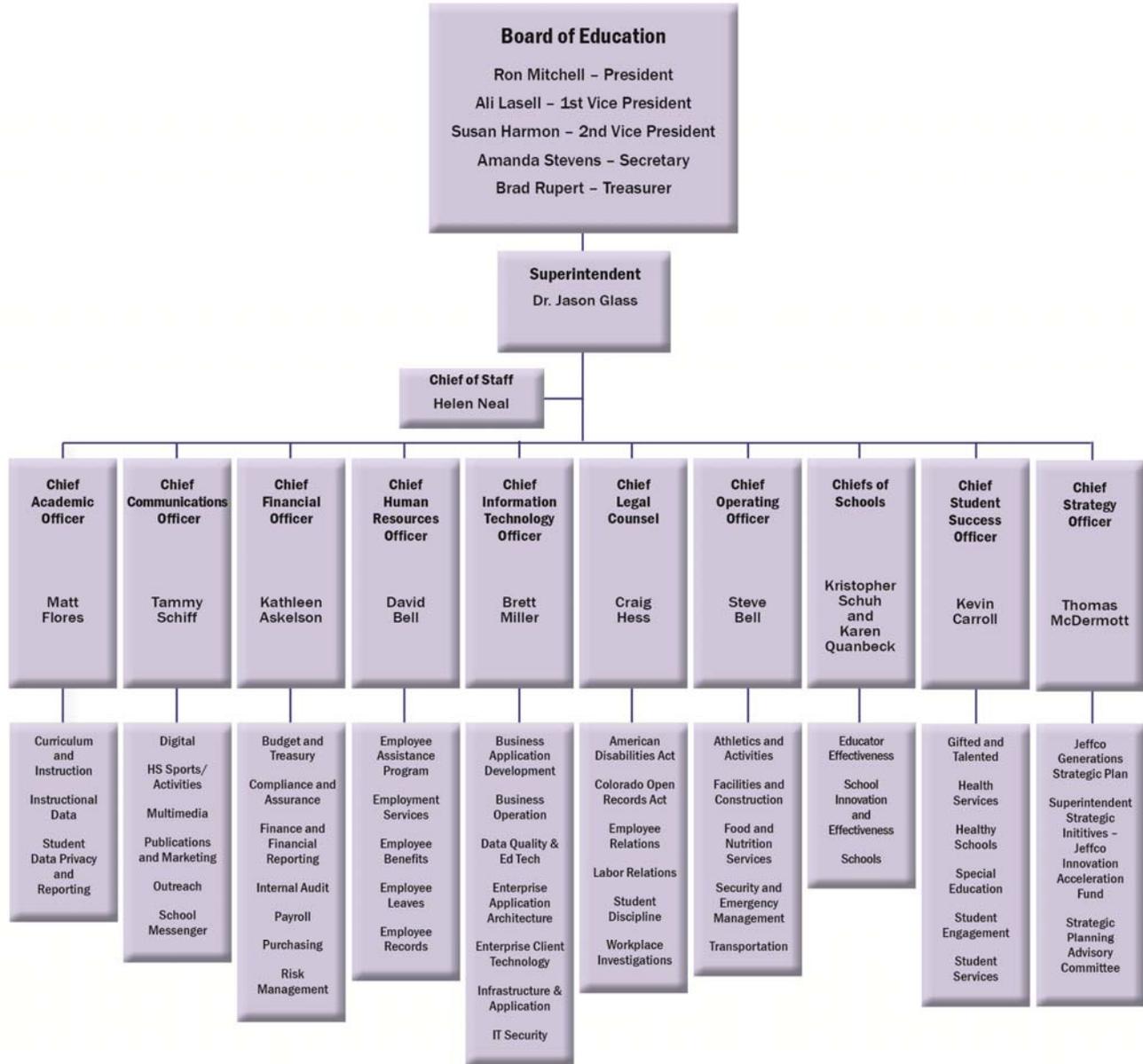
Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill



Note: Detail is presented at the division and fund level. For department detail, see the Jeffco Public Schools website.

Superintendent's Cabinet

Dr. Jason GlassSuperintendent
Helen NealChief of Staff for Superintendent and BOE
Matt Flores Chief Academic Officer
Tammy SchiffChief Communications Officer
Kathleen AskelsonChief Financial Officer
David BellChief Human Resources Officer
Brett Miller Chief Information Technology Officer
Craig HessChief Legal Counsel
Steve BellChief Operating Officer
Karen QuanbeckChief of Schools, Elementary
Kristopher Schuh Chief of Schools, Secondary
Kevin Carroll.....Chief Student Success Officer
Thomas McDermott..... Chief Strategy Officer



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Golden View Classical Academy, a component unit of the District, which represents 5 percent and 7 percent, respectively, of the assets and deferred outflows of resources and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Golden View Classical Academy in the aggregate discretely presented component units, is based solely on the report of the other auditors. 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 from material misstatement. The financial statements of Golden View Classical Academy, a component unit of the District, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, 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 the District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Adoption of New Accounting Standard

As described in Note 12 to the financial statements, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As a result of the implementation of GASB Statement No. 75, the District reported a restatement for the change in accounting principle. Our opinions were not modified with respect to the restatement.

Additionally, as described in Note 14 to the financial statements, the District has recognized the Food Services Fund as a special revenue fund as of July 1, 2017 as required by the Colorado Department of Education. As a result of this change, the District reported a restatement for the change from a proprietary fund to a special revenue fund. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17-29, the schedule of the District's proportionate share of the net pension liability on page 78, the schedule of the District's proportionate share of the net OPEB liability on page 81, the schedule of pension contributions and related ratios on page 82, and the schedule of OPEB contributions and related ratios on page 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements and schedules, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements and schedules, and the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, by us and other auditors.

In our opinion, based on our audit, the procedures performed described above, and the report of other auditors, the combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements and schedules, and the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



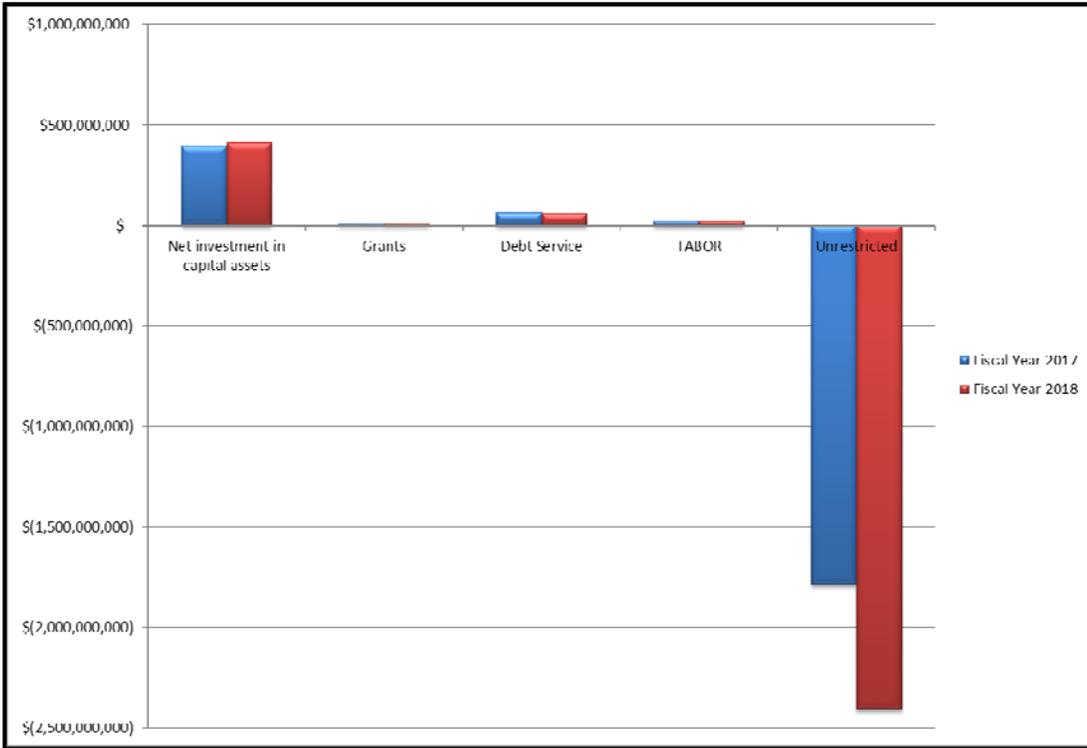
CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 6, 2018

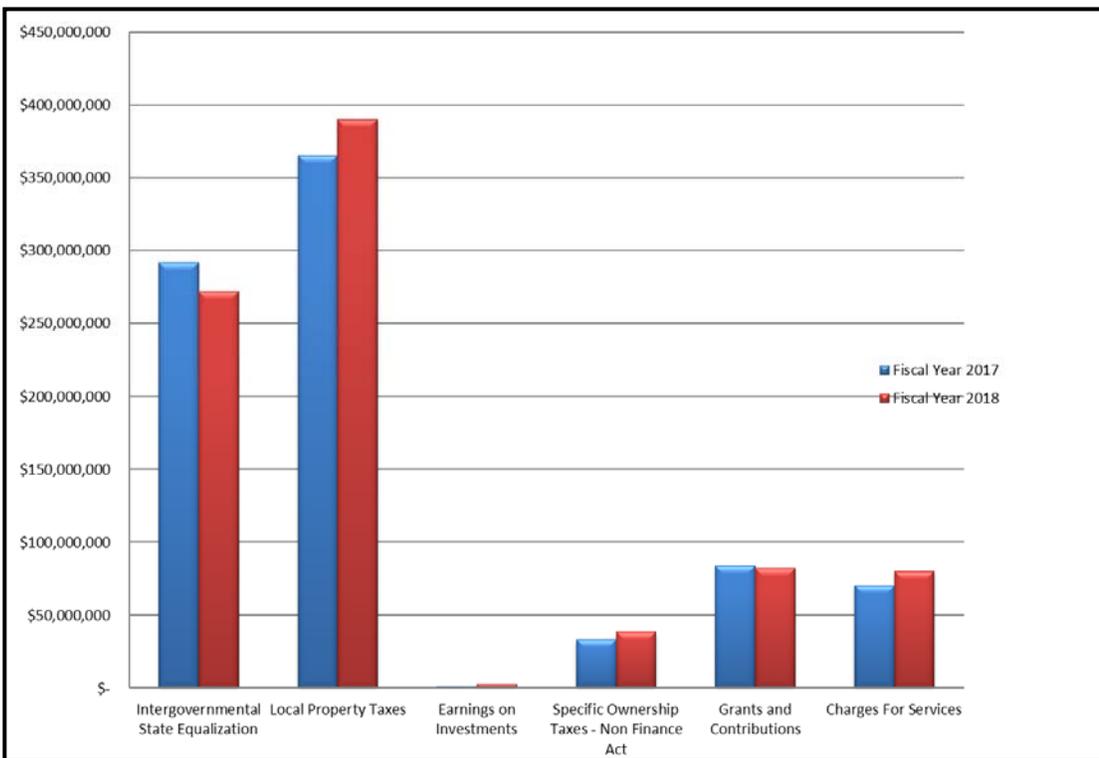


Management's Discussion and Analysis

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2018**

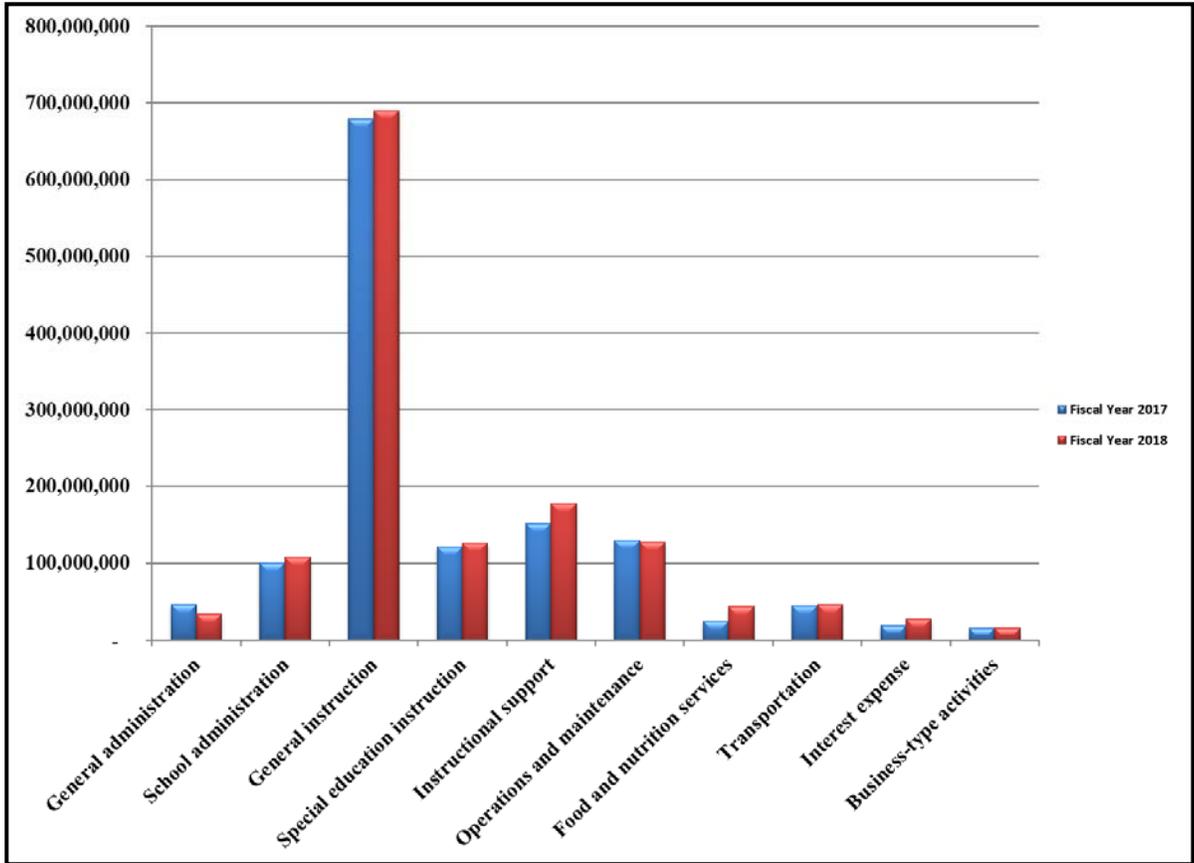


**Primary Government
Government-wide
Net Position:**
Decreased \$530 million
from prior year



**Primary Government
Government-wide
Revenues:** Increased \$20
million from prior year.

**Jefferson County School District, No. R-1
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Primary Government Government-wide Expenses:
Increased \$64 million from prior year

The management of the Jefferson County School District, No. R-1, Jefferson County, Colorado (the District) offers 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, 2018. The District encourages readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-9.

FINANCIAL HIGHLIGHTS

- Total government-wide net position decreased \$530 million in fiscal year 2018 which includes business-type activities. Net investment in capital assets increased \$15 million. This increase was offset by the change in pension expense from the District's share of the Public Employees' Retirement Association of Colorado (PERA) net pension liability and net other postemployment benefits liability for the year ended June 30, 2018, totaling \$3.3 billion and \$75 million respectively. This change in the liability significantly impacted the unrestricted portion of net position.
- Government-wide total assets decreased \$16 million which includes business-type activities. The year over year decline in assets was mainly driven by depreciation beginning on new assets from 2016 which was slightly offset by an increase in cash.
- Deferred outflows of resources decreased from prior year in the District's share of the PERA liability. The recognition of the difference between expected and actual experience, contributions after the plan measurement date, changes in assumptions, changes in proportionate share, and change in the investment earnings and loss of refunding was \$959 million.
- Government-wide total liabilities increased \$218 million from the prior year due to the District's share of additional pension and other postemployment benefit liability from participation in PERA.
- Deferred inflows of resources increased from participation in PERA. The change in proportionate share of the District's liability, changes in assumptions, and in experience increased \$118 million.
- The combined governmental fund balance for fiscal year 2018 is \$247 million, a decrease of \$4.8 million from the prior year based on the restatement of the Food Services Fund into other governmental funds. Of the fund balance, \$42 million is committed to construction projects. School carry forward balance of \$24 million is assigned. Of the general fund balance, \$73 million (12 percent of General Fund expenditures) is unassigned.

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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 32-76 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 required and other supplemental information in addition to the basic financial statements themselves on pages 78-109.

Government-wide financial statements

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

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

The government-wide financial statements consolidate governmental and internal service activities that are supported from taxes and intergovernmental revenues and business-type activities that are intended to recover all or most of their costs from user fees and charges. Governmental activities consolidate governmental funds including the general fund, debt service fund, capital reserve capital projects fund, grants fund and special revenue funds with internal services funds including the employee benefits fund, the central services fund, the insurance reserve fund and the technology fund. Business-type activities consolidate funds that include the 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, 2018; and, therefore, has no financial impact on the District. Financial information for 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 102-109.

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

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

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

The District maintains 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 (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 supplementary 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 44-46.

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 47-76 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also contains supplementary information concerning the District's governmental funds, internal service funds and component units. Combining and individual fund statements and schedules can be found on pages 90-99 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-wide net position

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The District's net position decreased \$530 million from the prior year primarily due to the change in the net pension liability and recording the other postemployment benefit liability. Net investment in capital assets increased by \$15 million over prior year, this increase was primarily due to additions of Dunstan and Drake middle school for the sixth grade transition.

Cash and investments account for 30 percent of the total assets. These assets are available to provide resources for near-term operations of the District. Receivables are due in large part as a result of the property tax collection process and federal grants reimbursements. The District receives over 65 percent of the annual property tax assessment between March and June. Capital assets are used in the operations of the District. These assets are land, construction in progress, buildings, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, *Capital Assets and Debt Administration*, elsewhere in this analysis.

The deferred outflows, loss on refunding represent the difference between the reacquisition and the net carrying amount of current and advance debt refunding. The contributions after measurement date, change in investment earnings, and change in experience are deferrals from PERA pension and other postemployment benefit (OPEB) liability calculations.

Total liabilities include \$3.3 billion in pension liability and \$75 million in other postemployment benefit (OPEB) liability. This represents the District's share in the School Division of PERA. Long term liabilities are discussed in greater detail in the section titled, *Capital Assets and Debt Administration*, elsewhere in this analysis. The total assets and deferred outflows of

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
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resources of the primary government activities are exceeded by liabilities and deferred inflows of resources by \$1.9 billion with a negative unrestricted net position balance of \$2.4 billion.

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

	Fiscal Year 2017			Fiscal Year 2018		
	Governmental Activities	Business-type Activities	Government-Wide	Governmental Activities	Business-type Activities	Government-Wide
Assets:						
Current and other assets	\$402,651,137	\$18,931,009	\$421,582,146	\$413,600,255	\$10,709,665	\$424,309,920
Capital assets, net of depreciation	<u>850,305,352</u>	<u>3,230,241</u>	<u>853,535,593</u>	<u>833,190,090</u>	<u>1,362,898</u>	<u>834,552,988</u>
Total assets	<u>1,252,956,489</u>	<u>22,161,250</u>	<u>1,275,117,739</u>	<u>1,246,790,345</u>	<u>12,072,563</u>	<u>1,258,862,908</u>
Total deferred outflows of resources	<u>1,211,393,340</u>	<u>-</u>	<u>1,211,393,340</u>	<u>958,841,480</u>	<u>-</u>	<u>958,841,480</u>
Liabilities:						
Other liabilities	3,237,784,110	2,849,970	3,240,449,915	3,493,772,210	968,934	3,494,741,144
Long-term liabilities outstanding	<u>498,391,062</u>	<u>184,165</u>	<u>498,575,227</u>	<u>462,027,309</u>	<u>104,105</u>	<u>462,131,414</u>
Total liabilities	<u>3,736,175,172</u>	<u>2,849,970</u>	<u>3,739,025,142</u>	<u>3,955,799,519</u>	<u>1,073,039</u>	<u>3,956,872,558</u>
Total deferred inflows of resources	<u>49,261,482</u>	<u>-</u>	<u>49,261,482</u>	<u>166,821,978</u>	<u>-</u>	<u>166,821,978</u>
Net position:						
Net investment in capital assets	393,437,822	3,230,241	396,668,063	410,495,440	1,362,898	411,858,338
Restricted for:						
Grants	8,181,876	-	8,181,876	8,776,867	-	8,776,867
Debt service	61,217,378	-	61,217,378	60,776,013	-	60,776,013
Food service	-	6,090,378	6,090,378	5,622,786	-	5,622,786
TABOR	18,261,920	814,697	19,076,617	19,578,269	521,857	20,100,126
Unrestricted	<u>(1,802,185,821)</u>	<u>9,175,964</u>	<u>(1,793,009,857)</u>	<u>(2,422,239,047)</u>	<u>9,114,769</u>	<u>(2,413,124,278)</u>
Total net position	<u>\$ (1,321,086,825)</u>	<u>\$ 19,311,280</u>	<u>\$ (1,301,775,545)</u>	<u>(\$1,916,989,672)</u>	<u>\$10,999,524</u>	<u>(\$1,905,990,148)</u>

Net investments in capital assets for the District's governmental and business-type activities are computed as follows:

**Comparative Schedule of Net Investment in Capital Assets
As of June 30**

	Fiscal Year 2017		Fiscal Year 2018	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 850,305,352	\$ 3,230,241	\$ 833,190,090	\$ 1,362,898
Deferred outflows on refunding	12,437,010	-	12,937,231	-
Unspent proceeds from bond issuance	-	-	-	-
Less: General obligation bonds	421,157,155	-	387,711,708	-
Less: Certificate of participation and premium	<u>48,147,384</u>	<u>-</u>	<u>47,920,173</u>	<u>-</u>
Net investment in capital assets	<u>\$ 393,437,823</u>	<u>3,230,241</u>	<u>\$ 410,495,440</u>	<u>\$ 1,362,898</u>

Government-wide activities

Government-wide activities decreased the net position of the District by \$530 million during the year ended June 30, 2018. The following schedules, charts and analysis focus on this decrease.

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**Comparative Schedule of Changes in Net Position
Fiscal Year Ended June 30**

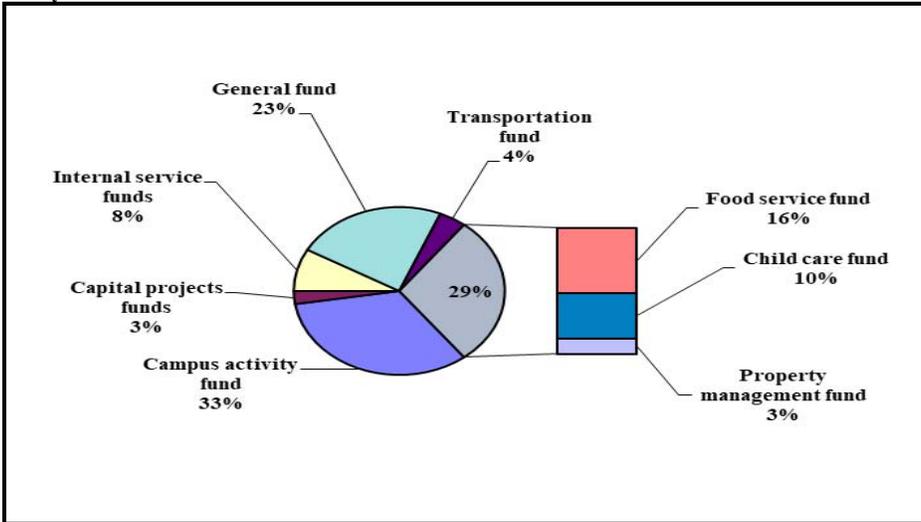
	Fiscal Year 2017			Fiscal Year 2018		
	Governmental Activities	Business-type Activities	Government Wide	Governmental Activities	Business-type Activities	Government Wide
Revenues						
Program revenues:						
Charges for services	\$49,756,709	20,777,790	\$70,534,499	\$69,016,790	\$11,197,596	\$80,214,386
Operating grants and contributions	64,014,034	19,830,432	83,844,466	75,976,827	6,066,190	82,043,017
General revenues:						
Taxes:						
Local property taxes	365,608,757	-	365,608,757	390,410,501	-	390,410,501
Automotive ownership taxes	33,300,878	-	33,300,878	38,543,552	-	38,543,552
Intergovernmental state equalization	291,894,387	-	291,894,387	272,182,129	-	272,182,129
Earnings on investments	<u>1,180,785</u>	<u>66,655</u>	<u>1,247,440</u>	<u>2,503,137</u>	<u>131,422</u>	<u>2,634,559</u>
Total revenues	<u>805,755,550</u>	<u>40,674,877</u>	<u>846,430,427</u>	<u>848,632,936</u>	<u>17,395,208</u>	<u>866,028,144</u>
Expenses						
Governmental activities:						
General administration	46,268,361	-	46,268,361	34,010,421	-	34,010,421
School administration	100,562,166	-	100,562,166	107,454,780	-	107,454,780
General instruction	679,657,697	-	679,657,697	689,803,039	-	689,803,039
Special education instruction	121,065,638	-	121,065,638	125,986,386	-	125,986,386
Instructional support	151,608,229	-	151,608,229	177,535,468	-	177,535,468
Operations and maintenance	129,182,158	-	129,182,158	125,858,843	-	125,858,843
Transportation	44,542,645	-	44,542,645	46,130,547	-	46,130,547
Interest expense, unallocated	18,707,099	-	18,707,099	28,918,125	-	28,918,125
Food services**	-	24,943,806	24,943,806	43,950,669	-	43,950,669
Child care	-	13,509,401	13,509,401	-	14,329,881	14,329,881
Property management	-	<u>1,722,727</u>	<u>1,722,727</u>	-	<u>1,805,591</u>	<u>1,805,591</u>
Total expenses	<u>1,291,593,993</u>	<u>40,175,934</u>	<u>1,331,769,927</u>	<u>1,379,648,278</u>	<u>16,135,472</u>	<u>1,395,783,750</u>
Increase (decrease) in net position before transfers	<u>(485,838,443)</u>	<u>498,943</u>	<u>(485,339,500)</u>	<u>(531,015,342)</u>	<u>1,259,736</u>	<u>(529,755,606)</u>
Transfers	<u>650,000</u>	<u>(650,000)</u>	<u>-</u>	<u>1,350,000</u>	<u>(1,350,000)</u>	<u>-</u>
Increase (decrease) in net position	<u>(485,188,443)</u>	<u>(151,057)</u>	<u>(485,339,500)</u>	<u>(529,665,342)</u>	<u>(90,264)</u>	<u>(529,755,606)</u>
Net position, July 1, as restated*	<u>(835,898,382)</u>	<u>19,462,337</u>	<u>(816,436,045)</u>	<u>(1,387,324,330)</u>	<u>11,089,788</u>	<u>(1,376,234,542)</u>
Net position, June 30	<u>(\$1,321,086,825)</u>	<u>\$19,311,280</u>	<u>(\$1,301,775,545)</u>	<u>(\$1,916,989,672)</u>	<u>\$10,999,524</u>	<u>(\$1,905,990,148)</u>

*Prior year net position is restated by \$74,458,997 for the recording of net other postemployment benefit liability with the implementation of GASB 75 and reclassification of Food Services from an enterprise fund to a special revenue fund of \$8,221,492.

**Food services is accounted for as a Special Revenue fund in FY2018.

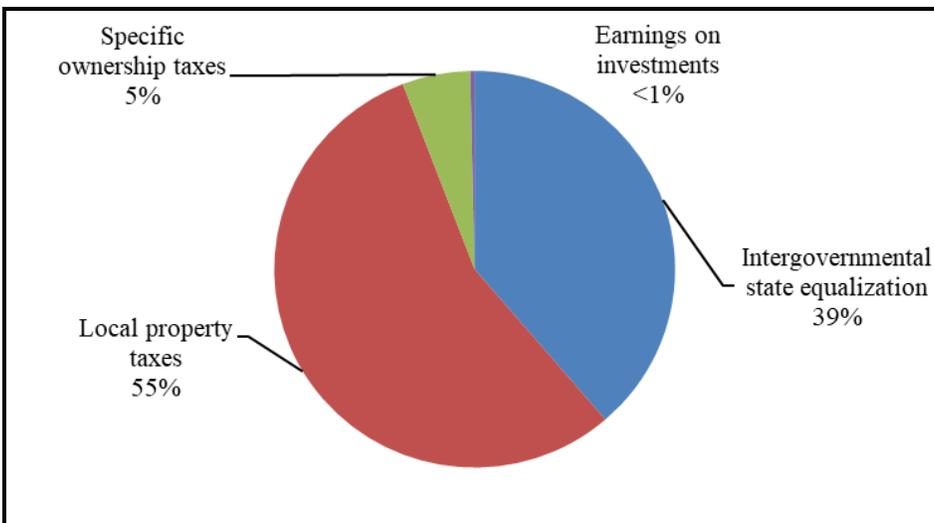
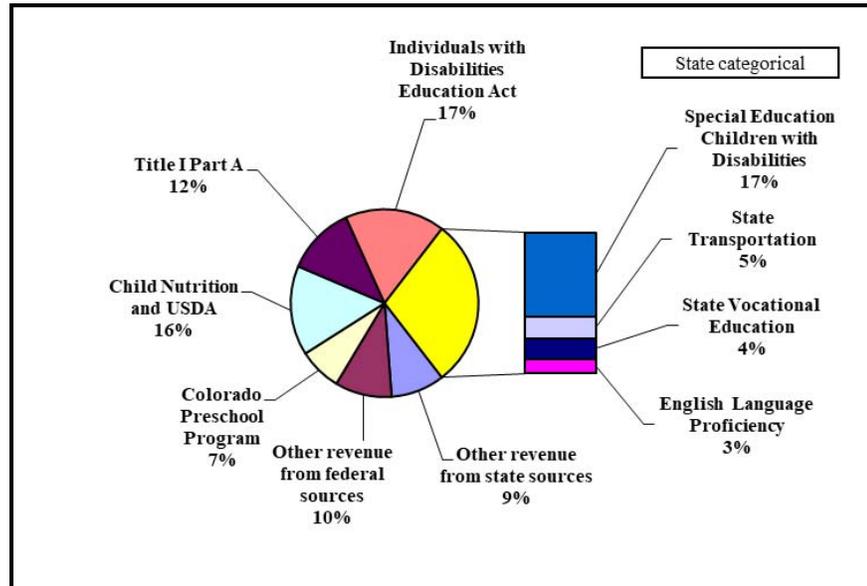
**Jefferson County School District, No. R-1
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Analysis of Revenues



**Government-wide
Charges for Services
totals \$80 million**

**Government-wide
Operating Grants
and Contributions**
(includes Capital
grants and
contributions)
totals \$82 million

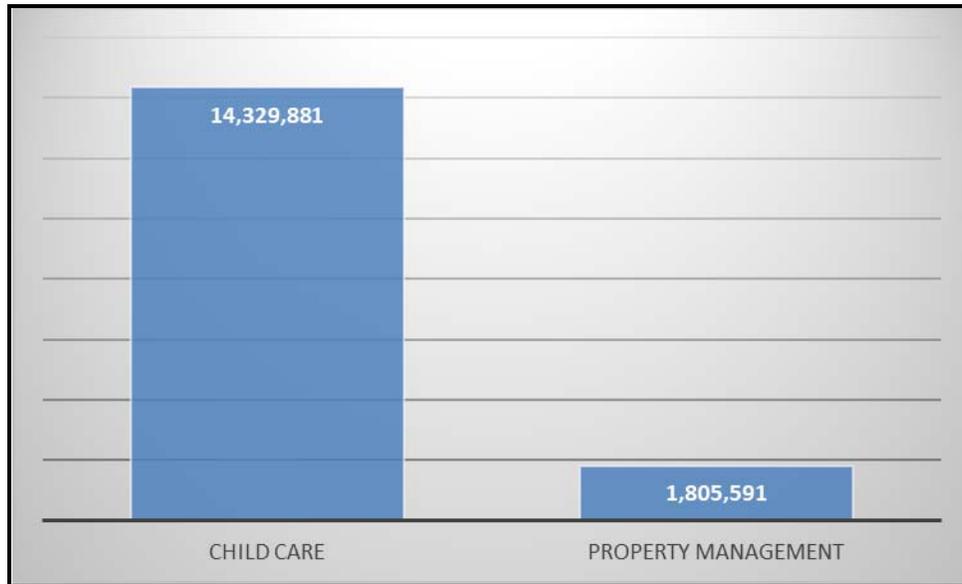
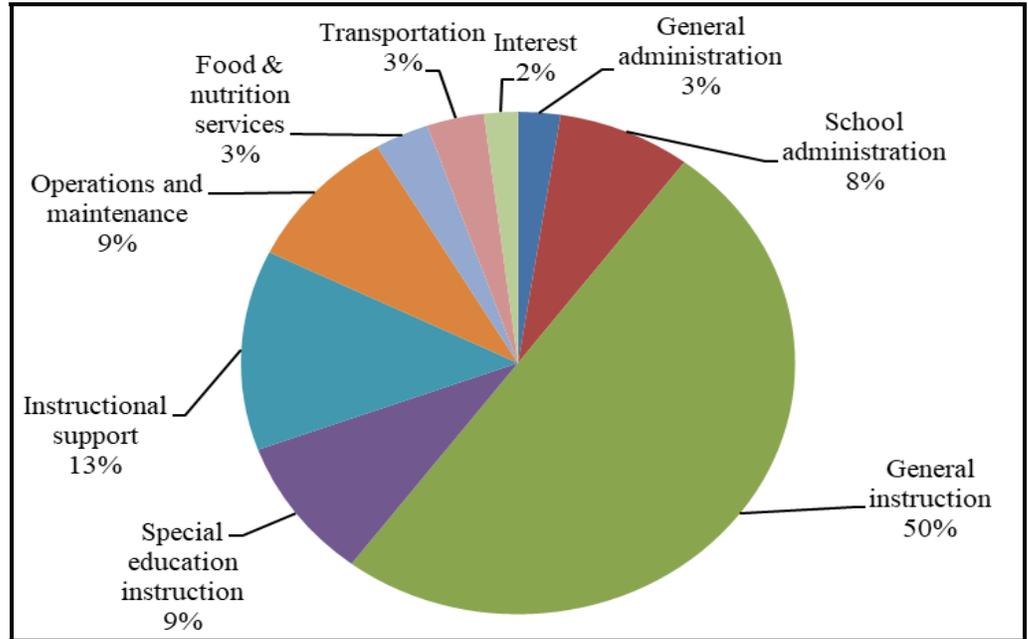


**Total general
revenues
of \$704 million**

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Analysis of Expenses

Governmental activities
Expenses total \$1.4 billion



Business-type activities
Expenses total \$16 million

Note: The Food and nutrition services fund for the first time is accounted for under special revenue funds in other governmental activity, prior years were disclosed under business activities as an enterprise fund.

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Government-wide revenues

Government-wide revenues increased \$20 million from the prior year. Local property taxes increased \$25 million from increased assessed values and \$5 million for specific ownership tax (a vehicle use tax) from the prior year. State equalization funding (state share) decreased by \$20 million due to higher assessed property values and declining student enrollment. Transfers from other funds and investment income accounted for an additional \$2 million over prior year. Charges for services increased \$10 million over prior year due to increased student fees for 1:1 devices, high school participation fee's for seniors, and increased field trips.

Government-wide expenses

Government-wide expenses increased \$64 million from the prior year. This year the District implemented GASB 75 that required prior year recognition for PERA other postemployment benefit (OPEB) expenses that accounted for \$74 million that was offset mostly by underspend at the schools.

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 94-99 of this report. Following are highlights of activity in the District's internal service funds for fiscal year 2018.

- Central services provide copier and printing services for the District. The fund had unfilled staffing vacancies that resulted in less expenses leaving the fund with a net income.
- The employee benefits fund accounts for dental and vision self-insurance for the District. Revenues are lower from a planned net loss of using reserves for self-insurance plans. However, claim expenses were up due to an increase in paid life insurance claims for retirees; each with adequate reserves to cover this annual loss.
- The insurance reserve fund accounts for self-insured property, liability, worker's compensation and other insurance as needed for the District. Revenues and expenditures were higher due to the hail storm in May of 2017. The hail storm damage accounts for \$11 million in damage with the \$8.5 on property and the remaining on fleet that will continue through the coming year. The timing of the claim, work and financial impact are not always in the same period. Insurance recoveries received for this damage account for \$5.7 million in fiscal year 2018.
- The technology fund supports the District's technology initiatives and systems. Revenues are down due to no longer receiving the Federal E-Rate funds. Expenses for the year were in line with plan.

The District's business-type activities net position remained relatively flat in FY2018 for Child Care and Property Management. The Food Services fund moved to a special revenue fund this year and is newly accounted for under the primary government's other governmental funds. The basic proprietary fund financial statements are presented on pages 44-46. Key elements that highlight the activities in fiscal year 2018 are as follows:

- The child care fund accounts for fees from preschool and before and after school care programs. Revenues increased due to increases in tuition rates, additional classrooms, and changing programs to a more viable 3 hour program compared to offering 1.5 and 2 hour programs. The fund overall was planned for a net loss and ended the year better than expected with a net income.
- The property management fund accounts for revenues and expenses related to the public use of District property. Revenues are up .from the board approved building use rate increases and expenses are in line with plan and current year activity. The fund was planned to spend down reserves and ended the year better than expected even with the additional transfers out to general fund, capital reserve, and schools.

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

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

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

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Management's Discussion and Analysis
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Unassigned fund balance for the District at the end of the fiscal year is comprised of the general fund balance of \$73 million, \$3.5 million down from the prior year. The fund was planned to spend down \$15 million for FY2018 due to the one time use of reserves for construction additions on three middle schools. However, with increased revenue and lower expenditures resulted in better than plan on spend down.

The general fund is the primary operating fund of the District with the majority of funding based on School Finance Act per pupil revenue and property tax. For fiscal year 2017/2018, the School Finance Act funded 2.7 percent for inflation, increasing base per pupil funding, and anticipated student growth. The student funded enrollment for the whole District, including component unit charter schools, decreased by 184 students. The student increases were in the component unit charter schools, while the district management schools decline in enrollment.

Actual expenditures for the general fund were slightly lower than budgeted at 99%. The savings to plan was primarily a result of lower expenditures than anticipated by schools. The school carry forward amount increased by \$2 million while unassigned reserves decreased \$3 million to \$73 million.

The bond redemption debt service fund has a fund balance of \$61 million. This fund accounts for the voter-approved property taxes collected to repay general obligation debt. The current fund balance will be used to make the December 2018 principal and interest payments. The levy to accumulate resources for the June 2019 interest payments and December 2019 principal and interest payments will be certified in December 2018. In compliance with Senate Bill 237, the District has contracted with a third party custodian to administer bond principal and interest payments. In December 2017, \$72 million of the 2012 series General Obligation Bonds were refunded to create a savings to the district taxpayers.

The capital reserve capital projects fund is funded with annual transfer funding from the general fund. The projects are focused on infrastructure with the greatest deficiencies from the facility assessment database that can be funded within the annual budgeted transfer. The projects to be completed with these funds are projects dedicated to keep students warm, safe and dry. With the recent board approved transfer from general fund for \$14.5 million at the end of fiscal year 2017 and another \$14 million in 2018, these monies are earmarked to support five middle schools with additional square footage to accommodate the 6th grade transition. The capital reserve capital projects fund had an annual transfer of \$36 million from the general fund; that consisted of \$22 million with a one-time addition of \$14 million.

The grants fund revenues and expenditures were lower than the prior year with the ending of grants such as the Strategic compensation and Gates Individualized professional development; as well as a decline of \$750,000 in Title 1-A.

Revenues for Campus Activities were at 100 percent of budget and above prior year due to the increased fees for 1:1 devices and Sr. participation fees. Expenditures ended the year above last year and at 97 percent of budget. The timing of school trips and activities can cause variances for the fund from year to year. The net position was planned to decrease and came in better than plan with a decrease of \$250,000 and ended the year at \$11.4 million.

Per state statute, districts that charge a fee for transportation must account for those activities in a separate special revenue fund. The District is required to make a transfer from the general fund, if needed, to balance the fund. The District collected over \$3.8 million in fees to help offset the cost of transportation. The transfer from the general fund was \$17.1 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2017/2018 Adopted Budget incorporated the additional School Finance Act funding and other savings to increase compensation to employees and provide additional funding to schools through SBB. A supplemental appropriation adjusted the budget as follows:

- \$14 million increase transfer to the capital reserve capital projects fund for additions on three middle schools
- \$1 million set aside for an Innovation Fund

General fund expenditures were 99 percent of the final budget. Actual expenditures were lower than planned due to continued savings from salaries, vacancies, and conservative spending at the schools. The unassigned fund balance for the general fund at the end of the fiscal year is \$73 million, slightly lower than the prior year.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the general fund including other financing uses—transfers out, amounted to

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
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\$704 million. Unassigned fund balance represents 12 percent of expenditures while total fund balance represents 18 percent of expenditures. This percent for unassigned reserves and fund balance remains flat from the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2018, decreased slightly to \$835 million (net of accumulated depreciation). The majority of the decrease is from depreciation on new assets such as additions of two middle schools and remodeling an elementary school. 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 \$42 million which include: District-wide exterior lighting replacement and interior finishes which include LED lights, District-wide FF&E, and additions and remodels to middle schools to accommodate the 6th grade transition.
- Depreciation of \$68 million for governmental activities and \$176 thousand for business-type activities.

	Fiscal Year 2017		Fiscal Year 2018	
	Governmental Activities*	Business-type Activities	Governmental Activities	Business-type Activities
Non-depreciable assets:				
Land	\$ 62,729,806	\$ -	\$ 62,724,270	\$ -
Construction in progress	<u>54,152,769</u>	<u>-</u>	<u>28,996,193</u>	<u>-</u>
Total non-depreciable assets	116,882,575	-	91,720,463	-
Depreciable assets (net of accumulated depreciation):				
Buildings and site improvements	701,095,838	-	710,708,325	-
Equipment and vehicles	<u>34,116,437</u>	<u>3,230,241</u>	<u>30,761,302</u>	<u>1,362,898</u>
Total depreciable assets	<u>735,212,275</u>	<u>3,230,241</u>	<u>741,469,627</u>	<u>1,362,898</u>
Total capital assets, as restated:	<u>\$ 852,094,850</u>	<u>\$ 3,230,241</u>	<u>\$ 833,190,090</u>	<u>\$ 1,362,898</u>

*Governmental activities prior year balances were restated to include Food & Nutrition Services fund as a special revenue fund.

Additional information on the District's capital assets can be found in note 4 on pages 57-59 of this report.

At June 30, 2018, the District had total bonded debt outstanding of \$358 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 \$68 million for governmental activities still outstanding at the end of the current fiscal year.

General Obligation Bonds and Certificates of Participation

	Fiscal Year 2017			Fiscal Year 2018		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
General obligation bonds	\$ 386,225,000	-	\$ 386,225,000	\$ 358,275,000	-	\$ 358,275,000
Certificates of participation	<u>70,085,000</u>	<u>-</u>	<u>70,085,000</u>	<u>67,735,000</u>	<u>-</u>	<u>67,735,000</u>
Total outstanding long-term debt	<u>\$ 456,310,000</u>	<u>-</u>	<u>\$ 456,310,000</u>	<u>\$ 426,010,000</u>	<u>-</u>	<u>\$ 426,010,000</u>

The District maintains an Aa2 credit rating from Moody's and an AA- from Standard & Poor's for general obligation debt. State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$1,883,067,622 and the legal debt margin was \$1,586,056,654.

Additional information on the District's long-term obligations can be found in notes 6 and 7 on pages 60-62.

**Jefferson County School District, No. R-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2018**

GENERAL BUDGETARY HIGHLIGHTS AND ECONOMIC FACTORS

For the 2018/2019 budget, the Board of Education established objectives to be met by the budget process. They determined that the budget would:

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

The budget process will continue to:

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

The District's Adopted Budget takes into consideration a variety of factors when making budget assumptions: Colorado School Finance Act increases or decreases, changes in student funded counts, compensation increases, benefit cost increases, retirement savings and capital infrastructure needs. For the 2018/2019 Adopted Budget, the largest factor was increased compensation as well as an anticipated loss of enrollment of \$(6.8) million that was offset by \$33.5 million in additional state funding and \$1 million in additional specific ownership tax.

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. Community forums, surveys and public comment provide significant and valuable input to the process. The budget development process is detailed in the 2018/2019 Adopted Budget:
<http://www.jeffcopublicschools.org/finance/index.html>.

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:

Stephanie Corbo, Director of Finance
Jefferson County School District, No. R-1
1829 Denver West Drive, Building 27
Golden, Colorado 80401



Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Net Position
June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Cash	\$ 476,296	\$ 900	\$ 477,196	\$ 2,299,028
Restricted cash	37,000	-	37,000	12,462,672
Cash held by county treasurer	3,988,734	-	3,988,734	-
Equity in pooled cash and investments	306,366,080	10,365,076	316,731,156	23,589,184
Investments	61,590,694	-	61,590,694	-
Property taxes receivable	21,998,511	-	21,998,511	-
Accounts receivable	2,960,553	343,688	3,304,241	311,802
Intergovernmental receivable	8,223,961	-	8,223,961	-
Inventories	3,584,398	-	3,584,398	4,573
Prepaid expenses	4,374,028	-	4,374,028	1,550
Capital assets				
Land and construction in progress	91,720,463	-	91,720,463	16,301,813
Depreciable assets	1,826,869,268	2,813,712	1,829,682,980	112,204,390
Accumulated depreciation	<u>(1,085,399,641)</u>	<u>(1,450,814)</u>	<u>(1,086,850,455)</u>	<u>(25,547,351)</u>
Total capital assets	833,190,090	1,362,898	834,552,988	102,958,852
Total assets	<u>1,246,790,345</u>	<u>12,072,562</u>	<u>1,258,862,907</u>	<u>141,627,661</u>
Deferred outflows of resources				
Loss on refunding	\$ 12,937,231	\$ -	\$ 12,937,231	\$ 1,639,302
Pension				
Contributions after measurement date	43,860,132	-	43,860,132	3,724,295
Changes in proportionate share	1,524,381	-	1,524,381	2,580,229
Changes in assumptions	837,520,481	-	837,520,481	69,166,810
Changes in experience	60,306,433	-	60,306,433	4,980,418
OPEB				
Contributions after measurement date	2,338,596	-	2,338,596	198,578
Changes in proportionate share	-	-	-	36,530
Changes in experience	354,226	-	354,226	29,255
Total deferred outflows of resources	<u>958,841,480</u>	<u>-</u>	<u>958,841,480</u>	<u>82,355,417</u>
Liabilities				
Accounts payable	\$ 18,815,461	\$ 73,886	\$ 18,889,347	\$ 926,821
Accrued salaries and benefits	86,214,771	859,345	87,074,116	3,152,336
Payroll withholding	25,412,139	-	25,412,139	-
Unearned revenue	1,045,423	35,702	1,081,125	619,400
Liability claims/premiums	5,411,401	-	5,411,401	-
Interest payable	793,163	-	793,163	709,379
Early retirement	1,120,000	-	1,120,000	-
Long term liabilities				
Due within 1 year	31,375,000	-	31,375,000	2,960,823
Due in more than 1 year	426,541,920	-	426,541,920	90,648,027
Compensated absences (long term)	4,110,389	104,105	4,214,494	-
Net pension liability	3,280,057,279	-	3,280,057,279	270,884,235
Net OPEB liability	74,902,573	-	74,902,573	6,185,848
Total liabilities	<u>3,955,799,519</u>	<u>1,073,038</u>	<u>3,956,872,557</u>	<u>376,086,869</u>
Deferred inflows of resources				
Pension				
Changes in proportionate share	\$ 30,239,223	\$ -	\$ 30,239,223	\$ 2,366,837
Changes in investment earnings	128,810,970	-	128,810,970	10,671,985
Changes in experience	-	-	-	22,932
Changes in assumptions	5,314,702	-	5,314,702	415,983
OPEB				
Changes in proportionate share	1,203,981	-	1,203,981	94,238
Changes in investment earnings	1,253,102	-	1,253,102	103,489
Total deferred inflows of resources	<u>166,821,978</u>	<u>-</u>	<u>166,821,978</u>	<u>13,675,464</u>
Net position				
Net investment in capital assets	410,495,440	1,362,898	411,858,338	17,859,502
Restricted for:				
Capital projects	-	-	-	398,083
Grants	8,776,867	-	8,776,867	-
Debt service	60,776,013	-	60,776,013	9,228,608
Food services	5,622,785	-	5,622,785	-
TABOR	19,582,190	521,857	20,104,047	2,306,601
Unrestricted	<u>(2,422,242,967)</u>	<u>9,114,769</u>	<u>(2,413,128,198)</u>	<u>(195,572,049)</u>
Total net position	<u>\$ (1,916,989,672)</u>	<u>\$ 10,999,524</u>	<u>\$ (1,905,990,148)</u>	<u>\$ (165,779,255)</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, 2018

Expenses	Net (Expenses) Revenue and Changes in Net Position					
	Program Revenues			Primary Government		Component Units
	Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	TOTAL	Charter Schools
Functions/Programs						
Primary government:						
Governmental activities:						
General administration	\$ 34,010,421	\$ 1,163,075	\$ 2,084,224	\$ (30,763,122)	\$ -	\$ (30,763,122)
School administration	107,454,780	-	51,326	(107,403,454)	-	(107,403,454)
General instruction	689,803,039	35,857,623	16,358,570	(637,586,846)	-	(637,586,846)
Special education instruction	125,986,386	7,122,128	27,879,724	(90,984,534)	-	(90,984,534)
Instructional support	177,535,468	-	13,002,528	(164,532,940)	-	(164,532,940)
Operations and maintenance	125,858,843	9,521,864	95,563	(116,241,416)	-	(116,241,416)
Food & nutrition services	43,950,669	12,021,320	12,641,266	(19,288,083)	-	(19,288,083)
Transportation	46,130,547	3,330,780	3,863,626	(38,936,141)	-	(38,936,141)
Interest expense, unallocated	28,918,125	-	-	(28,918,125)	-	(28,918,125)
Total governmental activities	1,379,648,278	69,016,790	75,976,827	(1,234,654,661)	-	(1,234,654,661)
Business-type Activities:						
Child care	14,329,881	8,310,307	6,066,190	-	46,616	46,616
Property management	1,805,591	2,887,289	-	-	1,081,698	1,081,698
Total business-type activities	16,135,472	11,197,596	6,066,190	-	1,128,314	1,128,314
Total primary government	\$ 1,395,783,750	\$ 80,214,386	\$ 82,043,017	\$ (1,234,654,661)	\$ 1,128,314	\$ (1,233,526,347)
Component units-Charter schools	\$ 164,958,286	\$ 11,925,499	\$ -			\$ (153,032,787)
General revenues						
Taxes:						
Local property taxes				390,410,501	-	390,410,501
Automotive ownership taxes				38,543,552	-	38,543,552
Unrestricted intergovernmental state equalization				272,182,129	-	272,182,129
Unrestricted Investment income				2,503,137	131,422	2,634,559
Transfers				1,350,000	(1,350,000)	-
Total general revenues and transfers				704,989,319	(1,218,578)	703,770,741
Change in net position				(529,665,342)	(90,264)	(529,755,606)
Net position July 1, 2017, as restated				(1,387,324,330)	11,089,788	(1,376,234,542)
Net position June 30, 2018				\$ (1,916,989,672)	\$ 10,999,524	\$ (1,905,990,148)

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, 2018

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Assets			
Cash	\$ 2,250	\$ -	\$ 367,391
Cash held by county treasurer	3,894,728	94,006	-
Equity in pooled cash and investments	172,418,737	-	50,921,109
Investments	-	59,138,065	2,452,629
Property taxes receivable, net of allowance for doubtful collections of \$2,018,554	19,661,406	2,337,105	-
Accounts, notes, contracts, and interest receivable	704,933	-	184,520
Intergovernmental receivables	-	-	-
Inventories	1,003,870	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 197,685,924</u>	<u>\$ 61,569,176</u>	<u>\$ 53,925,649</u>
Liabilities			
Accounts and retainages payable	\$ 3,530,278	\$ -	\$ 11,689,324
Accrued salaries, benefits, and compensated absences	74,559,699	-	155,482
Other unearned revenues	30,640	-	-
Total liabilities	<u>78,120,617</u>	<u>-</u>	<u>11,844,806</u>
Deferred Inflows of Resources			
Unavailable property tax revenues	<u>2,551,131</u>	<u>305,144</u>	<u>-</u>
Fund balances:			
Nonspendable:			
Inventory	1,003,870	-	-
Prepaid items	-	-	-
Restricted for:			
TABOR	18,633,897	-	77,318
Grants	-	-	-
Food Service	-	-	-
Debt service	-	61,264,032	-
Committed to:			
Construction	-	-	42,003,525
Multi-year contract	283,080	-	-
Assigned to:			
School carry forward	24,000,000	-	-
Special revenue funds - campus activity	-	-	-
Unassigned	73,093,329	-	-
Total fund balances	<u>117,014,176</u>	<u>61,264,032</u>	<u>42,080,843</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 197,685,924</u>	<u>\$ 61,569,176</u>	<u>\$ 53,925,649</u>

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

Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 106,355	\$ 475,996
-	-	3,988,734
5,296,934	19,778,570	248,415,350
-	-	61,590,694
-	-	21,998,511
70,282	137,565	1,097,300
8,105,880	118,081	8,223,961
-	2,405,559	3,409,429
-	185,871	185,871
<u>\$ 13,473,096</u>	<u>\$ 22,732,001</u>	<u>\$ 349,385,846</u>
\$ 244,435	\$ 1,150,343	\$ 16,614,380
4,451,794	3,172,927	82,339,902
-	749,353	779,993
<u>4,696,229</u>	<u>5,072,623</u>	<u>99,734,275</u>
-	-	2,856,275
-	2,405,559	3,409,429
-	185,871	185,871
-	673,251	19,384,466
8,776,867	-	8,776,867
-	4,289,285	4,289,285
-	-	61,264,032
-	-	42,003,525
-	-	283,080
-	-	24,000,000
-	10,105,412	10,105,412
-	-	73,093,329
<u>8,776,867</u>	<u>17,659,378</u>	<u>246,795,296</u>
<u>\$ 13,473,096</u>	<u>\$ 22,732,001</u>	<u>\$ 349,385,846</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of governmental funds balance sheet to statement of net position
 June 30, 2018

Governmental funds total fund balances	\$	246,795,296
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.		2,856,275
Capital assets used in governmental funds are not considered current financial resources and therefore, not reported in the governmental funds.		1,885,307,707
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds.		12,937,231
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Pension: Contributions subsequent to measurement date \$43,860,132, changes in proportion and differences between contributions recognized and proportionate share of contributions \$1,524,381, the difference in change of assumptions \$837,520,481, and the difference between expected and actual experience \$60,306,433. OPEB: Contributions subsequent to measurement date \$2,338,596 and the difference between expected and actual experience \$354,226.		945,904,249
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net position of the internal service funds are included in the governmental activities statement of net position.		32,192,046
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.		1,058,120,402
Long-term liabilities for general obligation debt, net of discounts and premiums (\$387,711,708), certificates of participation net of discounts and premiums (\$70,205,212), early retirement estimate (\$1,120,000), and compensated absences (\$3,250,161) are not due and payable in the current period and, therefore, not reported in the funds.		462,287,081
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.		793,163
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds: Pension: Difference between expected and actual assumptions \$5,314,702, change in proportionate share \$30,239,223, and change in earnings \$128,810,970. OPEB: change in proportionate share \$1,203,981 and change in earnings \$1,253,102.		166,821,978
The long-term liability for pension and OPEB is not due and payable in the current period and, therefore, not reported in the funds.		3,354,959,852
Governmental activities net position	<u>\$</u>	<u>(1,916,989,672)</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, 2018

	General	Bond Redemption Debt Service
Revenues:		
Taxes	\$ 384,853,106	\$ 42,473,525
Intergovernmental	292,703,917	-
Investment income	1,092,929	312,009
Other	24,799,641	-
Total revenues	703,449,593	42,785,534
Expenditures:		
Current:		
General administration	27,159,963	-
School administration	55,921,761	-
General instruction	330,753,426	-
Special education instruction	59,229,521	-
Instructional support	89,227,462	-
Operations and maintenance	71,578,809	-
Food service operation	-	-
Transportation	-	-
Capital outlay	-	-
Debt service:		
Principal retirements	2,350,000	26,085,000
Interest and fiscal charges	662,798	17,776,552
Total expenditures	636,883,740	43,861,552
Excess (deficiency) of revenues over (under) expenditures	66,565,853	(1,076,018)
Other Financing Sources (Uses):		
General Obligation Proceeds	-	70,395,000
Payment to refunded bond escrow agent	-	(81,052,400)
Premium from GO issuance	-	11,114,303
Transfers out	(68,097,143)	-
Transfers in	700,000	-
Total other financing sources (uses)	(67,397,143)	456,903
Net change in fund balances	(831,290)	(619,115)
Fund balances - July 1, 2017, restated	117,845,466	61,883,147
Fund balances - June 30, 2018	\$ 117,014,176	\$ 61,264,032

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

Capital Reserve Capital Projects	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 427,326,631
-	38,233,217	16,084,094	347,021,228
612,341	-	70,560	2,087,839
1,964,919	915,660	43,899,322	71,579,542
<u>2,577,260</u>	<u>39,148,877</u>	<u>60,053,976</u>	<u>848,015,240</u>
-	2,052,548	-	29,212,511
-	50,546	-	55,972,307
-	9,953,369	27,892,014	368,598,809
-	13,402,688	-	72,632,209
-	12,804,913	-	102,032,375
-	94,111	-	71,672,920
-	-	25,643,286	25,643,286
-	195,711	25,829,522	26,025,233
40,075,141	-	-	40,075,141
-	-	-	28,435,000
1,718,768	-	-	20,158,118
<u>41,793,909</u>	<u>38,553,886</u>	<u>79,364,822</u>	<u>840,457,909</u>
<u>(39,216,649)</u>	<u>594,991</u>	<u>(19,310,846)</u>	<u>7,557,331</u>
-	-	-	70,395,000
-	-	-	(81,052,400)
-	-	-	11,114,303
-	-	-	(68,097,143)
36,364,971	-	18,214,466	55,279,437
<u>36,364,971</u>	<u>-</u>	<u>18,214,466</u>	<u>(12,360,803)</u>
(2,851,678)	594,991	(1,096,380)	(4,803,472)
44,932,521	8,181,876	18,755,758	251,598,768
<u>\$ 42,080,843</u>	<u>\$ 8,776,867</u>	<u>\$ 17,659,378</u>	<u>\$ 246,795,296</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 Fiscal year ended June 30, 2018

Governmental funds changes in fund balances	\$ (4,803,472)
Add:	
Unavailable property tax revenue of the current year: Revenues that do not provide current financial resources are unavailable on the governmental fund financial statements but recognized on the government-wide financial statements.	2,856,275
Principal retirements (net of amortization of premiums and 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.	106,196,771
Reverse the prior year interest payable accrued to offset current year expenditures.	825,556
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income of the internal service funds are included in the statement of activities.	(5,056,686)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (governmental additions \$49,235,696) was less than depreciation (\$63,227,965) in the current period.	(13,992,271)
Less:	
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net position.	1,298,329
Unavailable property taxes of the prior year: Property taxes unavailable in the prior year and received in the current year are recognized in the prior year net position on the statement of activities.	1,228,855
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.	793,163
Amortization of deferred outflows on refunding.	2,153,038
Refundings for general obligation debt is recognized on the fund statement \$70,395,000 but included as liabilities on the government-wide with refunded loss of 2,874,107.	67,520,893
Amount of long term compensated absences accrued for the current year.	(428,335)
Net pension liability related items are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of: Pension expense \$542,917,735 and OPEB expense \$207,837.	543,125,572
	\$ (529,665,342)

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
General Fund
Fiscal year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 330,137,419	\$ 330,137,419	\$ 346,309,554	\$ 16,172,135
Automotive ownership taxes	29,400,000	29,400,000	38,543,552	9,143,552
State of Colorado	315,879,996	315,879,996	292,703,917	(23,176,079)
Investment earnings	250,000	250,000	1,092,929	842,929
Other	22,050,000	22,050,000	24,799,641	2,749,641
Total revenues	<u>697,717,415</u>	<u>697,717,415</u>	<u>703,449,593</u>	<u>5,732,178</u>
Expenditures:				
Current:				
General administration	27,443,383	30,176,665	27,159,963	3,016,702
School administration	57,230,653	57,078,264	55,921,761	1,156,503
General instruction	351,212,807	337,129,391	330,753,426	6,375,965
Special education instruction	58,894,982	59,237,236	59,229,521	7,715
Instructional support	78,129,557	89,268,127	89,227,462	40,665
Operations and maintenance	70,569,712	71,591,411	71,578,809	12,602
Debt Service:				
Principal retirement	-	-	2,350,000	(2,350,000)
Interest and fiscal charges	-	-	662,798	(662,798)
Total expenditures	<u>643,481,094</u>	<u>644,481,094</u>	<u>636,883,740</u>	<u>7,597,354</u>
Excess of revenues over expenditures	54,236,321	53,236,321	66,565,853	13,329,532
Other financing sources (uses) -				
Transfers out	(54,923,464)	(68,923,464)	(68,097,143)	826,321
Transfers in	700,000	700,000	700,000	-
Total other financing uses	<u>(54,223,464)</u>	<u>(68,223,464)</u>	<u>(67,397,143)</u>	<u>826,321</u>
Excess of expenditures over revenues and other financing sources (uses)	<u>\$ 12,857</u>	<u>\$ (14,987,143)</u>	(831,290)	<u>\$ 14,155,853</u>
Fund balance - July 1, 2017			117,845,466	
Fund balance - June 30, 2018			<u>\$ 117,014,176</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
Grants Special Revenue Fund
Fiscal year ended June 30, 2018

	Grants Fund		
	Original and Final Budget Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
Federal government	\$ 36,884,061	\$ 31,878,612	\$ (5,005,449)
State of Colorado	6,612,383	6,354,605	(257,778)
Other:			
Gifts and grants	1,790,441	915,660	(874,781)
Total revenues	45,286,885	39,148,877	(6,138,008)
Expenditures:			
Current:			
General administration	5,320,229	2,052,548	3,267,681
School administration	616,904	50,546	566,358
General instruction	10,413,875	9,953,369	460,506
Special education instruction	15,561,896	13,402,688	2,159,208
Instructional support	13,084,924	12,804,913	280,011
Operations and maintenance	82,604	94,111	(11,507)
Transportation	206,453	195,711	10,742
Total expenditures	45,286,885	38,553,886	6,732,999
Excess of revenues over expenditures	\$ -	594,991	\$ 594,991
Fund balance - July 1, 2017		8,181,876	
Fund balance - June 30, 2018		\$ 8,776,867	

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Net Position
Proprietary Funds
June 30, 2018

Assets	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Child Care Fund	Property Management Fund	Totals	
Current assets:				
Cash	\$ 400	\$ 500	\$ 900	\$ 300
Restricted cash	-	-	-	37,000
Equity in pooled cash and investments	6,078,903	4,286,173	10,365,076	57,950,730
Accounts and other receivable	6,417	337,271	343,688	1,863,253
Inventories	-	-	-	174,969
Prepaid items	-	-	-	4,188,157
Total current assets	<u>6,085,720</u>	<u>4,623,944</u>	<u>10,709,664</u>	<u>64,214,409</u>
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	445,254	2,368,458	2,813,712	33,282,024
Less accumulated depreciation	(265,333)	(1,185,481)	(1,450,814)	(27,279,239)
Total capital assets, net of accumulated depreciation	<u>179,921</u>	<u>1,182,977</u>	<u>1,362,898</u>	<u>6,002,785</u>
Total assets	<u>\$ 6,265,641</u>	<u>\$ 5,806,921</u>	<u>\$ 12,072,562</u>	<u>\$ 70,217,194</u>
Liabilities and Net Position				
Current liabilities:				
Accounts payable	\$ 63,651	\$ 10,235	\$ 73,886	\$ 2,201,081
Accrued salaries, benefits, and compensated absences	838,987	20,358	859,345	3,874,869
Payroll withholding	-	-	-	25,412,139
Other unearned revenues	35,702	-	35,702	265,430
Estimated liability for premiums and claims	-	-	-	5,411,401
Total current liabilities	<u>938,340</u>	<u>30,593</u>	<u>968,933</u>	<u>37,164,920</u>
Non-current liabilities:				
Compensated absences	82,506	21,599	104,105	860,228
Total noncurrent liabilities	<u>82,506</u>	<u>21,599</u>	<u>104,105</u>	<u>860,228</u>
Total liabilities	<u>1,020,846</u>	<u>52,192</u>	<u>1,073,038</u>	<u>38,025,148</u>
Net position:				
Investment in capital assets	179,921	1,182,977	1,362,898	6,002,785
Restricted for:				
TABOR	433,603	88,254	521,857	197,724
Unrestricted	4,631,271	4,483,498	9,114,769	25,991,537
Total net position	<u>5,244,795</u>	<u>5,754,729</u>	<u>10,999,524</u>	<u>32,192,046</u>
Total liabilities and net position	<u>\$ 6,265,641</u>	<u>\$ 5,806,921</u>	<u>\$ 12,072,562</u>	<u>\$ 70,217,194</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal year ended June 30, 2018

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Child Care Fund	Property Management Fund	Totals	Internal Service Funds
Operating Revenues:				
Insurance premiums	\$ -	\$ -	\$ -	\$ 12,078,371
Service contracts	1,144,057	2,887,289	4,031,346	20,010,815
Tuition	7,166,250	-	7,166,250	-
Total operating revenues	<u>8,310,307</u>	<u>2,887,289</u>	<u>11,197,596</u>	<u>32,089,186</u>
Operating Expenses:				
Salaries and employee benefits	10,825,046	1,082,757	11,907,803	15,426,841
Administration services	2,072,596	140,411	2,213,007	4,562,690
Utilities	22,622	200,929	223,551	75,429
Supplies	558,812	199,316	758,128	2,432,662
Repairs and maintenance	6,097	-	6,097	5,693,963
Rent	825,971	-	825,971	-
Depreciation	18,645	156,877	175,522	5,187,612
Other	92	25,301	25,393	26,510
Claim losses	-	-	-	16,087,865
Premiums paid	-	-	-	2,028,194
Total operating expenses	<u>14,329,881</u>	<u>1,805,591</u>	<u>16,135,472</u>	<u>51,521,766</u>
Income (loss) from operations	<u>(6,019,574)</u>	<u>1,081,698</u>	<u>(4,937,876)</u>	<u>(19,432,580)</u>
Non-operating revenues (expenses):				
Reimbursement from government sponsored programs	6,066,190	-	6,066,190	-
Investment income	76,922	54,500	131,422	415,297
Loss on sale of capital assets	-	-	-	(207,108)
Total non-operating revenues (expenses)	<u>6,143,112</u>	<u>54,500</u>	<u>6,197,612</u>	<u>208,189</u>
Income (loss) before transfers and capital contributions	123,538	1,136,198	1,259,736	(19,224,391)
Transfers out to other funds	-	(1,350,000)	(1,350,000)	-
Transfers in from other funds	-	-	-	14,167,705
Change in net position	<u>123,538</u>	<u>(213,802)</u>	<u>(90,264)</u>	<u>(5,056,686)</u>
Total net position - July 1, 2017	5,121,257	5,968,531	11,089,788	37,248,732
Total net position - June 30, 2018	<u>\$ 5,244,795</u>	<u>\$ 5,754,729</u>	<u>\$ 10,999,524</u>	<u>\$ 32,192,046</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Cash Flows
Proprietary Funds
Fiscal year ended June 30, 2018

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Child Care Fund	Property Management Fund	Totals	
Cash flows from operating activities:				
Receipts from customers	\$ 8,312,482	\$ 2,767,640	\$ 11,080,122	\$ 30,471,798
Payments to employees	(10,611,367)	(1,075,274)	(11,686,641)	(15,181,801)
Payments to vendors	(3,577,529)	(582,450)	(4,159,979)	(28,713,671)
Net cash provided by (used for) operating activities	<u>(5,876,414)</u>	<u>1,109,916</u>	<u>(4,766,498)</u>	<u>(13,423,674)</u>
Cash flows from noncapital financing activities:				
Transfers received	-	-	-	14,167,705
Transfers out	-	(1,350,000)	(1,350,000)	-
Federal and state reimbursements	6,066,190	-	6,066,190	-
Net cash provided (used) by noncapital financing activities	<u>6,066,190</u>	<u>(1,350,000)</u>	<u>4,716,190</u>	<u>14,167,705</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	-	(97,677)	(97,677)	(1,780,561)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(97,677)</u>	<u>(97,677)</u>	<u>(1,780,561)</u>
Cash flows from investing activities:				
Interest received	76,922	54,500	131,422	415,297
Net cash provided by investing activities	<u>76,922</u>	<u>54,500</u>	<u>131,422</u>	<u>415,297</u>
Net increase (decrease) in cash and cash equivalents	266,698	(283,261)	(16,563)	(621,233)
Cash and cash equivalents - July 1, 2017	5,812,605	4,569,934	10,382,539	58,609,263
Cash and cash equivalents - June 30, 2018	<u>\$ 6,079,303</u>	<u>\$ 4,286,673</u>	<u>\$ 10,365,976</u>	<u>\$ 57,988,030</u>
Reconciliation of cash flows from operating activities				
Operating Income (Loss)	\$ (6,019,574)	\$ 1,081,698	\$ (4,937,876)	\$ (19,432,580)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	18,645	156,877	175,522	5,187,612
(Increase) decrease intergovernmental and other receivable	2,065	(119,649)	(117,584)	(1,600,982)
Increase in prepaid items	-	-	-	202,258
Decrease in inventories	-	-	-	(17,548)
Increase (decrease) in accounts payable	506	(13,493)	(12,987)	1,282,623
Increase (decrease) in accrued salaries, benefits and compensated absences	121,835	4,483	126,318	245,040
Increase in payroll withholding	-	-	-	596,906
Increase (decrease) in unearned revenue:	109	-	109	(16,406)
Increase in estimated liability for premiums and claims	-	-	-	129,403
Net cash provided by (used for) operating activities	<u>\$ (5,876,414)</u>	<u>\$ 1,109,916</u>	<u>\$ (4,766,498)</u>	<u>\$ (13,423,674)</u>
Noncash investing, capital, and financing activities:				
Disposal and write off of capital assets	\$ -	\$ -	\$ -	\$ 207,108

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

Notes to Basic Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

June 30, 2018

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 87,000 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), as amended by GASB Statements 39 and 61, 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 and amended by GASB No. 39 and 61. 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 and per GASB statement No. 14, paragraph 21b. 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 required to be presented as component units by the Colorado Department of Education. All charter schools are required to have individual independent audits.

Blended component unit - Jefferson County School District Finance Corporation

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

B) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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, and Grants fund) and individual enterprise funds (Child Care fund and Property Management fund) are reported as separate columns in the fund financial statements.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and 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 deferred inflows of resources when levied and as revenues when due for collection in the following year and determined to be available.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

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.

D) Fund accounting

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

- **Major governmental funds**

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

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

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

1. Child care fund - this fund accounts for all financial activities associated with the District's school-age child care and preschool program.
2. Property management fund - this fund accounts for all financial activities associated with the District's facilities.

- **Internal service funds**

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

E) Cash and investments

The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, U.S. instruments and U.S. Treasury Obligations. The District's investment in CSAFE and money market funds are recorded at amortized cost. The District records nonparticipating interest-earning investment contracts at amortized 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. Component units are included with the District's pooled cash except for Golden View Classical Academy.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Basic Financial Statements

F) Fair value measurement and application

The District adopted GASB 72 in fiscal year 2016, which addresses accounting and financial reporting issues related to fair value measurements. The fair value is the price that would be received by the District to sell an asset or paid by the District to transfer a liability in an orderly transaction between market participants and the measurement date. The fair value measurement for financial reporting at fiscal year end June 30, 2018 and the application used is determined by a hierarchy of one of three levels. Level one is the most reliable and is quoted prices in active markets for identical assets or liabilities, level two is reliable and consists of quoted prices for similar assets or liabilities, other observable inputs, interest rates, credit spreads, condition of the asset, activity level of markets for observable input, and level three is least reliable which is based on unobservable inputs. All donated assets are measured at the estimated acquisition value.

G) Restricted cash

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

H) Receivables

Property taxes levied in 2017 but not yet collected as of June 30, 2018 are identified as property taxes receivable and deferred inflows of resources if not received within sixty days of year end, and are presented net of an allowance for uncollectable taxes. Intergovernmental receivables of \$8,223,961 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, 2018, the District had \$8,046,017 and \$177,944 due from the Federal and State government, respectively, reflected as intergovernmental receivables in the accompanying basic financial statements.

I) Inventories and prepaid items

Materials and supplies inventories are stated at average cost. Inventories recorded in the Food Services fund consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated 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 - \$1,003,870 and Other Governmental funds - \$2,405,559 which includes Food Services fund.

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: Other Governmental funds - \$185,871.

J) Capital assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at acquisition value at the time of donation or at estimated acquisition value if the acquisition value is unknown. 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

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Notes to Basic Financial Statements

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 15 years
Equipment, movable	3 to 20 years
Buildings and improvements	10 to 30 years

K) Deferred outflows of resources

For current refundings and advance refundings, resulting in defeasance of debt reported by governmental activities and component units, the difference between the reacquisition and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources. The District refundings have resulted in deferred outflows of resources of \$12,937,231 and \$1,639,302 for component units. Deferred outflows of resources for pension and OPEB activity is included and referenced below (note 11 & 12).

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 position.

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 9) are serviced from property taxes and other revenues by the respective fund type from future appropriations.

M) Pension

The District participates in the School Division Trust Fund (SCHDTF), a cost sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N) 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

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Notes to Basic Financial Statements

service). As of June 30, 2018, for budgetary purposes the District restricted \$18,633,897 in the General fund, \$77,318 in the Capital Reserve Capital Projects fund, \$673,251 in Other Governmental funds, \$433,603 in the Child Care fund, \$88,254 in the Property Management fund, \$197,724 in Internal Service funds and \$2,306,601 was restricted in the Component Units Charter Schools for this purpose.

O) 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 22
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

P) Accumulated sick and personal leave and vacation

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

As of June 30, 2018, a summary of changes in accumulated vacation is as follows:

<u>Fund</u>	<u>Accumulated Vacation</u>			<u>Balance June 30, 2018</u>	<u>Due within one year</u>
	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>		
General	\$ 4,610,725	\$ 576,527	\$ (1,178,519)	\$ 4,008,733	\$ 1,336,252
Grants fund	185,036	65,409	(55,220)	195,225	65,075
Special Revenue *	522,553	99,154	(132,379)	489,328	163,109
Capital projects	199,430	27,119	(44,583)	181,966	60,655
Enterprise *	117,726	50,468	(12,039)	156,155	52,050
Internal service	<u>1,318,050</u>	<u>201,393</u>	<u>(229,100)</u>	<u>1,290,343</u>	<u>430,115</u>
	<u>\$ 6,953,520</u>	<u>\$ 1,020,070</u>	<u>\$ (1,651,840)</u>	<u>\$ 6,321,750</u>	<u>\$ 2,107,256</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 short-term portion is included in the District's accrued salaries and benefits and the long-term portion is included in compensated absences in the government-wide financial statements. *The beginning balances have been adjusted to reflect the change of the Food Service Fund from an Enterprise Fund to a Special Revenue Fund.

Q) Fund balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Fund balances are 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

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includes amounts that can be used only for the specific purposes that are limited by actions of the Board of Education, the highest level of decision-making authority at the District. The committed reserves are established during the budget appropriation process and cannot be used for other purposes without a formal board resolution. Assigned fund balance displays the District's intended use of these resources. The Board of Education executive limitations policy (EL-5), directs the Superintendent to submit the financial plan that includes any assignments for fund balance. The Superintendent or the Chief Financial Officer, as designee, is allowed by board policy to make any necessary adjustments to this assignment. Unassigned fund balance for the general fund represents the net resources in excess of the prior classifications. The District does have a formal fund balance reserve policy for all funds to establish a level of reserves above the statutorily required TABOR amount to insure a continued strong financial position. This reserve does not meet the GASB Statement No. 54 requirements for a stabilization agreement and is included in unassigned. When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions. Fund balance is adopted annually by the Board of Education during the budget process.

R) New and Future Accounting Pronouncements

The GASB issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (Statement No. 75), which revises and establishes new financial reporting requirements for state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement requires the liability of employers for defined benefit OPEB (net of OPEB liability to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees for those employees' past periods of service. Statement No. 75 is effective for fiscal year 2018. Future announcements that are being reviewed by management include GASB Statement No. 84 *Fiduciary Activities* which will take effect for financial statements beginning December 31, 2019 and GASB Statement No. 87 *Leases* that will be required to be included in financial statements starting with fiscal year December 31, 2020.

2. 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.

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. GAAP serves as the basis for budgeting.

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the superintendent and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education. Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

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Notes to Basic Financial Statements

Supplemental appropriations are approved by the Board of Education with final adopted budgets shown below. The budget and actuals for the Proprietary funds and Internal Service funds at June 30, 2018 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Child care fund	\$ 15,125,350	\$ 14,329,881	\$ 795,469
Property management fund	1,913,729	1,805,591	108,138
Central services fund	3,545,282	3,266,653	278,629
Employee benefits fund	7,056,054	6,799,516	256,538
Insurance reserve fund	14,652,019	13,074,015	1,578,004
Technology fund	28,944,447	28,381,582	562,865

3. Deposits and investments

Deposits:	Government-wide Statement of Net Position		
	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash	\$ 477,196	\$ 2,299,028	\$ 2,776,224
Restricted cash and cash held by third parties	4,025,734	12,462,672	16,488,406
Equity in pooled cash and investments	316,731,157	23,589,184	340,320,341
Investments	<u>61,590,694</u>	<u>-</u>	<u>61,590,694</u>
Total cash and investments	<u>\$ 382,824,781</u>	<u>\$ 38,350,884</u>	<u>\$ 421,175,665</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$61,258,330.

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, 2018, \$48,730,528 of the District and the discretely presented component unit's bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$48,421,639 are collateralized with securities held by the pledging financial institution through PDPA. Deposits of \$308,889 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, 2018 the District had \$3,988,734 held in trust. Jefferson County collects the property taxes for the District and holds the funds in trust until sent to the District monthly.

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Notes to Basic Financial Statements

Investments:

As of June 30, 2018, the District (including the primary government and component units, excluding Golden View Classical Academy's cash of \$2,214,928 which was held outside the Districts accounts) had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturities (yrs)</u>	<u>Ratings</u>	
			<u>S&P</u>	<u>Moody's</u>
Money Market Mutual Funds	\$ 59,169,587	Overnight	AAAm	Aaamf
CSafe	259,871,311	Under 60 days	AAAm	N/A
FFCB	4,235,299	1.81	AA+	Aaa
FNMA	5,650,242	1.55	AA+	Aaa
FHLMC	2,065,745	1.76	AA+	Aaa
FHLB	3,115,026	1.31	AA+	Aaa
US Treasury T-Notes	12,713,516	1.20	AA+	Aaa
Corporate Bonds	<u>13,096,609</u>	Average 1.03 years	20% AA+ 31% AA- 20% AA 12% A+ 9% AAA 8% A	23% Aa3 28% Aa2 11% Aa1 12% A1 8% A2 18% Aaa
	<u>\$ 359,917,335</u>			

Local Governmental Pool – The Colorado Surplus Asset Fund (CSafe) is an investment vehicle established under state statute for local governments to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing CSafe. CSafe is similar to a money market fund, with each share valued at \$1.00. As of June 30, 2018, CSafe had a balance of \$259,871,311.

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 does diversify its investments so that the impact of potential losses from any one type of security or from any one Individual issuer will be minimized. The District will minimize credit risk by limiting investments to the types of securities listed in District policy and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the District will do business in accordance with policy.

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Notes to Basic Financial Statements

Type of Security	Maximum Percentage of the Total Portfolio
U. S. Treasury Obligations	100%
Federal Instrumentality Securities	100%
Repurchase Agreements	100%
Local Government Investment Pools	100%
Money Market Mutual Funds	100%
Time Certificates of Deposit	15%
Commercial Paper and Corporate Debt	50%
Municipal Bonds	30%

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

Fair Value – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted process; Level 3 inputs are significant unobservable inputs.

The District has the following fair value measurements as of June 30, 2018:

<u>Investment by fair value level:</u>	<u>6/30/2018</u>	Fair Value Measurements Using		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate Bonds	\$ 13,096,609	\$ -	\$ 13,096,609	\$ -
Government Agencies	15,066,312	-	15,066,312	-
Government Bonds	<u>12,713,516</u>	<u>-</u>	<u>12,713,516</u>	<u>-</u>
Total Investments by fair value level	<u>40,876,437</u>	<u>\$ -</u>	<u>\$ 40,876,437</u>	<u>\$ -</u>
Investments at amortized costs	<u>319,040,898</u>			
	<u>\$ 359,917,335</u>			

4. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance				Balance
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2018</u>
Non-depreciable assets:					
Land	\$ 62,729,806	\$ -	\$ (5,536)	\$ -	\$ 62,724,270
Construction in progress	<u>54,152,769</u>	<u>42,136,711</u>	<u>(762,234)</u>	<u>(66,531,053)</u>	<u>28,996,193</u>
Total non-depreciable assets	<u>\$ 16,882,575</u>	<u>\$ 42,136,711</u>	<u>\$ (767,770)</u>	<u>\$ (66,531,053)</u>	<u>\$ 91,720,463</u>
Depreciable assets:					
Buildings and site improvements *	\$1,652,015,159	\$ 2,084,633	\$ (558,304)	\$ 66,531,053	\$ 1,720,072,541
Equipment and vehicles – Internal service funds	35,866,378	1,780,561	(4,364,915)	-	33,282,024
Equipment and vehicles *	<u>70,940,854</u>	<u>5,014,351</u>	<u>(2,440,502)</u>	<u>-</u>	<u>73,514,703</u>
Total depreciable assets	<u>\$ 1,758,822,391</u>	<u>\$ 8,879,545</u>	<u>\$ (7,363,721)</u>	<u>\$ 66,531,053</u>	<u>\$ 1,826,869,268</u>

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Notes to Basic Financial Statements

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Less accumulated depreciation for:					
Building and site improvements *	\$ (950,919,321)	\$ (58,937,384)	\$ 492,489	\$ -	\$ (1,009,364,216)
Equipment and vehicles – Internal service funds	(26,249,434)	(5,187,613)	4,157,808	-	(27,279,239)
Equipment and vehicles *	<u>(46,441,361)</u>	<u>(4,290,582)</u>	<u>1,975,758</u>	<u>-</u>	<u>(48,756,185)</u>
Total accumulated depreciation	<u>\$(1,023,610,116)</u>	<u>\$(68,415,579)</u>	<u>\$ 6,626,055</u>	<u>\$ -</u>	<u>\$(1,085,399,640)</u>
Total capital assets, net	<u>\$ 852,094,850</u>	<u>\$ 17,399,323</u>	<u>\$ (1,505,436)</u>	<u>\$ -</u>	<u>\$ 833,190,091</u>

Note: In the reconciliation of governmental funds balance sheet to statement of net position on page 37, internal service funds will be a reconciling item with the capital assets added. *The beginning balance for July 1, 2017 has been restated to reflect the change of the District’s Food Service’s Fund from a business-type activity to a governmental activity.

Business-type activities

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Equipment	\$ 456,315	\$ -	\$ (11,061)	\$ -	\$ 445,254
Accumulated depreciation	<u>(257,749)</u>	<u>(18,645)</u>	<u>11,061</u>	<u>-</u>	<u>(265,333)</u>
Total	<u>\$ 198,566</u>	<u>\$ (18,645)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,921</u>

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Equipment	\$ 2,270,781	\$ 97,677	\$ -	\$ -	\$ 2,368,458
Accumulated depreciation	<u>(1,028,604)</u>	<u>(156,877)</u>	<u>-</u>	<u>-</u>	<u>(1,185,481)</u>
Total	<u>\$ 1,242,177</u>	<u>\$ (59,200)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,182,977</u>

Total capital assets being depreciated, business-type activities	\$ 2,813,712
Accumulated depreciation	<u>(1,450,814)</u>
Business-type activities capital assets, net	<u>\$ 1,362,898</u>

Discretely presented component units

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Non-depreciable assets:					
Land	\$ 15,378,218	\$ 5,094	\$ -	\$ -	\$ 15,383,312
Construction in progress	6,407,102	<u>884,408</u>	<u>-</u>	<u>(6,373,009)</u>	<u>918,501</u>
Total Non-depreciable assets:	<u>\$ 21,785,320</u>	<u>\$ 889,502</u>	<u>\$ -</u>	<u>\$ (6,373,009)</u>	<u>\$ 16,301,813</u>
Depreciable assets:					
Buildings and equipment	\$ 99,701,877	\$ 6,178,410	\$ (48,906)	\$ 6,373,009	\$ 112,204,390
Accumulated depreciation	<u>(21,139,005)</u>	<u>(4,415,571)</u>	<u>7,225</u>	<u>-</u>	<u>(25,547,351)</u>
Total Depreciable assets:	<u>\$ 78,562,872</u>	<u>\$ 1,762,839</u>	<u>\$ (41,681)</u>	<u>\$ 6,373,009</u>	<u>\$ 86,657,039</u>
Total	<u>\$ 100,348,192</u>	<u>\$ 2,652,341</u>	<u>\$ (41,681)</u>	<u>\$ -</u>	<u>\$ 102,958,852</u>

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Notes to Basic Financial Statements

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

<u>Governmental activities:</u>	
General Administration	\$ 158,177
School Administration	8,624,511
General Instruction	48,872,228
Special Ed Instruction	307,617
Instructional Support	27,397
Operations & Maintenance	1,933,606
Transportation	3,058,358
Food Services	246,072
Capital assets held by the District's internal service funds	<u>5,187,613</u>
Total depreciation expense – governmental activities	<u>\$ 68,415,579</u>
<u>Business-type activities:</u>	
Child care	\$ 18,645
Property management	<u>156,877</u>
Total depreciation expense – business-type activities	<u>\$ 175,522</u>

Construction commitments

The District has active construction projects as of June 30, 2018. 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, 2018, are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Drake MS Addition	\$ 9,794,052	\$2,661,497
Arvada K-8 Improvements	1,126,515	2,392,062
Bell MS Upgrades	1,141,979	2,109,070
Manning School Upgrades	1,077,164	1,349,685
District Wide Lighting Improvements	368,819	1,222,909
Dunstan MS Addition	3,452,245	914,185
Oberon MS Improvements	422,632	814,866

5. Transfers

The District transfers amounts between funds to meet their operational needs and legal requirements. At June 30, 2018, the detail for these transfers from the General Fund and Property Management Fund to other funds is as follows:

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Notes to Basic Financial Statements

Transfers In (Receiving Fund)	Transfers Out (Paying Fund)		
	General Fund	Property Management Fund	Total
Campus activity fund	\$ 737,274	\$ 400,000	\$ 1,137,274
Transportation fund	17,077,193	-	17,077,193
Capital reserve capital projects fund	36,114,971	250,000	36,364,971
General Fund	-	700,000	700,000
Net transfers within funds	53,929,438	1,350,000	55,279,438
Internal service funds	14,167,705	-	14,167,705
Net transfers into the proprietary funds	14,167,705	-	14,167,705
Total Transfers out	68,097,143	1,350,000	69,447,143
Net General Fund transfers	\$ 68,097,143	\$ (700,000)	\$ 67,397,143

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

Certificates of participation terms are twenty years with interest ranging from 0.75 percent to 5 percent. Certificates of participation and capital lease obligations for the fiscal year ended June 30, 2018, are comprised of the following:

	Balance July 1, 2017	Additions	Retirements	Outstanding June 30, 2018	Current Portion
Governmental activities					
Supplemental Ret COP's 2015 Refunding	\$ 24,635,000	\$ -	\$ (2,350,000)	\$ 22,285,000	\$ 2,385,000
2016 Construction COP's	45,450,000	-	-	45,450,000	1,510,000
Less deferred amounts:					
Premiums	<u>2,697,384</u>	<u>-</u>	<u>(227,172)</u>	<u>2,470,212</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 72,782,384</u>	<u>\$ -</u>	<u>\$ (2,577,172)</u>	<u>\$ 70,205,212</u>	<u>\$ 3,895,000</u>

The 2015 COP's refunded the 2006 COP's that were issued and applied towards the Supplemental Retirement Plan unfunded actuarial accrued liability. The security for the 2015 COP's consists of four schools, the net book value as of June 30, 2018 was \$9,415,189. The 2016 COP's were issued for construction of one new elementary school and renovation of Sierra. The security consists of land and building of one high school with a net book value as of June 30, 2017 \$4,361,875.

	Balance July 1, 2017	Additions	Retirements	Outstanding June 30, 2018	Current Portion
Component unit activities:					
Component units – Buildings/Capital leases	\$ 94,462,056	\$ -	\$ (2,121,768)	\$ 92,340,288	\$ 2,549,511
Less deferred amounts:					
For discounts and premiums	<u>110,124</u>	<u>-</u>	<u>(13,356)</u>	<u>96,568</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 94,572,180</u>	<u>\$ -</u>	<u>\$ (2,135,324)</u>	<u>\$ 92,436,856</u>	<u>\$ 2,549,511</u>
Component Units - Promissory notes	<u>\$ 1,436,642</u>	<u>\$ -</u>	<u>\$ (264,648)</u>	<u>\$ 1,171,994</u>	<u>\$ 411,312</u>

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

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Notes to Basic Financial Statements

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

Capital Leases

Fiscal Year Ending <u>June 30</u>	Governmental Activities COP's		Component Units Charter Schools	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	3,895,000	2,316,378	2,549,511	4,515,671
2020	3,995,000	2,225,368	2,612,377	4,396,652
2021	4,085,000	2,123,770	19,718,400	4,274,005
2022	4,205,000	2,012,090	2,420,000	3,379,277
2023	4,340,000	1,872,358	2,550,000	3,259,510
2024-2028	19,850,000	6,678,788	14,695,000	14,271,044
2029-2033	12,580,000	3,446,197	27,585,000	8,782,484
2034-2038	14,785,000	1,243,134	11,055,000	4,430,700
2039-2043	-	-	7,955,000	1,603,986
2044-2046	-	-	1,200,000	181,025
Total	<u>\$67,735,000</u>	<u>\$21,918,081</u>	<u>\$92,340,288</u>	<u>\$49,094,353</u>

Promissory note

Fiscal Year Ending <u>June 30</u>	Component Units Charter Schools	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 411,312	\$ 55,549
2020	107,034	38,518
2021	102,251	32,724
2022	<u>551,396</u>	<u>20,943</u>
Total	<u>\$ 1,171,994</u>	<u>\$ 147,734</u>

The District has appropriated amounts from 2018 revenues in the General Fund to meet the lease payments for the COP principal and interest which is due in 2019.

7. 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, 2018 are comprised of the following:

\$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, 2024. Interest rate: 2.00% to 5.25%.	\$213,755,000
\$69,540,000 2012 Series Refunding Bonds due in semi-annual installments with annual payments of \$854,250 to \$35,024,250 through December 15, 2026. Interest rate: 3.50% to 5.00%.	69,540,000
\$99,000,000 2012 Series Bonds due in semi-annual installments with annual payments of \$271,625 to \$11,136,625 through December 15, 2032. Interest rate: 2.00% to 5.00%.	4,585,000
\$70,395,000 2017 Series Refunding Bonds due in semi-annual installments with annual payments of \$162,400 to \$10,822,400 through December 15, 2032. Interest rate: 2.00% to 3.90%.	<u>70,395,000</u>
Total	<u>\$358,275,000</u>

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Notes to Basic Financial Statements

	<u>Balance</u> <u>June 30, 2017</u>	<u>New and</u> <u>Refunding</u> <u>Issues</u>	<u>Payments &</u> <u>Amortization</u> <u>of Discount</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u>
<u>General obligation bonds:</u>					
Refunding - 2010	\$219,340,000	\$ -	\$(5,585,000)	\$213,755,000	\$27,480,000
Refunding - 2012	69,540,000	-	-	69,540,000	-
Construction - 2012	77,530,000	(72,260,000)	(685,000)	4,585,000	-
Refunding - 2015	19,815,000	-	(19,815,000)	-	-
Refunding – 2017	-	70,395,000	-	70,395,000	-
Less deferred amounts:					
Portion for Refunding		(220,848)	(1,372,411)	(1,593,259)	-
Discounts & Premiums	<u>34,932,155</u>		<u>(3,902,188)</u>	<u>31,029,967</u>	-
	<u>\$421,157,155</u>	<u>\$(2,085,848)</u>	<u>\$(31,359,599)</u>	<u>\$387,711,708</u>	<u>\$ 27,480,000</u>

Future year’s general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 27,480,000	\$ 16,630,275
2020	28,820,000	15,248,363
2021	30,245,000	13,785,425
2022	31,745,000	12,274,375
2023	33,270,000	10,385,900
2024-2028	158,000,000	26,643,475
2029-2033	<u>48,715,000</u>	<u>5,183,350</u>
Total	<u>\$ 358,275,000</u>	<u>\$ 98,966,363</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, 2018, are \$1,883,067,622 and \$1,586,056,654, respectively. Management of the District believes it is in compliance with the legal debt limit.

8. Defeased debt

In December 2017, the District issued bonds of \$70,395,000 for the purpose of refunding the long term portion of the 2012 Series Bonds. The 2012 Series Bonds have short-term maturity bonds remaining through 2022 for \$4,585,000 remaining. 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, 2018 the defeased debt and outstanding principal was \$72,260,000 and assets in trust were \$78,338,122. This advance refunding was undertaken to reduce total debt service payments through final maturity December 2030 by \$5,785,045 and resulted in an economic gain of \$4,619,202.

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9. 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 at the various risk retention levels and the purchase of appropriate excess insurance coverage above the risk retention levels.

For property insurance on wind and hail damage peril the District has a deductible of 2 percent of each building value with a \$2,500,000 stop loss. Other property perils have a \$100,000 deductible. The District retains the first \$500,000 of any liability loss, or school entity professional errors and omissions loss. The District also retains the first \$500,000 of any in state automobile liability loss and the first \$350,000 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 department and system, which provides for around-the-clock computerized monitoring of District facilities for intrusion and fire.

The cost of Insurance Reserve Fund claims and premiums are recorded when incurred. Estimates for unsettled and incurred but not reported claims in the amount of \$4,829,396 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2018. 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 Risk Solutions at the request of the District. It is contained in the Unpaid Loss and Allocated Loss Adjustment Expense Reserve Review as of June 30, 2018 for the District. The claim liability is classified as current as the bulk of the claims are expected to be settled within the year.

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

Balance July 1, 2017	\$ 4,675,500
Increase (Decrease) in estimated claims:	
Estimated property claims	(104,299)
Automobile claims	147,800
General liability claims	(92,195)
Workers' compensation claims	<u>202,590</u>
Balance June 30, 2018	<u>\$ 4,829,396</u>

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

	<u>2017</u>	<u>2018</u>
Amount of claims liabilities at July 1	\$ 3,987,591	\$ 4,675,500
Incurred claims and change in reserve	4,334,326	9,930,696
Payments on claims	<u>(3,646,417)</u>	<u>(9,776,800)</u>
Amount of claims liabilities at June 30	<u>\$ 4,675,500</u>	<u>\$ 4,829,396</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

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Notes to Basic Financial Statements

allowances. Included in the current liability total in the Employee Benefits Fund is \$258,479 and \$43,934 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2018, related to the District’s self-insured dental and vision plans respectively and \$279,592 for medical insurance and other benefit premiums. The claim liability is classified as current as the bulk of the claims are expected to be settled within the year.

	<u>2017</u>	<u>2018</u>
Amount of claims liabilities at July 1	\$ 305,694	\$ 334,874
Incurred claims and change in reserve	5,851,892	6,157,169
Payments on claims	<u>(5,822,712)</u>	<u>(6,189,630)</u>
Amount of claims liabilities at June 30	<u>\$ 334,874</u>	<u>\$ 302,413</u>

10. 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.

11. Defined Benefit Pension plan

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF’s measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and June 30, 2018*.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2017. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee’s member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of June 30, 2018: Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer contribution rate ¹	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%	5.50%
Total employer contribution rate to the SCHDTF¹	18.63%	19.13%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$92,372,774 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018 the District reported a liability of \$3,280,057,279 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension

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liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was 10.94 percent, which was a decrease of 0.21 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018 the District recognized pension expense of \$542,917,735. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$60,306,433	\$ -
Changes of assumptions or other inputs	837,520,481	5,314,702
Net difference between projected and actual earnings on pension plan investments	-	128,810,970
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,524,381	30,239,223
Contributions subsequent to the measurement date	43,860,132	-
Total	\$943,211,427	\$164,364,895

\$43,860,132 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$502,100,099
2020	283,005,917
2021	(1,660,421)
2022	(48,459,195)
2023	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension	

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plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

A discount rate of 4.78 percent was used in the roll-forward calculation of the total pension liability to the measurement date of December 31, 2017.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%

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Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SCHDTF’s fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the

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discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.48 percent higher compared to the current measurement date.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.78 percent) or 1-percentage-point higher (5.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$4,143,270,207	\$3,280,057,279	\$2,576,637,314

Pension plan fiduciary net position. Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Changes between the measurement date of the net pension liability and June 30, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

At June 30, 2018 the District reported a liability of \$3,280,057,279 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan’s year-end based on a discount

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Notes to Basic Financial Statements

rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District’s proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200(pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 1,481,901,000

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$1,531,151,000 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

12. Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member’s years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient’s eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$4,799,882 for the year ended June 30, 2018

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported a liability of \$74,902,573 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District’s proportion of the net OPEB liability was based on the Districts contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the District’s proportion was 6.21 percent, which was a decrease of 0.12 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$207,837. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 354,226	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,253,102

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Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	1,203,981
Contributions subsequent to the measurement date	2,338,596	-
Total	\$2,692,822	\$2,457,083

\$2,338,596 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$(480,220)
2020	(480,220)
2021	(480,220)
2022	(480,105)
2023	(166,915)
Thereafter	(15,177)

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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Notes to Basic Financial Statements

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.

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Notes to Basic Financial Statements

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%

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Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$72,841,715	\$74,902,573	\$77,384,744

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate

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Notes to Basic Financial Statements

of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$84,214,042	\$74,902,573	\$66,954,981

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

13. Tax Abatement

GASB issued Statement No. 77 *Tax Abatement Disclosures* that is currently in effect for fiscal year 2017. Statement No. 77 captures all abatements between a government and an individual or entity in which the government promises to forego tax revenue and the entity promises to subsequently take a specific action that contributes to the economy. The District receives the majority of its tax revenue from Jefferson County and a small portion from Broomfield County. Responses from both Jefferson County and Broomfield County state that they do not currently have any tax abatement agreements with an individual or entity in which the government promises to forego tax revenue.

14. Restatements

Effective July 1, 2017, the Food Service Fund, in accordance with the State Board of Education Financial Policies and Procedures Handbook, was reclassified from an enterprise fund to a special revenue fund. The fund balance of the Governmental Funds and net position of the governmental activities was restated to include the fund balance/net assets formerly reported in the Food Service fund. In addition, the July 1, 2017, government-wide net position has been restated due to the implementation of the provisions of GASB State No. 75 Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

Fund balance/Net Position - beginning of the year:

	Governmental Funds	Governmental Activities	Enterprise Fund	Governmental Wide	Business-Type Activities
Primary Government:					
As originally presented	\$ 245,061,093	\$ (1,321,086,825)	\$ 19,311,280	\$ (1,301,775,545)	\$ 19,311,280
Food Service Fund reclassification	6,537,675	8,221,492	(8,221,492)	-	(8,221,492)
Net OPEB liability (measurement date as of December 31, 2017)		(74,458,997)		(74,458,997)	-
As restated	<u>\$ 251,598,768</u>	<u>\$ (1,387,324,330)</u>	<u>\$ 11,089,788</u>	<u>\$ (1,376,234,542)</u>	<u>\$ 11,089,788</u>

15. Subsequent Events

Golden View Classical Academy, a charter school of the District, has applied to become part of the Charter School Institute (CSI) beginning operations in fiscal year 2019. The District has agreed to back fill the difference in mill levy override revenue for District funded per pupil amounts less what is received by CSI for a period of ten years.

Free Horizon Montessori School, a charter school of the District, has applied to the State Board of Education to change status and become a school of innovation for the District. This change was approved and the school will operate under the primary government funds in fiscal year 2019.

Required Supplementary Information

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of the District's Proportionate Share of the Net Pension Liability
Last 10 Measurement Periods (began in 2013)

	<u>2017</u>	<u>2016</u>
District's proportion (percentage) of the collective net pension liability	10.1435305492%	10.4256037294%
District's proportionate share of the collective pension liability	\$ 3,280,057,279	\$ 3,107,987,859
Covered payroll	\$ 464,620,159	\$ 466,519,811
District's proportionate share of the net pension liability as a percentage of its covered payroll	705.97%	666.21%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.10%

The amounts presented for each fiscal year were determined as of December 31.
Primary government only, does not include component units.

	<u>2015</u>	<u>2014</u>	<u>2013</u>
	10.4006569806%	10.7060040809%	11.1397491568%
\$	1,590,707,061	\$ 1,451,023,165	\$ 1,420,871,997
\$	444,493,990	\$ 448,446,768	\$ 449,164,037
	357.87%	323.57%	316.34%
	59.20%	62.80%	64.06%



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of the District's Proportionate Share of the Net OPEB Liability
Last 10 Measurement Periods (began in 2016)

	<u>2017</u>	<u>2016</u>
District's proportion (percentage) of the collective net OPEB liability	5.7635097638%	5.9259699159%
District's proportionate share of the collective OPEB liability	\$ 74,902,573	\$ 76,832,214
Covered payroll	\$ 464,620,159	\$ 466,519,811
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.12%	15.96%
Plan fiduciary net position as a percentage of the total OPEB liability	17.5%	16.7%

The amounts presented for each fiscal year were determined as of December 31.
Primary government only, does not include component units.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Pension Contributions and Related Ratios
Last 10 Fiscal Years

As of June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 87,572,892	\$ 86,576,161	\$ 80,716,775
Contributions in relation to the statutorily required contribution	<u>87,572,892</u>	<u>86,576,161</u>	<u>80,716,775</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	470,576,691	471,682,591	455,031,063
Contribution as a percentage of covered payroll	18.61%	18.35%	17.74%

The amounts presented for each fiscal year were determined as of June 30.
Primary government only, does not include component units.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	76,073,368	\$ 71,460,506	\$ 68,180,512	\$ 64,468,508	\$ 64,159,524	\$ 61,088,867	\$ 55,316,230
	<u>76,073,368</u>	<u>71,460,506</u>	<u>68,180,512</u>	<u>64,468,508</u>	<u>64,159,524</u>	<u>61,088,867</u>	<u>55,316,230</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
	450,960,315	445,953,649	450,325,361	452,971,847	478,394,132	489,243,753	479,339,659
	16.87%	16.02%	15.14%	14.23%	13.41%	12.49%	11.54%

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of OPEB Contributions and Related Ratios
Last 10 Fiscal Years

As of June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 4,799,882	\$ 4,811,163	\$ 4,641,317
Contributions in relation to the statutorily required contribution	<u>4,799,882</u>	<u>4,811,162</u>	<u>4,641,317</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	470,576,691	471,682,591	455,031,063
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%

The amounts presented for each fiscal year were determined as of June 30.
Primary government only, does not include component units.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	4,599,795	\$ 4,548,727	\$ 4,593,319	\$ 4,620,313	\$ 4,879,620	\$ 4,990,286	\$ 4,889,265
	<u>4,599,795</u>	<u>4,548,727</u>	<u>4,593,319</u>	<u>4,620,313</u>	<u>4,879,620</u>	<u>4,990,286</u>	<u>4,889,265</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
	450,960,315	445,953,649	450,325,361	452,971,847	478,394,132	489,243,753	479,339,659
	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%



Supplementary Information

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



Nonmajor Governmental Funds

Special Revenue Funds

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

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

Food and Nutrition Services Fund – This fund is used to account for all food services related to serving student meals.

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

Major Governmental Funds

Bond Redemption Debt Service

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

Capital Projects

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2018

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	Food & Nutrition Service Fund	
Assets				
Cash	\$ 105,380	\$ 500	\$ 475	\$ 106,355
Equity in pooled cash and investments	11,378,590	2,394,760	6,005,220	19,778,570
Accounts and interest receivable	9,444	99,655	28,466	137,565
Intergovernmental receivables:				
From the federal/state government	-	-	118,081	118,081
Inventories	621,670	594,580	1,189,309	2,405,559
Prepaid items	-	41,680	144,191	185,871
Total assets	<u>\$ 12,115,084</u>	<u>\$ 3,131,175</u>	<u>\$ 7,485,742</u>	<u>\$ 22,732,001</u>
Liabilities				
Accounts payable	\$ 542,796	\$ 413,775	\$ 193,772	\$ 1,150,343
Accrued salaries and benefits	122,067	2,081,140	969,720	3,172,927
Unearned revenues	49,888	-	699,465	749,353
Total liabilities	<u>714,751</u>	<u>2,494,915</u>	<u>1,862,957</u>	<u>5,072,623</u>
Fund Balances:				
Nonspendable:				
Inventory	621,670	594,580	1,189,309	2,405,559
Prepaid items	-	41,680	144,191	185,871
Restricted for:				
TABOR	673,251	-	-	673,251
Food Service			4,289,285	4,289,285
Assigned to:				
Special revenue funds	10,105,412	-		10,105,412
Total fund balance	<u>11,400,333</u>	<u>636,260</u>	<u>5,622,785</u>	<u>17,659,378</u>
Total liabilities and fund balances	<u>\$ 12,115,084</u>	<u>\$ 3,131,175</u>	<u>\$ 7,485,742</u>	<u>\$ 22,732,001</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
Fiscal year ended June 30, 2018

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	Food & Nutrition Services Fund	
Revenues:				
Intergovernmental:				
Federal government	\$ -	\$ -	\$ 10,565,249	\$ 10,565,249
State of Colorado	-	5,156,098	362,747	5,518,845
Commodities	-	-	1,713,270	1,713,270
Other:				
Interest	4,750	-	65,810	70,560
Food Sales	-	-	11,758,326	11,758,326
Student activities	6,386,810	-	-	6,386,810
Fundraising	3,073,948	-	-	3,073,948
Fees and dues	8,185,636	-	-	8,185,636
Donations	4,062,892	-	-	4,062,892
Miscellaneous	4,790,552	-	-	4,790,552
Service contracts	-	3,664,894	262,994	3,927,888
Total revenues	26,504,588	8,820,992	24,728,396	60,053,976
Expenditures:				
Current:				
General instruction	27,892,014	-	-	27,892,014
Food service operations	-	-	25,643,286	25,643,286
Transportation	-	25,829,522	-	25,829,522
Total expenditures	27,892,014	25,829,522	25,643,286	79,364,822
Excess of revenues over (under) expenditures	(1,387,426)	(17,008,530)	(914,890)	(19,310,846)
Other financing sources (uses):				
Transfers in	1,137,274	17,077,192	-	18,214,466
Total other financing sources (uses)	1,137,274	17,077,192	-	18,214,466
Excess of revenues and other financing sources over (under) expenditures	(250,152)	68,662	(914,890)	(1,096,380)
Fund balance - July 1, 2017, as restated	11,650,485	567,598	6,537,675	18,755,758
Fund balance - June 30, 2018	<u>\$ 11,400,333</u>	<u>\$ 636,260</u>	<u>\$ 5,622,785</u>	<u>\$ 17,659,378</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Bond Redemption Debt Service Fund
Fiscal year ended June 30, 2018

Bond Redemption Debt Service Fund

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 44,191,800	\$ 44,191,800	\$ 42,473,525	\$ (1,718,275)
Interest	5,000	5,000	312,009	307,009
Total taxes	<u>44,196,800</u>	<u>44,196,800</u>	<u>42,785,534</u>	<u>(1,411,266)</u>
Expenditures:				
Debt Service				
Principal retirement	26,085,000	26,085,000	26,085,000	-
Interest and fiscal charges	17,547,761	18,047,761	17,776,552	271,209
Total expenditures	<u>43,632,761</u>	<u>44,132,761</u>	<u>43,861,552</u>	<u>271,209</u>
Excess of revenues over expenditures	564,039	64,039	(1,076,018)	(1,140,057)
Other financing sources (uses):				
General obligation bond proceeds	-	70,395,000	70,395,000	-
Payment to refunded bond escow agent	-	(81,100,000)	(81,052,400)	47,600
Premium from refunding bonds	-	11,205,000	11,114,303	(90,697)
Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>456,903</u>	<u>(43,097)</u>
Excess of revenues over expenditures	<u>\$ 564,039</u>	<u>\$ 564,039</u>	(619,115)	<u>\$ (1,183,154)</u>
Fund balances - July 1, 2017			61,883,147	
Fund balances - June 30, 2018			<u>\$ 61,264,032</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Capital Reserve Capital Projects Fund
Fiscal year ended June 30, 2018

Capital Reserve Capital Projects Fund				
	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 28,000	\$ 28,000	\$ 612,341	\$ 584,341
Other	1,679,943	1,679,943	1,964,919	284,976
Total revenues	1,707,943	1,707,943	2,577,260	869,317
Expenditures:				
Capital outlay:				
Facility improvements	20,303,379	20,303,379	18,798,029	1,505,350
District utilization	1,638,457	1,638,457	1,076,410	562,047
New construction	23,577,623	28,577,623	19,565,096	9,012,527
Vehicles	638,000	638,000	635,606	2,394
Interest payment	1,716,025	1,716,025	1,718,768	(2,743)
Total expenditures	47,873,484	52,873,484	41,793,909	11,079,575
Excess of revenues over (under) expenditures	(46,165,541)	(51,165,541)	(39,216,649)	11,948,892
Other financing sources:				
Transfers in	22,364,971	36,364,971	36,364,971	-
Total other financing sources	22,364,971	36,364,971	36,364,971	-
Excess of revenues and other financing sources over (under) expenditures	\$ (23,800,570)	\$ (14,800,570)	(2,851,678)	\$ 11,948,892
Fund balance - July 1, 2017			44,932,521	
Fund balance - June 30, 2018			\$ 42,080,843	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Campus Activity Special Revenue Fund
Fiscal year ended June 30, 2018

	Campus Activity Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 4,750	\$ 4,750
Student activities	6,259,473	6,259,473	6,386,810	127,337
Fundraising	3,349,309	3,349,309	3,073,948	(275,361)
Fees and dues	7,103,927	7,453,927	8,185,636	731,709
Donations	4,101,885	4,101,885	4,062,892	(38,993)
Miscellaneous	5,151,561	5,151,561	4,790,552	(361,009)
Total revenues	<u>25,966,155</u>	<u>26,316,155</u>	<u>26,504,588</u>	<u>188,433</u>
Expenditures:				
Current:				
Athletics and activities	<u>26,255,825</u>	<u>28,755,825</u>	<u>27,892,014</u>	<u>863,811</u>
Total expenditures	<u>26,255,825</u>	<u>28,755,825</u>	<u>27,892,014</u>	<u>863,811</u>
Excess of revenues over (under) expenditures	(289,670)	(2,439,670)	(1,387,426)	1,052,244
Other financing sources:				
Transfers in	<u>1,100,000</u>	<u>1,250,000</u>	<u>1,137,274</u>	<u>(112,726)</u>
Total other financing sources (uses)	<u>1,100,000</u>	<u>1,250,000</u>	<u>1,137,274</u>	<u>(112,726)</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 810,330</u>	<u>\$ (1,189,670)</u>	(250,152)	<u>\$ 939,518</u>
Fund balance - July 1, 2017			11,650,485	
Fund balance - June 30, 2018			<u>\$ 11,400,333</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Food & Nutrition Service Special Revenue Fund
Fiscal year ended June 30, 2018

Food & Nutrition Service Fund				
Budget Amounts				Variance with
Original	Final	Actual		Final Budget - Positive (Negative)
Revenues:				
Intergovernmental:				
Federal Government	\$ 12,085,072	\$ 12,085,072	\$ 10,565,249	\$ (1,519,823)
State of Colorado	414,928	414,928	362,747	(52,181)
Commodities	1,608,277	1,608,277	1,713,270	104,993
Other:				
Food Sales	11,702,995	11,702,995	11,758,326	55,331
Service Contracts	169,892	169,892	262,994	93,102
Interest	10,380	10,380	65,810	55,430
Total revenues	25,991,544	25,991,544	24,728,396	(1,263,148)
Expenditures:				
Current:				
Purchased food	9,293,445	9,293,445	9,316,485	(23,040)
USDA commodities	1,608,277	1,608,277	1,504,206	104,071
Salaries and employee benefits	11,856,132	11,856,132	11,535,077	321,055
Administrative services	1,960,318	2,560,318	2,093,840	466,478
Supplies	1,168,499	1,168,499	1,153,748	14,751
Repairs and maintenance	55,000	55,000	32,686	22,314
Capital Outlay	-	-	7,244	(7,244)
Total expenditures	25,941,671	26,541,671	25,643,286	898,385
Excess of revenues over (under) expenditures	49,873	(550,127)	(914,890)	(364,763)
Excess of revenues and other financing sources over (under) expenditures	\$ 49,873	\$ (550,127)	(914,890)	\$ (364,763)
Fund balance - July 1, 2017, as restated			6,537,675	
Fund balance - June 30, 2018			\$ 5,622,785	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Transportation Special Revenue Fund
Fiscal year ended June 30, 2018

	Transportation Fund		
	Original & Final Budget Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Service contracts	\$ 3,679,343	\$ 3,664,894	\$ (14,449)
State of Colorado	5,054,264	5,156,098	101,834
Total revenues	8,733,607	8,820,992	87,385
Expenditures:			
Current:			
Transportation	26,674,395	25,829,522	844,873
Total expenditures	26,674,395	25,829,522	844,873
Excess of revenues over (under) expenditures	(17,940,788)	(17,008,530)	932,258
Other financing sources:			
Transfers in	17,940,788	17,077,193	(863,595)
Total other financing sources (uses)	17,940,788	17,077,193	(863,595)
Excess of revenues and other financing sources over (under) expenditures	\$ -	68,663	\$ 68,663
Fund balance - July 1, 2017		567,598	
Fund balance - June 30, 2018		\$ 636,261	

Internal Service Funds

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

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

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

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

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

<u>Assets</u>	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
	Fund	Fund	Fund
Current assets:			
Cash	\$ 300	\$ -	\$ -
Restricted cash	-	37,000	-
Equity in pooled cash and investments	1,453,730	40,368,573	8,839,405
Accounts and other receivable	16,038	14,354	1,734,432
Inventories	174,969	-	-
Prepaid items	909	-	2,095,682
Total current assets	1,645,946	40,419,927	12,669,519
Capital assets:			
Vehicles and equipment	2,677,490	-	128,448
Less accumulated depreciation	(1,467,913)	-	(128,448)
Total capital assets net of accumulated depreciation	1,209,577	-	-
Total assets	\$ 2,855,523	\$ 40,419,927	\$ 12,669,519
<u>Liabilities and Net Position</u>			
Current liabilities:			
Accounts payable	\$ 113,600	\$ -	\$ 1,414,243
Accrued salaries, benefits, and compensated absences	73,115	2,762,375	31,085
Payroll withholding	-	25,412,139	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	582,005	4,829,396
Total current liabilities	186,715	28,756,519	6,274,724
Non-current liabilities:			
Compensated absences	72,825	1,932	14,983
Total non-current liabilities	72,825	1,932	14,983
Total liabilities	259,540	28,758,451	6,289,707
<u>Net Position</u>			
Investment in capital assets	1,209,577	-	-
Restricted for:			
TABOR	1,355	2,302	193,324
Unrestricted	1,385,051	11,659,174	6,186,488
Total net position	2,595,983	11,661,476	6,379,812
Total liabilities and net position	\$ 2,855,523	\$ 40,419,927	\$ 12,669,519

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	37,000
7,289,022	57,950,730
98,429	1,863,253
	174,969
<u>2,091,566</u>	<u>4,188,157</u>
<u>9,479,017</u>	<u>64,214,409</u>
30,476,086	33,282,024
<u>(25,682,878)</u>	<u>(27,279,239)</u>
<u>4,793,208</u>	<u>6,002,785</u>
<u>\$ 14,272,225</u>	<u>\$ 70,217,194</u>

\$ 673,238	\$ 2,201,081
1,008,294	3,874,869
-	25,412,139
265,430	265,430
-	5,411,401
<u>1,946,962</u>	<u>37,164,920</u>
<u>770,488</u>	<u>860,228</u>
<u>770,488</u>	<u>860,228</u>
<u>2,717,450</u>	<u>38,025,148</u>
4,793,208	6,002,785
743	197,724
<u>6,760,824</u>	<u>25,991,537</u>
<u>11,554,775</u>	<u>32,192,046</u>
<u>\$ 14,272,225</u>	<u>\$ 70,217,194</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Fiscal year ended June 30, 2018

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Revenues:			
Insurance premiums	\$ -	\$ 5,550,861	\$ 6,527,510
Service contracts	3,489,324	-	-
Total revenues	<u>3,489,324</u>	<u>5,550,861</u>	<u>6,527,510</u>
Expenses:			
Salaries and employee benefits	932,256	72,550	575,233
Administration services	362,847	525,970	583,719
Utilities	6,766	-	-
Supplies	1,290,092	-	-
Repairs and maintenance	381,987	-	-
Depreciation	292,686	-	-
Other	19	-	-
Claim losses	-	6,157,169	9,930,696
Premiums paid	-	43,827	1,984,367
Total expenses	<u>3,266,653</u>	<u>6,799,516</u>	<u>13,074,015</u>
Income (loss) from operations	<u>222,671</u>	<u>(1,248,655)</u>	<u>(6,546,505)</u>
Non-operating revenues (expenses):			
Interest revenues	17,335	169,142	152,036
Gain (loss) on sale of capital assets	(1,926)	-	-
Total non-operating revenues (expenses)	<u>15,409</u>	<u>169,142</u>	<u>152,036</u>
Income (loss) before transfers	238,080	(1,079,513)	(6,394,469)
Transfers from the general fund	<u>-</u>	<u>-</u>	<u>5,165,929</u>
Change in net position	238,080	(1,079,513)	(1,228,540)
Net position - July 1, 2017	2,357,903	12,740,989	7,608,352
Net position - June 30, 2018	<u>\$ 2,595,983</u>	<u>\$ 11,661,476</u>	<u>\$ 6,379,812</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 12,078,371
16,521,491	20,010,815
<u>16,521,491</u>	<u>32,089,186</u>
13,846,802	15,426,841
3,090,154	4,562,690
68,663	75,429
1,142,570	2,432,662
5,311,976	5,693,963
4,894,926	5,187,612
26,491	26,510
-	16,087,865
-	2,028,194
<u>28,381,582</u>	<u>51,521,766</u>
<u>(11,860,091)</u>	<u>(19,432,580)</u>
76,784	415,297
(205,182)	(207,108)
<u>(128,398)</u>	<u>208,189</u>
(11,988,489)	(19,224,391)
<u>9,001,776</u>	<u>14,167,705</u>
(2,986,713)	(5,056,686)
14,541,488	37,248,732
<u>\$ 11,554,775</u>	<u>\$ 32,192,046</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Cash Flows
Internal Service Funds
Fiscal year ended June 30, 2018

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,490,822	\$ 5,548,534	\$ 4,916,927
Cash paid to employees	(943,529)	184,259	(578,758)
Cash paid to vendors	(2,035,086)	(6,150,720)	(11,326,925)
Net cash provided by (used for) in operating activities	<u>512,207</u>	<u>(417,927)</u>	<u>(6,988,756)</u>
Cash flows from noncapital financing activities:			
Transfers in and (out)	-	-	5,165,929
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>5,165,929</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(335,959)	-	-
Net cash (used for) capital and related financing activities	<u>(335,959)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	17,335	169,142	152,036
Net cash provided by investing activities	<u>17,335</u>	<u>169,142</u>	<u>152,036</u>
Net increase (decrease) in cash and cash equivalents	193,583	(248,785)	(1,670,791)
Cash and cash equivalents - July 1, 2017	1,260,447	40,654,358	10,510,196
Cash and cash equivalents - June 30, 2018	<u>\$ 1,454,030</u>	<u>\$ 40,405,573</u>	<u>\$ 8,839,405</u>
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ 222,671	\$ (1,248,655)	\$ (6,546,505)
Cash flows from operating activities:			
Depreciation	292,686	-	-
(Increase) decrease intergovernmental and other receivables	1,498	(2,327)	(1,610,583)
(Increase) decrease in prepaid items	(909)	3,833	(368,612)
Increase in other inventories	(17,548)	-	-
Increase (decrease) in accounts payable	25,083	-	1,386,573
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	(11,274)	256,809	(3,525)
Increase in payroll withholding	-	596,906	-
Decrease in unearned revenues	-	-	-
Increase in estimated liability for premiums and claims	-	(24,493)	153,896
Net cash provided by (used for) in operating activities	<u>\$ 512,207</u>	<u>\$ (417,927)</u>	<u>\$ (6,988,756)</u>
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ 1,926	\$ -	\$ -

Technology Fund	Governmental Activities - Internal Service Funds
\$ 16,515,515	\$ 30,471,798
(13,843,773)	(15,181,801)
(9,200,940)	(28,713,671)
<u>(6,529,198)</u>	<u>(13,423,674)</u>
9,001,776	14,167,705
<u>9,001,776</u>	<u>14,167,705</u>
(1,444,602)	(1,780,561)
<u>(1,444,602)</u>	<u>(1,780,561)</u>
76,784	415,297
<u>76,784</u>	<u>415,297</u>
1,104,760	(621,233)
6,184,262	58,609,263
<u>\$ 7,289,022</u>	<u>\$ 57,988,030</u>
\$ (11,860,091)	\$ (19,432,580)
4,894,926	5,187,612
10,430	(1,600,982)
567,946	202,258
-	(17,548)
(129,033)	1,282,623
3,030	245,040
-	596,906
(16,406)	(16,406)
-	129,403
<u>\$ (6,529,198)</u>	<u>\$ (13,423,674)</u>
\$ 205,182	\$ 207,108



Component Units

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Net Position
Component Units
June 30, 2018

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Golden	Compass Montessori - Wheat Ridge	Doral Academy	Excel Charter School	Free Horizon	Golden View Classical Academy	Great Work Montessori
Assets									
Cash	\$ 1,500	\$ 1,000	\$ 59,389	\$ 400	\$ 500	\$ 500	\$ -	\$ 2,214,928	\$ 257
Restricted cash for debt service and deposits	1,077,299	732,189	753,106	-	-	626,118	631,678	-	-
Restricted cash for TABOR	165,932	88,742	106,804	83,831	61,845	128,485	107,138	-	26,347
Equity in pooled cash and investments	1,606,570	476,133	1,022,411	913,101	204,485	2,563,037	1,310,801	-	72,899
Accounts receivable	-	-	450	-	-	199	2,646	22,661	-
Inventory	-	-	-	-	-	-	-	3,321	-
Prepaid Items	-	-	-	-	1,550	-	-	-	-
Capital assets									
Land and construction in progress	4,875,000	650,000	1,042,017	276,422	-	235,981	820,874	24,107	-
Depreciable assets	11,783,848	6,109,877	5,136,322	193,813	271,978	5,303,548	6,000,671	2,423,035	-
Accumulated depreciation	(257,816)	(2,829,052)	(2,165,115)	(45,741)	(83,193)	(2,248,225)	(1,555,991)	(439,135)	-
Total capital assets	16,401,032	3,930,825	4,013,224	424,494	188,785	3,291,304	5,265,554	2,008,007	-
Total assets	\$ 19,252,333	\$ 5,228,889	\$ 5,955,384	\$ 1,421,826	\$ 457,165	\$ 6,609,643	\$ 7,317,817	\$ 4,248,917	\$ 99,503
Deferred outflows of resources									
Loss on refunding	-	-	340,445	-	-	479,094	-	-	-
Pension									
Cont after measurement date	239,981	157,638	168,889	144,716	92,662	205,503	195,616	249,861	64,737
Change in assumptions	4,059,260	2,830,872	3,370,673	2,821,761	1,604,868	4,054,877	3,687,910	3,613,635	621,103
Change in investment earnings	-	-	-	-	-	-	-	-	-
Change in proportionate share	7,388	5,152	6,135	5,136	2,921	7,380	6,712	2,460,917	1,130
Change in experience	292,291	203,840	242,708	203,184	115,560	291,975	265,551	260,202	44,723
OPEB									
Cont after measurement date	12,796	8,406	9,005	7,716	4,941	10,957	10,430	13,322	3,452
Change in proportionate share	-	-	-	-	-	-	-	36,530	-
Change in experience	1,717	1,197	1,426	1,193	679	1,715	1,560	1,528	263
Total deferred outflows	\$ 4,613,433	\$ 3,207,105	\$ 4,139,281	\$ 3,183,706	\$ 1,821,631	\$ 5,051,501	\$ 4,167,779	\$ 6,635,995	\$ 735,408
Liabilities									
Accounts payable	62,772	740	24,294	89,529	20,973	67,906	20,725	37,335	13,803
Accrued salaries and benefits	300,681	162,925	153,434	99,819	45,614	181,205	204,727	253,489	34,652
Unearned revenues	3,650	1,900	102,130	135,181	-	19,470	184,088	-	-
Accrued interest	67,699	11,029	104,791	-	327	15,558	13,637	-	-
Long term liabilities									
Due within 1 year	335,000	295,000	182,620	-	374,511	245,000	130,000	-	-
Due in more than 1 year	17,710,000	4,889,955	4,846,829	-	115,777	5,327,994	5,674,446	-	-
Net Pension/OPEB liability	16,260,680	11,339,975	13,502,325	11,303,479	6,428,818	16,243,123	14,773,121	14,475,588	2,488,030
Total liabilities	\$ 34,740,482	\$ 16,701,524	\$ 18,916,423	\$ 11,628,008	\$ 6,986,020	\$ 22,100,256	\$ 21,000,744	\$ 14,766,412	\$ 2,536,485
Deferred inflows of resources									
Pension									
Change in proportionate share	146,562	102,210	121,700	101,882	57,945	146,404	133,154	-	22,425
Change in investment earnings	624,316	435,389	518,411	433,988	246,830	623,641	567,202	589,881	95,526
Change in experience	-	-	-	-	-	-	-	22,932	-
Change in assumptions	25,759	17,964	21,389	17,906	10,184	25,731	23,403	-	3,941
OPEB									
Change in proportionate share	5,836	4,070	4,846	4,056	2,307	5,829	5,302	-	893
Change in investment earnings	6,073	4,236	5,043	4,222	2,402	6,067	5,518	5,407	929
Total deferred inflows	\$ 808,546	\$ 563,869	\$ 671,389	\$ 562,054	\$ 319,668	\$ 807,672	\$ 734,579	\$ 618,220	\$ 123,714
Net Position									
Net investment in capital assets	(671,672)	(677,955)	(224,782)	424,495	(301,504)	(1,353,528)	(71,104)	2,008,007	-
Restricted for:									
Capital projects	398,083	-	-	-	-	-	-	-	-
Debt service	611,517	721,160	648,315	-	(327)	610,560	618,040	-	-
TABOR	165,932	88,742	106,804	83,831	61,845	128,485	107,138	180,000	26,347
Unrestricted	(12,187,122)	(8,961,346)	(10,023,484)	(8,092,856)	(4,786,906)	(10,632,301)	(10,903,801)	(6,687,727)	(1,851,635)
Total net position	\$ (11,683,262)	\$ (8,829,399)	\$ (9,493,147)	\$ (7,584,530)	\$ (5,026,892)	\$ (11,246,784)	\$ (10,249,727)	\$ (4,499,720)	\$ (1,825,288)

Jefferson Academy	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
\$ 1,300	\$ 17,139	\$ 500	\$ -	\$ 300	\$ 300	\$ 15	\$ 500	\$ 500	2,299,028
1,801,183	788,564	865,440	1,162,187	-	595,371	-	529,148	773,788	10,336,071
421,711	177,621	123,327	138,126	65,965	57,752	78,953	115,566	178,456	2,126,601
5,727,707	2,270,193	1,247,050	747,574	1,051,600	462,965	416,020	412,661	3,083,977	23,589,184
-	-	2,518	12	136,253	-	147,063	-	-	311,802
-	-	-	-	-	-	-	836	416	4,573
-	-	-	-	-	-	-	-	-	1,550
2,366,661	2,685,452	1,099,229	830,000	-	79,925	92,058	258,000	966,087	16,301,813
22,893,906	8,336,165	4,857,879	5,429,782	275,702	5,146,406	12,400,469	4,025,312	11,615,677	112,204,390
(4,528,491)	(1,305,563)	(2,173,717)	(756,105)	(250,060)	(2,226,704)	(1,239,330)	(258,645)	(3,184,468)	(25,547,351)
20,732,076	9,716,054	3,783,391	5,503,677	25,642	2,999,627	11,253,197	4,024,667	9,397,296	102,958,852
\$ 28,683,977	\$ 12,969,571	\$ 6,022,226	\$ 7,551,576	\$ 1,279,760	\$ 4,116,015	\$ 11,895,248	\$ 5,083,378	\$ 13,434,433	141,627,661
-	132,012	605,837	-	-	81,914	-	-	-	1,639,302
663,434	295,768	209,891	228,674	88,154	109,390	131,196	212,592	265,593	3,724,295
12,654,476	5,673,742	4,076,767	4,583,943	1,696,737	2,399,055	2,527,010	3,998,965	4,891,156	69,166,810
-	-	-	-	-	-	-	-	-	-
23,033	10,327	7,420	8,343	3,088	4,367	4,599	7,279	8,902	2,580,229
911,197	408,543	293,551	330,071	122,175	172,746	181,960	287,949	352,192	4,980,418
35,374	15,770	11,191	12,193	4,701	5,833	6,995	11,335	14,161	198,578
-	-	-	-	-	-	-	-	-	36,530
5,352	2,400	1,724	1,939	718	1,015	1,069	1,691	2,069	29,255
\$ 14,292,866	\$ 6,538,562	\$ 5,206,381	\$ 5,165,163	\$ 1,915,573	\$ 2,774,320	\$ 2,852,829	\$ 4,519,811	\$ 5,534,073	82,355,417
295,591	59,171	14,944	26,627	54,342	5,520	46,214	17,095	69,240	926,821
653,840	264,243	189,959	-	78,270	113,990	141,405	143,237	130,846	3,152,336
21,300	43,068	8,550	70,755	-	-	-	-	29,308	619,400
120,187	107,128	53,851	120,575	-	51,054	-	23,375	20,168	709,379
470,000	248,692	200,000	105,000	-	135,000	-	65,000	175,000	2,960,823
18,765,000	7,495,954	5,710,000	6,603,706	-	4,380,972	-	4,465,000	4,662,394	90,648,027
50,691,610	22,728,011	16,330,811	18,362,468	6,796,831	9,610,192	10,122,758	16,019,151	19,593,112	277,070,083
\$ 71,017,528	\$ 30,946,267	\$ 22,508,115	\$ 25,289,131	\$ 6,929,443	\$ 14,296,728	\$ 10,310,377	\$ 20,732,858	\$ 24,680,068	376,086,869
456,898	204,854	147,194	165,506	61,262	86,619	91,239	144,385	176,598	2,366,837
1,946,263	872,624	627,008	705,012	260,959	368,976	388,655	615,042	752,262	10,671,985
-	-	-	-	-	-	-	-	-	22,932
80,302	36,004	25,870	29,089	10,767	15,224	16,036	25,376	31,038	415,983
18,191	8,156	5,861	6,590	2,439	3,449	3,633	5,749	7,031	94,238
18,934	8,489	6,100	6,859	2,539	3,589	3,781	5,983	7,318	103,489
\$ 2,520,588	\$ 1,130,127	\$ 812,033	\$ 913,056	\$ 337,966	\$ 477,857	\$ 503,344	\$ 796,535	\$ 974,247	13,675,464
2,698,714	2,581,051	(994,005)	(618,465)	25,642	(1,043,832)	11,253,196	(158,224)	4,983,468	17,859,502
-	-	-	-	-	-	-	-	-	398,083
1,680,996	681,436	811,589	1,041,612	-	544,317	-	505,773	753,620	9,228,608
421,711	177,621	123,327	138,126	65,965	57,752	78,953	115,566	178,456	2,306,601
(35,362,694)	(16,008,369)	(12,032,452)	(14,046,721)	(4,163,683)	(7,442,487)	(7,397,793)	(12,389,319)	(12,601,353)	(195,572,049)
\$ (30,561,273)	\$ (12,568,261)	\$ (12,091,541)	\$ (13,485,448)	\$ (4,072,076)	\$ (7,884,250)	\$ 3,934,356	\$ (11,926,204)	\$ (6,685,809)	(165,779,255)



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Activities
Component Units
Fiscal year ended June 30, 2018

Schools	Expenses	Charges For Services	Net Expenses	General Revenues	Change in net position	Net position beginning*	Net position ending
Addenbrooke Classical Academy	\$ 14,938,148	\$ 489,600	\$ (14,448,548)	\$ 5,974,274	\$ (8,474,274)	\$ (3,208,988)	\$ (11,683,262)
Collegiate Academy of Colorado	6,209,408	196,248	(6,013,160)	3,275,362	(2,737,798)	(6,091,601)	(8,829,399)
Compass Montessori - Golden	7,376,039	756,706	(6,619,333)	3,406,360	(3,212,973)	(6,280,174)	(9,493,147)
Compass Montessori - Wheat Ridge	5,326,769	1,188,444	(4,138,325)	2,006,205	(2,132,120)	(5,452,410)	(7,584,530)
Doral Academy	6,108,237	78,749	(6,029,488)	1,983,829	(4,045,659)	(981,233)	(5,026,892)
Excel Charter School	8,271,041	419,285	(7,851,756)	4,604,425	(3,247,331)	(7,999,453)	(11,246,784)
Free Horizon	8,419,719	997,150	(7,422,569)	3,025,576	(4,396,993)	(5,852,734)	(10,249,727)
Golden View Classical Academy	9,489,361	168,342	(9,321,019)	5,809,300	(3,511,719)	(988,001) *	(4,499,720)
Great Work Montessori	3,164,952	816,810	(2,348,142)	522,854	(1,825,288)	-	(1,825,288)
Jefferson Academy	30,252,893	1,046,196	(29,206,697)	15,367,279	(13,839,418)	(16,721,855)	(30,561,273)
Lincoln Academy Charter School	13,285,470	486,762	(12,798,708)	6,397,746	(6,400,962)	(6,167,299)	(12,568,261)
Montessori Peaks	8,104,103	954,109	(7,149,994)	3,786,884	(3,363,110)	(8,728,431)	(12,091,541)
Mountain Phoenix	11,007,457	839,022	(10,168,435)	4,424,881	(5,743,554)	(7,741,894)	(13,485,448)
New America	4,098,256	296,992	(3,801,264)	2,217,046	(1,584,218)	(2,487,858)	(4,072,076)
Rocky Mountain Academy Evergreen	2,867,666	389,242	(2,478,424)	2,047,315	(431,109)	(7,453,141)	(7,884,250)
Rocky Mountain Deaf School	5,024,774	1,932,585	(3,092,189)	829,546	(2,262,643)	6,196,999	3,934,356
Two Roads High School	9,904,231	323,737	(9,580,494)	4,197,895	(5,382,599)	(6,543,605)	(11,926,204)
Woodrow Wilson Academy	11,109,762	545,520	(10,564,242)	6,349,995	(4,214,247)	(2,471,562)	(6,685,809)
Total	<u>\$ 164,958,286</u>	<u>\$ 11,925,499</u>	<u>\$ (153,032,787)</u>	<u>\$ 76,226,772</u>	<u>\$ (76,806,015)</u>	<u>\$ (88,973,240)</u>	<u>\$ (165,779,255)</u>

*restated to include GASB 75 required restatement of PERA other post employment benefits

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
All Component Units
Combining Balance Sheet
June 30, 2018

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Golden	Compass Montessori - Wheat Ridge	Doral Academy	Excel Charter School	Free Horizon	Golden View Classical Academy	Great Work Montessori
Assets:									
Cash	\$ 1,500	\$ 1,000	\$ 59,389	\$ 400	\$ 500	\$ 500	\$ -	\$ 2,214,928	\$ 257
Deposits	-	-	-	-	-	-	-	-	-
Restricted Cash	1,243,231	820,931	859,910	83,831	61,845	754,603	738,816	-	26,347
Equity in pooled cash and investments	1,606,570	476,133	1,022,411	913,101	204,485	2,563,037	1,310,801	-	72,899
Accounts, notes, contracts, and interest receivable	-	-	450	-	-	199	2,646	22,661	-
Inventory	-	-	-	-	-	-	-	3,321	-
Prepaid Items	-	-	-	-	1,550	-	-	-	-
Total Assets	\$ 2,851,301	\$ 1,298,064	\$ 1,942,160	\$ 997,332	\$ 268,380	\$ 3,318,339	\$ 2,052,263	\$ 2,240,910	\$ 99,503
Liabilities and fund balances (deficit)									
Liabilities:									
Accounts and retainages payable	62,772	740	24,294	89,529	20,973	67,906	20,725	37,335	13,803
Accrued salaries, benefits, and compensated absences	300,681	162,925	153,434	99,819	45,614	181,205	204,727	253,489	34,652
Unearned revenues	3,650	1,900	102,130	135,181	-	19,470	184,088	-	-
Total Liabilities	\$ 367,103	\$ 165,565	\$ 279,858	\$ 324,529	\$ 66,587	\$ 268,581	\$ 409,540	\$ 290,824	\$ 48,455
Fund balances:									
Restricted for:									
TABOR	165,932	88,742	106,804	83,831	61,845	128,485	107,138	180,000	26,347
Inventory	-	-	-	-	-	-	-	3,321	-
Debt service	679,216	732,189	753,106	-	-	626,118	631,678	-	-
Construction	398,083	-	-	-	-	-	-	-	-
Unassigned	1,240,967	311,568	802,392	588,972	139,948	2,295,155	903,907	1,766,765	24,701
Total fund balances (deficit)	2,484,198	1,132,499	1,662,302	672,803	201,793	3,049,758	1,642,723	1,950,086	51,048
Total liabilities and fund balances	\$ 2,851,301	\$ 1,298,064	\$ 1,942,160	\$ 997,332	\$ 268,380	\$ 3,318,339	\$ 2,052,263	\$ 2,240,910	\$ 99,503
Amounts reported for component unit activities in the statement of net position are different because:									
Component units total fund balance	\$ 2,484,198	\$ 1,132,499	\$ 1,662,302	\$ 672,803	\$ 201,793	\$ 3,049,758	\$ 1,642,723	\$ 1,950,086	\$ 51,048
Add: Capital assets	16,658,849	6,759,877	6,178,339	470,236	271,978	5,539,529	6,821,545	2,447,142	-
Deferred outflows - Loss on refunding	-	-	340,445	-	-	479,094	-	-	-
Pension									
Deferred outflows - Cont after measurement	239,981	157,638	168,889	144,716	92,662	205,503	195,616	249,861	64,737
Deferred outflows - change in assumptions	4,059,260	2,830,872	3,370,673	2,821,761	1,604,868	4,054,877	3,687,910	3,613,635	621,103
Deferred outflows - Change in investment earn	-	-	-	-	-	-	-	-	-
Deferred outflows - Change in proportion share	7,388	5,152	6,135	5,136	2,921	7,380	6,712	2,460,917	1,130
Deferred outflows - Change in experience	292,291	203,840	242,708	203,184	115,560	291,975	265,551	260,202	44,723
OPEB									
Deferred outflows - Cont after measurement	12,796	8,406	9,005	7,716	4,941	10,957	10,430	13,322	3,452
Deferred outflows - Change in proportion share	-	-	-	-	-	-	-	36,530	-
Deferred outflows - Change in experience	1,717	1,197	1,426	1,193	679	1,715	1,560	1,528	263
Less: Accumulated depreciation	(257,816)	(2,829,052)	(2,165,115)	(45,741)	(83,193)	(2,248,225)	(1,555,991)	(439,135)	-
Long-term liabilities	(18,045,000)	(5,184,955)	(5,029,449)	0	(490,288)	(5,572,994)	(5,804,446)	-	-
Accrued interest	(67,699)	(11,029)	(104,791)	0	(327)	(15,558)	(13,637)	0	0
Pension									
Deferred inflows - Change in proportion share	(146,562)	(102,210)	(121,700)	(101,882)	(57,945)	(146,404)	(133,154)	-	(22,425)
Deferred inflows - Change in investment earnings	(624,316)	(435,389)	(518,411)	(433,988)	(246,830)	(623,641)	(567,202)	(589,881)	(95,526)
Deferred inflows - Change in experience	-	-	-	-	-	-	-	(22,932)	-
Deferred inflows - Change in assumptions	(25,759)	(17,964)	(21,389)	(17,906)	(10,184)	(25,731)	(23,403)	-	(3,941)
Pension liability	(15,897,646)	(11,086,800)	(13,200,873)	(11,051,119)	(6,285,289)	(15,880,480)	(14,443,297)	(14,152,407)	(2,432,482)
OPEB									
Deferred inflows - Change in proportion share	(5,836)	(4,070)	(4,846)	(4,056)	(2,307)	(5,829)	(5,302)	-	(893)
Deferred inflows - Change in investment earnings	(6,073)	(4,236)	(5,043)	(4,222)	(2,402)	(6,067)	(5,518)	(5,407)	(929)
OPEB liability	(363,035)	(253,175)	(301,452)	(252,361)	(143,529)	(362,643)	(329,824)	(323,181)	(55,548)
Net position of component unit activities	\$(11,683,262)	\$(8,829,399)	\$(9,493,147)	\$(7,584,530)	\$(5,026,892)	\$(11,246,784)	\$(10,249,727)	\$(4,499,720)	\$(1,825,288)

Jefferson Academy	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
\$ 1,300	\$ 17,139	\$ 500	\$ -	\$ 300	\$ 300	\$ 15	\$ 500	\$ 500	2,299,028
2,222,894	966,185	988,767	1,300,313	65,965	653,123	78,953	644,714	952,244	12,462,672
5,727,707	2,270,193	1,247,050	747,574	1,051,600	462,965	416,020	412,661	3,083,977	23,589,184
-	-	2,518	12	136,253	-	147,063	-	-	311,802
-	-	-	-	-	-	-	836	416	4,573
-	-	-	-	-	-	-	-	-	1,550
<u>\$ 7,951,901</u>	<u>\$ 3,253,517</u>	<u>\$ 2,238,835</u>	<u>\$ 2,047,899</u>	<u>\$ 1,254,118</u>	<u>\$ 1,116,388</u>	<u>\$ 642,051</u>	<u>\$ 1,058,711</u>	<u>\$ 4,037,137</u>	<u>38,668,809</u>
295,591	59,171	14,944	26,627	54,342	5,520	46,214	17,095	69,240	926,821
653,840	264,243	189,959	-	78,270	113,990	141,405	143,237	130,846	3,152,336
21,300	43,068	8,550	70,755	-	-	-	-	29,308	619,400
<u>\$ 970,731</u>	<u>\$ 366,482</u>	<u>\$ 213,453</u>	<u>\$ 97,382</u>	<u>\$ 132,612</u>	<u>\$ 119,510</u>	<u>\$ 187,619</u>	<u>\$ 160,332</u>	<u>\$ 229,394</u>	<u>4,698,557</u>
421,711	177,621	123,327	138,126	65,965	57,752	78,953	115,566	178,456	2,306,601
1,801,183	788,564	865,440	1,162,187	-	595,371	-	529,148	773,788	9,937,988
-	-	-	-	-	-	-	-	-	398,083
4,758,276	1,920,850	1,036,615	650,204	1,055,541	343,755	375,479	253,665	2,855,499	21,324,259
6,981,170	2,887,035	2,025,382	1,950,517	1,121,506	996,878	454,432	898,379	3,807,743	33,970,252
<u>\$ 7,951,901</u>	<u>\$ 3,253,517</u>	<u>\$ 2,238,835</u>	<u>\$ 2,047,899</u>	<u>\$ 1,254,118</u>	<u>\$ 1,116,388</u>	<u>\$ 642,051</u>	<u>\$ 1,058,711</u>	<u>\$ 4,037,137</u>	<u>38,668,809</u>
\$ 6,981,170	\$ 2,887,035	\$ 2,025,382	\$ 1,950,517	\$ 1,121,506	\$ 996,878	\$ 454,432	\$ 898,379	\$ 3,807,743	33,970,252
25,260,567	11,021,618	5,957,107	6,259,782	275,702	5,226,331	12,492,527	4,283,311	12,581,764	128,506,204
-	132,012	605,837	-	-	81,914	-	-	-	1,639,302
663,434	295,768	209,891	228,674	88,154	109,390	131,196	212,592	265,593	3,724,295
12,654,476	5,673,742	4,076,767	4,583,943	1,696,737	2,399,055	2,527,010	3,998,965	4,891,156	69,166,810
-	-	-	-	-	-	-	-	-	-
23,033	10,327	7,420	8,343	3,088	4,367	4,599	7,279	8,902	2,580,229
911,197	408,543	293,551	330,071	122,175	172,746	181,960	287,949	352,192	4,980,418
35,374	15,770	11,191	12,193	4,701	5,833	6,995	11,335	14,161	198,578
-	-	-	-	-	-	-	-	-	36,530
5,352	2,400	1,724	1,939	718	1,015	1,069	1,691	2,069	29,255
(4,528,491)	(1,305,563)	(2,173,717)	(756,105)	(250,060)	(2,226,704)	(1,239,330)	(258,645)	(3,184,468)	(25,547,351)
(19,235,000)	(7,744,646)	(5,910,000)	(6,708,706)	-	(4,515,972)	-	(4,530,000)	(4,837,394)	(93,608,850)
(120,187)	(107,128)	(53,851)	(120,575)	0	(51,054)	0	(23,375)	(20,168)	(709,379)
(456,898)	(204,854)	(147,194)	(165,506)	(61,262)	(86,619)	(91,239)	(144,385)	(176,598)	(2,366,837)
(1,946,263)	(872,624)	(627,008)	(705,012)	(260,959)	(368,976)	(388,655)	(615,042)	(752,262)	(10,671,985)
-	-	-	-	-	-	-	-	-	(22,932)
(80,302)	(36,004)	(25,870)	(29,089)	(10,767)	(15,224)	(16,036)	(25,376)	(31,038)	(415,983)
(49,559,872)	(22,220,588)	(15,966,211)	(17,952,509)	(6,645,085)	(9,395,635)	(9,896,757)	(15,661,508)	(19,155,678)	(270,884,236)
(18,191)	(8,156)	(5,861)	(6,590)	(2,439)	(3,449)	(3,633)	(5,749)	(7,031)	(94,238)
(18,934)	(8,489)	(6,100)	(6,859)	(2,539)	(3,589)	(3,781)	(5,983)	(7,318)	(103,489)
(1,131,738)	(507,424)	(364,599)	(409,959)	(151,746)	(214,557)	(226,001)	(357,642)	(437,434)	(6,185,848)
<u>\$ (30,561,273)</u>	<u>\$ (12,568,261)</u>	<u>\$ (12,091,541)</u>	<u>\$ (13,485,448)</u>	<u>\$ (4,072,076)</u>	<u>\$ (7,884,250)</u>	<u>\$ 3,934,356</u>	<u>\$ (11,926,204)</u>	<u>\$ (6,685,809)</u>	<u>(165,779,255)</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, 2018

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Golden	Compass Montessori - Wheat Ridge	Doral Academy	Excel Charter School	Free Horizon	Golden View Classical Academy
Revenues:								
Intergovernmental	\$ 5,974,274	\$ 3,275,362	\$ 3,406,360	\$ 2,006,205	\$ 1,983,829	\$ 4,604,425	\$ 3,025,576	\$ 5,615,514
Other revenue	489,600	196,248	756,706	1,188,444	78,749	419,285	997,150	362,128
Total revenues	<u>6,463,874</u>	<u>3,471,610</u>	<u>4,163,066</u>	<u>3,194,649</u>	<u>2,062,578</u>	<u>5,023,710</u>	<u>4,022,726</u>	<u>5,977,642</u>
Expenditures:								
Current:								
Salaries and benefits	3,530,420	2,286,983	2,408,443	2,092,973	1,240,357	3,039,032	2,769,116	3,129,219
Purchased services	1,454,297	620,004	860,563	553,849	588,658	865,326	621,712	1,820,442
Materials and supplies	314,228	150,083	250,705	168,554	83,697	303,000	137,576	402,450
Capital outlay	1,054,869	-	52,814	268,104	-	53,550	-	190,180
Debt service	812,025	563,950	462,059	-	89,682	429,100	457,306	-
Total other instructional programs	<u>7,165,839</u>	<u>3,621,020</u>	<u>4,034,584</u>	<u>3,083,480</u>	<u>2,002,394</u>	<u>4,690,008</u>	<u>3,985,710</u>	<u>5,542,291</u>
Excess of revenues over (under) expenditures	(701,965)	(149,410)	128,482	111,169	60,184	333,702	37,016	435,351
Other Financing Sources (uses):								
Other financing sources - capital leases	-	-	-	-	-	-	-	-
Other financing uses - refunding capital leases	-	-	-	-	-	-	-	-
Other financing sources - premium	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and other Financing Sources Over (Under) Expenditures	(701,965)	(149,410)	128,482	111,169	60,184	333,702	37,016	435,351
Fund balance (deficit) - July 1, 2017	3,186,163	1,281,909	1,533,820	561,634	141,609	2,716,056	1,605,707	1,514,735
Fund balance (deficit) - June 30, 2018	<u>\$ 2,484,198</u>	<u>\$ 1,132,499</u>	<u>\$ 1,662,302</u>	<u>\$ 672,803</u>	<u>\$ 201,793</u>	<u>\$ 3,049,758</u>	<u>\$ 1,642,723</u>	<u>\$ 1,950,086</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	\$ (701,965)	\$ (149,410)	\$ 128,482	\$ 111,169	\$ 60,184	\$ 333,702	\$ 37,016	\$ 435,351
Less: Depreciation expense	(240,093)	(234,161)	(190,428)	(8,570)	(83,193)	(187,605)	(259,689)	(278,470)
Loss on disposal of assets	-	-	-	-	-	-	-	-
Contributions for GVCA	-	-	-	-	-	-	-	-
Other sources - debt and amortization of premiums and discounts	-	(1,927)	-	-	-	19,871	3,609	-
Deferred outflow loss on refunding	-	-	(18,914)	-	-	(30,909)	-	-
Change in accrued interest	-	594	3,317	-	112	40	208	-
Pension expense	(8,487,095)	(2,606,273)	(3,353,434)	(2,497,062)	(4,259,474)	(3,653,830)	(4,284,642)	(3,787,713)
OPEB expense	(99,990)	(31,621)	(6,721)	(5,761)	(97,034)	(22,150)	(18,495)	(9,250)
Add: Net capital outlay asset additions	1,054,869	-	52,814	268,104	271,978	53,550	-	128,363
Principal payment on long-term liabilities	-	285,000	171,911	-	61,768	240,000	125,000	-
Change in net position of component unit activities	<u>\$ (8,474,274)</u>	<u>\$ (2,737,798)</u>	<u>\$ (3,212,973)</u>	<u>\$ (2,132,120)</u>	<u>\$ (4,045,659)</u>	<u>\$ (3,247,331)</u>	<u>\$ (4,396,993)</u>	<u>\$ (3,511,719)</u>

Great Work Montessori	Jefferson Academy	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
\$ 522,854	\$ 15,367,279	\$ 6,397,746	\$ 3,786,884	\$ 4,424,881	\$ 2,217,046	\$ 2,047,315	\$ 829,546	\$ 4,197,895	\$ 6,349,995	76,032,986
816,810	1,046,196	486,762	954,109	839,022	296,992	389,242	1,932,585	323,737	545,520	12,119,285
<u>1,339,664</u>	<u>16,413,475</u>	<u>6,884,508</u>	<u>4,740,993</u>	<u>5,263,903</u>	<u>2,514,038</u>	<u>2,436,557</u>	<u>2,762,131</u>	<u>4,521,632</u>	<u>6,895,515</u>	<u>88,152,271</u>
1,030,979	9,344,700	4,422,323	2,964,437	3,462,338	1,196,754	1,468,529	2,006,592	2,840,299	3,681,804	52,915,298
194,583	3,176,231	1,134,659	751,782	930,553	1,104,011	577,668	439,498	944,122	1,042,407	17,680,365
63,054	1,086,358	258,794	165,964	263,806	78,378	66,630	123,376	164,865	421,359	4,502,877
-	2,117,062	52,856	11,979	61,780	-	-	10,584	172,535	2,771,642	6,817,955
-	1,184,649	774,249	523,365	585,800	-	435,666	-	343,650	416,369	7,077,870
<u>1,288,616</u>	<u>16,909,000</u>	<u>6,642,881</u>	<u>4,417,527</u>	<u>5,304,277</u>	<u>2,379,143</u>	<u>2,548,493</u>	<u>2,580,050</u>	<u>4,465,471</u>	<u>8,333,581</u>	<u>88,994,365</u>
51,048	(495,525)	241,627	323,466	(40,374)	134,895	(111,936)	182,081	56,161	(1,438,066)	(842,094)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
51,048	(495,525)	241,627	323,466	(40,374)	134,895	(111,936)	182,081	56,161	(1,438,066)	(842,094)
-	7,476,695	2,645,408	1,701,916	1,990,891	986,611	1,108,814	272,351	842,218	5,245,809	34,812,346
<u>\$ 51,048</u>	<u>\$ 6,981,170</u>	<u>\$ 2,887,035</u>	<u>\$ 2,025,382</u>	<u>\$ 1,950,517</u>	<u>\$ 1,121,506</u>	<u>\$ 996,878</u>	<u>\$ 454,432</u>	<u>\$ 898,379</u>	<u>\$ 3,807,743</u>	<u>33,970,252</u>
\$ 51,048	\$ (495,525)	\$ 241,627	\$ 323,466	\$ (40,374)	\$ 134,895	\$ (111,936)	\$ 182,081	\$ 56,161	\$ (1,438,066)	(842,094)
-	(1,016,223)	(386,294)	(175,046)	(185,836)	(37,866)	(204,679)	(415,102)	(132,469)	(372,622)	(4,408,346)
-	(34,000)	-	-	-	-	-	(14,907)	-	-	(48,907)
-	-	(2,316)	-	(7,399)	-	(9,304)	-	-	11,023	13,557
-	-	(5,280)	(33,658)	-	-	(4,818)	-	-	-	(93,579)
-	2,843	2,669	1,710	1,751	-	1,447	-	263	726	15,680
(1,822,680)	(14,769,424)	(6,655,335)	(3,601,438)	(5,620,076)	(1,666,451)	(270,079)	(2,022,757)	(5,494,630)	(5,305,208)	(80,157,601)
(53,656)	(99,151)	(51,625)	(80,123)	(93,200)	(14,796)	43,260	(2,542)	(44,459)	(51,742)	(739,056)
-	2,117,062	52,856	11,979	101,580	-	-	10,584	172,535	2,771,642	7,067,916
-	455,000	402,736	190,000	100,000	-	125,000	-	60,000	170,000	2,386,415
<u>\$ (1,825,288)</u>	<u>\$ (13,839,418)</u>	<u>\$ (6,400,962)</u>	<u>\$ (3,363,110)</u>	<u>\$ (5,743,554)</u>	<u>\$ (1,584,218)</u>	<u>\$ (431,109)</u>	<u>\$ (2,262,643)</u>	<u>\$ (5,382,599)</u>	<u>\$ (4,214,247)</u>	<u>(76,806,015)</u>



Statistical Section

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

Content	Page
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.	114-123
Revenue Capacity These schedules contain information to help the reader assess the District's property tax revenue.	124-129
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.	130-133
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.	134-135
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.	136-140

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities				
Net investment in capital assets	\$ 300,549,882	\$ 344,003,602	\$ 360,914,728	\$ 376,550,610
Restricted	149,063,262	122,592,857	122,902,877	118,918,869
Unrestricted	<u>128,442,632</u>	<u>117,372,458</u>	<u>91,113,699</u>	<u>73,925,741</u>
Total governmental activities net assets/net position	<u>\$ 578,055,776</u>	<u>\$ 583,968,917</u>	<u>\$ 574,931,304</u>	<u>\$ 569,395,220</u>
Business-type activities				
Net investment in capital assets	\$ 2,702,062	\$ 3,642,539	\$ 3,706,030	\$ 3,434,251
Restricted	781,383	747,019	720,617	691,773
Unrestricted	<u>12,771,303</u>	<u>10,045,737</u>	<u>9,883,367</u>	<u>12,068,165</u>
Total business-type activities net assets/net position	<u>\$ 16,254,748</u>	<u>\$ 14,435,295</u>	<u>\$ 14,310,014</u>	<u>\$ 16,194,189</u>
Primary government				
Net investment in capital assets	\$ 303,251,944	\$ 347,646,141	\$ 364,620,758	\$ 379,984,861
Restricted	149,844,645	123,339,876	123,623,494	119,610,642
Unrestricted	<u>141,213,935</u>	<u>127,418,195</u>	<u>100,997,066</u>	<u>85,993,906</u>
Total primary government net assets/net position	<u>\$ 594,310,524</u>	<u>\$ 598,404,212</u>	<u>\$ 589,241,318</u>	<u>\$ 585,589,409</u>

*Starting in 2015 GASB 68 required writing on future obligation for PERA Pension liability.

**Starting in 2018 GASB 75 required writing on future obligation for PERA OPEB liability.

Fiscal Year

<u>2013</u>	<u>2014</u>	<u>2015*</u>	<u>2016</u>	<u>2017</u>	<u>2018**</u>
\$ 403,794,024	\$ 409,948,271	\$ 407,426,358	\$ 364,870,945	\$ 393,437,822	\$ 410,495,440
69,044,589	78,132,683	83,081,688	91,018,886	87,661,174	94,757,855
<u>105,448,605</u>	<u>104,852,827</u>	<u>(1,319,700,082)</u>	<u>(1,291,788,213)</u>	<u>(1,802,185,821)</u>	<u>(2,422,242,967)</u>
<u>\$ 578,287,218</u>	<u>\$ 592,933,781</u>	<u>\$ (829,192,036)</u>	<u>\$ (835,898,382)</u>	<u>\$(1,321,086,825)</u>	<u>\$ (1,916,989,672)</u>
\$ 3,555,684	\$ 3,388,248	\$ 3,297,928	\$ 3,422,469	\$ 3,230,241	\$ 1,362,898
708,022	729,971	5,622,279	775,822	6,905,076	521,857
<u>12,987,974</u>	<u>13,548,826</u>	<u>10,131,353</u>	<u>15,264,044</u>	<u>9,175,963</u>	<u>9,114,769</u>
<u>\$ 17,251,680</u>	<u>\$ 17,667,045</u>	<u>\$ 19,051,560</u>	<u>\$ 19,462,335</u>	<u>\$ 19,311,280</u>	<u>\$ 10,999,524</u>
\$ 407,349,708	\$ 413,336,519	\$ 410,724,287	\$ 368,293,414	\$ 396,668,063	\$ 411,858,338
69,752,611	78,862,654	88,703,967	91,794,708	94,566,250	95,279,712
<u>118,436,579</u>	<u>118,401,653</u>	<u>(1,309,568,730)</u>	<u>(1,276,524,169)</u>	<u>(1,793,009,858)</u>	<u>(2,413,128,198)</u>
<u>\$ 595,538,898</u>	<u>\$ 610,600,826</u>	<u>\$ (810,140,476)</u>	<u>\$ (816,436,047)</u>	<u>\$(1,301,775,545)</u>	<u>\$ (1,905,990,148)</u>

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

	2009	2010	2011	2012*
Expenses *				
Governmental activities:				
School administration	\$ -	\$ -	\$ -	\$ 57,409,152
General instruction	-	-	-	408,204,654
Special education instruction	-	-	-	65,020,783
Instructional support	-	-	-	67,648,351
Operations and maintenance	-	-	-	69,998,170
Food services **	-	-	-	-
Direct instruction	475,473,399	488,851,713	488,170,063	-
Indirect instruction	139,506,864	146,058,971	148,378,364	-
Transportation	21,744,799	21,105,227	20,850,913	23,703,443
Custodial services	27,158,925	27,460,710	26,864,799	-
Field services	24,507,637	23,020,164	21,763,434	-
Telecommunications, networking and utilities	19,361,791	21,021,606	21,974,077	-
Support services	23,191,961	25,970,162	25,168,348	-
General administration	3,328,842	4,122,191	3,909,716	27,898,413
District-wide	1,123,258	1,383,435	596,970	-
Interest expense, unallocated	34,967,047	32,332,211	28,681,991	25,666,711
Total governmental activities expenses	770,364,523	791,326,390	786,358,675	745,549,677
Business-type activities				
Food services **	23,425,181	25,200,972	24,402,366	22,995,136
Child care	14,547,344	14,728,222	14,277,646	13,664,939
Property management	1,225,624	2,051,238	1,288,442	1,276,209
Other enterprise	-	-	-	-
Total business-type activities expenses	39,198,149	41,980,432	39,968,454	37,936,284
Total primary government expenses	\$ 809,562,672	\$ 833,306,822	\$ 826,327,129	\$ 783,485,961
Program Revenues				
Governmental activities:				
Charges for services:				
General administration	\$ -	\$ -	\$ -	\$ 1,152,290
General instruction	-	-	-	25,645,123
Special education instruction	-	-	-	4,713,718
Operations and maintenance	-	-	-	3,842,879
Direct instruction	4,323,891	5,053,827	5,148,800	-
Indirect instruction	30,296,343	27,065,122	28,066,756	-
Food services **	-	-	-	-
Transportation	384,133	400,388	354,195	1,386,407
Field services	3,169,242	3,998,449	3,747,188	-
District-wide	569,173	474,589	1,358,775	-
Operating grants and contributions:				
General administration	-	-	-	3,652,537
School administration	-	-	-	861,829
General instruction	-	-	-	14,548,969
Special education instruction	-	-	-	25,408,016
Instructional support	-	-	-	16,402,238
Operations and maintenance	-	-	-	797,353
Food services **	-	-	-	-
Direct instruction	41,273,450	49,402,008	69,228,523	-
Indirect instruction	7,225,032	9,914,138	13,358,689	-
Transportation	4,463,314	4,785,359	4,866,106	5,103,034
Total governmental activities program revenues	91,704,578	101,093,880	126,129,032	103,514,393
Business-type activities				
Charges for services:				
Food services **	12,732,788	11,736,773	11,634,444	11,514,984
Child care	11,019,746	10,295,931	10,281,161	9,867,724
Property management	1,728,955	1,674,886	1,763,175	1,595,449
Other enterprise	-	-	-	-
Operating grants and contributions:				
Food services **	8,735,385	10,964,421	11,709,247	12,716,967
Child Care	-	-	-	-
Capital grants and contributions:				
Food services	1,682,642	1,172,164	352,528	84,766
Property management	32,738	-	-	-
Other enterprise	-	-	-	-
Total business-type activities program revenues	35,932,254	35,844,175	35,740,555	35,779,890
Total primary government program revenues	\$ 127,636,832	\$ 136,938,055	\$ 161,869,587	\$ 139,294,283
Net (Expense)/Revenue				
Governmental activities	\$ (678,659,945)	\$ (690,232,510)	\$ (660,229,643)	\$ (642,035,284)
Business-type activities	(3,265,895)	(6,136,257)	(4,227,899)	(2,156,394)
Total primary government net expense	\$ (681,925,840)	\$ (696,368,767)	\$ (664,457,542)	\$ (644,191,678)

*Recategorized expense types starting in fiscal year 2012.

**Food Services became a special revenue fund in fiscal year 2018

Fiscal Year						
	2013	2014	2015	2016	2017	2018
\$	54,996,871	\$ 56,613,420	\$ 61,622,289	\$ 63,315,375	\$ 100,562,166	\$ 107,454,780
	405,528,254	410,335,528	440,423,884	433,932,814	679,657,697	689,803,039
	69,392,712	71,357,688	76,419,427	74,429,360	121,065,638	125,986,386
	64,686,916	68,774,854	93,132,858	91,727,374	151,608,229	177,535,468
	67,985,826	78,844,714	87,346,892	82,019,992	129,182,158	125,858,843
	-	-	-	-	-	43,950,669
	-	-	-	-	-	-
	-	-	-	-	-	-
	24,115,123	23,177,884	27,654,266	27,781,099	44,542,645	46,130,547
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	27,617,388	25,908,579	25,647,057	25,347,367	46,268,361	34,010,421
	-	-	-	-	-	-
	25,135,731	24,692,063	26,445,984	19,888,625	18,707,099	28,918,125
	<u>739,458,821</u>	<u>759,704,730</u>	<u>838,692,657</u>	<u>818,442,006</u>	<u>1,291,593,993</u>	<u>1,379,648,278</u>
	24,588,376	24,059,390	24,335,013	23,708,332	24,943,806	-
	14,253,323	15,669,253	16,365,381	13,553,606	13,509,401	14,329,881
	1,298,134	1,653,841	1,881,209	1,643,904	1,722,727	1,805,591
	-	-	-	-	-	-
	40,139,833	41,382,484	42,581,603	38,905,842	40,175,934	16,135,472
\$	<u>779,598,654</u>	<u>801,087,214</u>	<u>881,274,260</u>	<u>857,347,848</u>	<u>1,331,769,927</u>	<u>1,395,783,750</u>
\$	1,323,748	\$ 2,669,066	\$ 906,896	\$ 931,133	\$ 977,969	\$ 1,163,075
	26,903,962	27,047,349	27,346,106	33,178,144	33,960,682	35,857,623
	4,932,848	3,195,644	5,435,234	6,048,054	6,393,941	7,122,128
	4,929,770	6,116,159	4,685,037	5,162,139	6,371,921	9,521,864
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	12,021,320
	1,974,372	2,133,779	1,979,155	2,066,642	2,052,196	3,330,780
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,889,298	3,706,405	4,002,024	3,447,090	2,609,255	2,084,224
	-	49,851	3,883	17,761	82,198	51,326
	16,103,053	16,423,080	17,807,677	15,976,711	16,748,158	16,358,570
	24,338,028	27,343,034	26,830,057	28,050,732	26,427,242	27,879,724
	15,731,027	16,251,832	18,028,401	16,368,008	12,777,100	13,002,528
	165,699	7,920,034	6,609,171	1,044,100	266,611	95,563
	-	-	-	-	-	12,641,266
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,009,964	5,275,093	5,383,718	5,653,141	5,103,470	3,863,626
	<u>105,301,769</u>	<u>118,131,326</u>	<u>119,017,359</u>	<u>117,943,655</u>	<u>113,770,743</u>	<u>144,993,617</u>
	11,049,462	9,830,452	10,612,859	10,641,334	10,978,683	-
	10,630,601	11,111,356	11,417,547	6,804,445	7,383,970	8,310,307
	1,796,862	1,920,377	2,276,591	2,256,716	2,415,137	2,887,289
	-	-	-	-	-	-
	13,520,079	13,389,433	14,083,555	14,024,955	13,877,640	-
	-	-	5,526,102	5,748,802	5,952,792	6,066,190
	135,253	96,924	234,780	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	37,132,257	36,348,542	44,151,434	39,476,252	40,608,222	17,263,786
\$	<u>142,434,026</u>	<u>154,479,868</u>	<u>163,168,793</u>	<u>157,419,907</u>	<u>154,378,965</u>	<u>162,257,403</u>
\$	(634,157,052)	\$ (641,573,404)	\$ (719,675,298)	\$ (694,998,351)	\$ (1,177,823,250)	\$ (1,234,654,661)
	(3,007,576)	(5,033,942)	1,569,831	570,410	432,288	1,128,314
\$	<u>(637,164,628)</u>	<u>(646,607,346)</u>	<u>(718,105,467)</u>	<u>(694,427,941)</u>	<u>(1,177,390,962)</u>	<u>(1,233,526,347)</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General revenues and other changes in net assets/net position					
Taxes					
Local property taxes	\$ 349,209,271	\$ 351,591,719	\$ 350,455,667	\$ 339,051,527	\$ 345,921,281
Automotive ownership taxes	26,428,023	24,730,646	23,665,288	23,537,666	25,006,758
School finance act	307,102,545	321,046,426	278,313,571	279,036,998	276,148,509
Earnings on investments	6,230,214	3,045,378	841,952	1,159,227	37,569
Special Item	-	-	2,000,000	-	-
Transfers (a)	(3,667,041)	(4,268,518)	(4,084,448)	(4,040,569)	(4,065,067)
Total governmental activities	<u>685,303,012</u>	<u>696,145,651</u>	<u>651,192,030</u>	<u>638,744,849</u>	<u>643,049,050</u>
Business-type activities:					
Earnings on investments	223,967	48,286	18,170	-	-
Transfers	3,667,041	4,268,518	4,084,448	4,040,569	4,065,067
Total business-type activities	<u>3,891,008</u>	<u>4,316,804</u>	<u>4,102,618</u>	<u>4,040,569</u>	<u>4,065,067</u>
Total primary government	<u>\$ 689,194,020</u>	<u>\$ 700,462,455</u>	<u>\$ 655,294,648</u>	<u>\$ 642,785,418</u>	<u>\$ 647,114,117</u>
Change in net assets/net position					
Governmental activities	\$ 6,643,067	\$ 5,913,141	\$ (9,037,613)	\$ (3,290,435)	\$ 8,891,998
Business-type activities	625,113	(1,819,453)	(125,281)	1,884,175	1,057,491
Total primary government	<u>\$ 7,268,180</u>	<u>\$ 4,093,688</u>	<u>\$ (9,162,894)</u>	<u>\$ (1,406,260)</u>	<u>\$ 9,949,489</u>

<u>Fiscal Year</u>					
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	349,115,550	\$ 355,606,853	\$ 364,385,070	\$ 365,608,757	\$ 390,410,501
	27,486,392	28,916,207	30,799,478	33,300,878	38,543,552
	284,144,134	296,285,316	292,098,015	291,894,387	272,182,129
	873,530	504,048	809,442	1,180,785	2,503,137
	-	-	-	-	-
	(5,399,639)	200,000	200,000	650,000	1,350,000
	<u>656,219,967</u>	<u>681,512,424</u>	<u>688,292,005</u>	<u>692,634,807</u>	<u>704,989,319</u>
	49,668	14,684	40,367	66,655	131,422
	<u>5,399,639</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(650,000)</u>	<u>(1,350,000)</u>
	<u>5,449,307</u>	<u>(185,316)</u>	<u>(159,633)</u>	<u>(583,345)</u>	<u>(1,218,578)</u>
\$	<u>661,669,274</u>	<u>\$ 681,327,108</u>	<u>\$ 688,132,372</u>	<u>\$ 692,051,462</u>	<u>\$ 703,770,741</u>
\$	14,646,563	\$ (38,162,874)	\$ (6,706,346)	\$ (485,188,279)	\$ (529,665,342)
	415,365	1,384,515	410,777	(151,057)	(90,264)
\$	<u>15,061,928</u>	<u>\$ (36,778,359)</u>	<u>\$ (6,295,569)</u>	<u>\$ (485,339,336)</u>	<u>\$ (529,755,606)</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund				
Nonspendable	\$ 1,859,185	\$ 1,533,697	\$ 1,533,815	\$ 1,159,891
Restricted	16,943,784	17,249,094	15,932,358	15,839,341
Committed	15,700,000	2,000,000	2,000,000	2,000,000
Assigned	6,476,265	12,700,000	13,300,000	13,860,000
Planned 2017 one-time expenses	-	-	-	-
Unassigned	56,787,350	45,977,675	21,994,915	3,195,321
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 97,766,584</u>	<u>\$ 79,460,466</u>	<u>\$ 54,761,088</u>	<u>\$ 36,054,553</u>
All other governmental funds				
Nonspendable	\$ 374,986	\$ 377,613	\$ 410,265	\$ 895,860
Restricted	133,186,115	107,254,805	108,862,085	106,895,470
Committed	-	-	-	-
Assigned	8,128,793	9,024,564	9,760,257	9,426,449
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Total all other governmental funds	<u>\$ 141,689,894</u>	<u>\$ 116,656,982</u>	<u>\$ 119,032,607</u>	<u>\$ 117,217,779</u>

Fiscal Year

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 982,570	\$ 942,951	\$ 1,023,267	\$ 964,265	\$ 1,059,474	\$ 1,003,870
15,756,129	16,494,681	17,041,991	17,756,207	17,457,866	18,633,897
2,000,000	2,000,000	220,000	220,000	283,080	283,080
11,500,000	9,600,000	10,000,000	14,500,000	22,500,000	24,000,000
-	-	-	15,822,072	-	-
19,727,866	32,260,251	43,475,863	76,419,654	76,545,047	73,093,329
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 49,966,565</u>	<u>\$ 61,297,883</u>	<u>\$ 71,761,121</u>	<u>\$ 125,682,198</u>	<u>\$ 117,845,467</u>	<u>\$ 117,014,176</u>
\$ 1,058,751	\$ 909,314	\$ 1,000,168	\$ 953,103	\$ 972,780	\$ 2,591,430
169,532,657	147,439,129	98,783,448	81,337,848	70,760,836	75,080,753
20,833,322	16,731,273	36,503,429	66,893,007	44,869,122	42,003,525
9,344,242	9,620,670	9,458,866	10,400,102	10,612,889	10,105,412
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 200,768,972</u>	<u>\$ 174,700,386</u>	<u>\$ 145,745,911</u>	<u>\$ 159,584,060</u>	<u>\$ 127,215,627</u>	<u>\$ 129,781,120</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues				
Taxes	\$ 375,892,943	\$ 374,594,521	\$ 375,134,147	\$ 360,296,394
Intergovernmental	360,064,341	385,147,930	365,766,889	345,156,765
Interest	6,230,214	3,045,377	841,952	1,156,276
Other	41,339,653	39,671,470	41,292,003	42,070,227
Total revenues	<u>783,527,151</u>	<u>802,459,298</u>	<u>783,034,991</u>	<u>748,679,662</u>
Expenditures				
School administration	-	-	-	47,311,834
General instruction	-	-	-	354,467,295
Special education instruction	-	-	-	65,517,724
Instructional support	-	-	-	68,187,899
Operation and maintenance	-	-	-	66,662,982
Food service operation *	-	-	-	-
Direct instruction	421,454,600	435,488,836	431,750,029	-
Indirect instruction	136,721,737	139,563,450	142,607,586	-
Transportation	21,630,426	20,801,433	20,483,317	20,812,436
Custodial services	26,858,804	27,170,968	26,426,741	-
Field services	21,002,692	19,400,040	16,980,978	-
Telecommunications, networking and utilities	19,036,775	20,786,072	21,461,102	-
Support services	22,895,006	22,814,261	19,468,562	-
General administration	3,348,044	4,119,005	3,828,233	28,525,989
Districtwide	980,999	827,863	785,525	-
Capital outlay	87,808,282	50,355,185	29,121,654	27,359,625
Debt service				
Principal	44,810,000	51,600,000	52,285,000	51,505,000
Interest	35,439,587	30,498,774	28,832,069	25,778,672
Total expenditures	<u>841,986,952</u>	<u>823,425,887</u>	<u>794,030,796</u>	<u>756,129,456</u>
Excess of revenues over (under) expenditures	(58,459,801)	(20,966,589)	(10,995,805)	(7,449,794)
Other financing sources (uses)				
Certificates of participation proceeds	-	-	-	-
Certificate of Participation issuance	-	-	-	-
Payments to refunded certificates of participation escrow agent	-	-	-	-
Premium from COP issuance	-	-	-	-
Arbitrage expenses	-	-	-	-
General obligation bond proceeds	-	233,400,000	-	-
Payment to refunded escrow agent	-	(278,158,016)	-	-
Premium from bonds	-	35,855,493	-	-
Transfers out	(35,484,341)	(43,179,718)	(37,165,333)	(46,468,984)
Transfers in	22,328,000	29,709,800	23,837,385	33,397,415
Total other financing sources (uses)	<u>(13,156,341)</u>	<u>(22,372,441)</u>	<u>(13,327,948)</u>	<u>(13,071,569)</u>
Special Item: Supplemental Retirement Contribution	-	-	2,000,000	-
Net change in fund balances	<u>\$ (71,616,142)</u>	<u>\$ (43,339,030)</u>	<u>\$ (22,323,753)</u>	<u>\$ (20,521,363)</u>
Debt service as a percentage of noncapital expenditures	10.6%	10.6%	10.6%	10.6%

*Food Services became a special revenue fund in fiscal year 2018

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 374,687,742	\$ 378,048,173	\$ 380,599,789	\$ 404,560,724	\$ 398,504,536	\$ 427,326,631
340,256,614	358,175,604	372,350,762	361,029,972	354,649,323	336,455,979
37,569	776,697	478,408	733,117	928,828	2,087,839
44,315,203	48,291,123	47,781,409	54,214,629	54,269,793	82,144,791
<u>759,297,128</u>	<u>785,291,597</u>	<u>801,210,368</u>	<u>820,538,442</u>	<u>808,352,480</u>	<u>848,015,240</u>
46,137,612	47,722,016	47,559,947	50,360,162	53,526,362	55,972,307
356,803,464	360,680,650	355,751,698	359,332,908	371,727,896	368,598,809
68,713,508	70,387,243	68,085,954	68,966,033	71,418,326	72,632,209
64,140,368	68,286,176	84,015,992	84,890,534	89,265,076	102,032,375
64,358,499	73,348,304	73,709,330	68,842,837	71,126,138	71,672,920
-	-	-	-	-	25,643,286
-	-	-	-	-	-
-	-	-	-	-	-
21,786,813	22,286,274	24,282,575	24,914,870	26,885,845	26,025,233
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,427,746	29,420,652	23,813,835	25,479,589	28,610,164	29,212,511
-	-	-	-	-	-
34,662,226	55,002,104	73,515,424	51,509,990	68,922,126	40,075,141
52,955,000	28,395,000	29,495,000	32,265,000	33,425,000	28,435,000
24,156,542	24,704,907	22,788,423	19,851,183	18,762,960	20,158,118
<u>762,141,778</u>	<u>780,233,326</u>	<u>803,018,178</u>	<u>786,413,106</u>	<u>833,669,893</u>	<u>840,457,909</u>
(2,844,650)	5,058,271	(1,807,810)	34,125,336	(25,317,413)	7,557,331
-	-	29,180,000	-	-	-
-	-	-	45,450,000	-	-
-	-	(30,485,732)	-	-	-
-	-	-	2,971,858	-	-
-	-	-	-	-	-
168,540,000	-	40,345,000	-	-	70,395,000
(83,415,163)	-	(40,937,195)	-	-	(81,052,400)
31,296,785	-	-	-	-	11,114,303
(51,448,042)	(55,823,437)	(69,854,455)	(38,228,726)	(71,032,634)	(68,097,143)
35,334,275	36,027,898	55,068,955	23,440,758	56,144,883	55,279,437
<u>100,307,855</u>	<u>(19,795,539)</u>	<u>(16,683,427)</u>	<u>33,633,890</u>	<u>(14,887,751)</u>	<u>(12,360,803)</u>
-	-	-	-	-	-
<u>\$ 97,463,205</u>	<u>\$ (14,737,268)</u>	<u>\$ (18,491,237)</u>	<u>\$ 67,759,226</u>	<u>\$ (40,205,163)</u>	<u>\$ (4,803,472)</u>
10.6%	7.3%	7.2%	7.1%	6.8%	6.1%

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

Fiscal Year Ended June 30,	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Agriculture Property (1)	Natural Resources (1)	Public Utilities (1)
2009	4,308,594	2,178,628	586,701	31,576	6,701	244,200
2010	4,238,350	2,249,807	606,931	33,911	5,255	271,355
2011	4,251,217	2,191,182	598,493	31,958	2,429	277,320
2012	4,088,469	2,025,114	554,366	32,869	3,328	293,460
2013	4,105,825	1,985,242	561,340	33,785	3,660	297,197
2014	4,123,082	2,024,122	554,163	33,948	4,281	316,639
2015	4,155,617	2,030,792	558,960	34,535	5,317	325,732
2016	5,053,143	2,158,609	585,936	36,956	6,062	337,378
2017	5,150,357	2,504,507	260,145	10,569	1,029	347,009
2018	5,963,504	2,886,558	294,407	15,216	5,893	367,208

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

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

<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value (2)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
7,356,400	48.28	63,428,368	11.60
7,405,609	48.15	63,105,199	11.74
7,352,599	48.21	63,080,682	11.66
6,997,606	48.72	60,998,376	11.47
6,987,049	50.62	60,780,934	11.50
7,056,234	50.37	61,043,655	11.56
7,110,953	50.17	61,468,510	11.57
8,178,084	47.49	73,501,703	11.13
8,273,616	45.94	75,452,772	10.97
9,532,785	42.88	92,622,321	10.29

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
2009	37.03	11.25	48.28	24.35	27.23
2010	36.90	11.25	48.15	24.35	27.23
2011	36.96	11.25	48.21	24.35	27.23
2012	37.47	11.25	48.72	24.35	26.72
2013	43.13	7.49	50.62	24.35	26.72
2014	42.88	7.49	50.37	25.85	26.72
2015	42.68	7.49	50.17	25.85	26.72
2016	40.74	6.75	47.49	24.21	26.72
2017	40.19	5.75	45.94	24.71	26.72
2018	38.33	4.55	42.88	22.42	26.72

Source: Jefferson County and Broomfield Assessor annual Abstracts of Assessments

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

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Public Service Co of Colorado	\$ 226,081,200	1	2.37 %	\$ 112,174,400	2	1.52 %
MillerCoors LLC/Coors Brewing Company	104,768,215	2	1.10	116,554,670	1	1.58
Qwest Corp	63,938,400	3	0.67	68,643,300	3	0.93
Lockheed Martin Corporation	43,746,283	4	0.46	56,739,100	4	0.77
Belmar Commercial Owner LP	42,206,556	5	0.44	20,506,620	10	0.28
Martin Marietta Corporation	40,666,290	6	0.43			
Colorado Mills Mall Limited Partnership	36,498,489	7	0.38	45,116,010	5	0.61
Coorstek Inc	30,817,404	8	0.32			
Wal Mart Real Estate Business Trust	27,007,208	9	0.28			
Ball Metal Beverage Container Corp	26,228,362	10	0.28	24,469,790	7	0.33
SP4 Westmoor LP				39,776,690	6	0.54
Southwest Denver Land LLC				22,474,710	8	0.31
Denver West Office				20,957,860	9	0.28
Total	<u>\$ 641,958,407</u>		<u>6.73 %</u>	<u>\$ 527,413,150</u>		<u>7.15 %</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
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	94.3	18,746,027	350,932,608	99.6
2012	343,143,485	320,929,279	93.5	15,378,979	336,308,258	98.0
2013	351,754,785	333,000,851	94.7	16,290,293	349,291,144	99.3
2014	353,214,798	336,584,984	95.3	13,640,227	350,225,211	99.2
2015	354,248,674	334,475,473	94.4	16,862,479	351,337,952	99.2
2016	386,006,577	381,122,906	98.7	2,850,569	383,973,475	99.5
2017	377,095,980	373,599,439	99.1	2,395,487	375,994,926	99.7
2018	403,710,867	398,317,453	98.7	1,772,059	400,089,512	99.1

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

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

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

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

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

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

Governmental Activities				
Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	Total Primary Government
2009	630,515,736	40,639,310	-	671,155,046
2010	576,827,793	34,174,778	-	611,002,571
2011	523,928,367	32,830,246	-	556,758,613
2012	471,878,553	31,420,714	-	503,299,267
2013	560,441,507	30,155,000	-	590,596,507
2014	526,628,634	28,580,000	-	555,208,634
2015	492,857,215	29,180,000	-	522,037,215
2016	457,333,067	75,366,858	-	532,699,925
2017	421,157,155	72,782,384	-	493,939,539
2018	387,711,708	70,205,212	-	457,916,920

Note: Details regarding the District's outstanding debt can be found in the notes to statements. General obligation bonds and certificates of participation are both repaid from property tax revenue.

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

<u>Ratio of Net Debt to Assessed Value (a)</u>	<u>Net Debt Per Capita</u>	<u>Population</u>	<u>Percentage of Personal Income</u>
9.12%	1,235	543,278	2.4
8.25%	1,116	547,728	2.1
7.57%	1,042	534,543	1.9
7.11%	936	537,487	2.2
8.45%	1,080	546,653	2.1
7.87%	1,010	549,643	2.1
7.34%	934	558,896	2.1
6.51%	943	565,106	1.7
5.97%	864	571,775	1.5
4.80%	791	578,627	1.4

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Debt Capacity Schedule 10
Jefferson County School District, No.R-1
Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Periods

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General bonded debt outstanding				
General obligation debt	\$609,570,000	\$553,715,000	\$502,790,000	\$452,710,000
Percentage of estimated property value (a)	0.96%	0.88%	0.80%	0.74%
Per capita (b)	1,122	1,011	941	842
Less: Amounts set aside to repay general debt	<u>(68,924,667)</u>	<u>(68,230,744)</u>	<u>(72,341,627)</u>	<u>(76,032,525)</u>
Total net debt applicable to debt limit	540,645,333	485,484,256	430,448,373	376,677,475
Legal debt limit (c)	1,464,620,756	1,470,834,296	1,461,910,139	1,408,606,084
Legal debt margin (d)	<u>\$923,975,424</u>	<u>\$985,350,040</u>	<u>\$1,031,461,766</u>	<u>\$1,031,928,609</u>
Legal debt margin as a percentage of the debt limit	63.09%	66.99%	70.56%	73.26%

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

The debt reflected is all direct and there is no overlapping debt to display.

(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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$500,785,000	\$473,965,000	\$447,370,000	\$457,333,066	\$421,157,155	387,711,708
0.82%	0.78%	0.73%	0.62%	0.56%	0.42%
916	862	800	809	737	670
(53,644,274)	(54,882,086)	(59,372,593)	(62,973,258)	(61,217,378)	(60,776,013)
447,140,726	419,082,914	387,997,407	394,359,808	359,939,777	326,935,695
1,389,895,624	1,402,508,676	1,412,333,992	1,625,735,787	1,641,653,338	1,883,067,622
\$942,754,898	\$984,412,410	1,023,660,242	1,272,250,462	1,317,311,485	1,586,056,654
67.83%	70.19%	72.48%	78.26%	80.24%	84.23%

Demographic and Economic Information Schedule 11
 Jefferson County School District, No.R-1
 Demographic and Economic Statistics
 Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2008	530,565	25,561,174	48,177	39	84,796	4.7
2009	532,606	23,462,319	44,052	40	84,948	7.9
2010	535,648	23,569,131	44,001	40	84,618	8.6
2011	539,721	24,391,425	45,193	40	84,329	8.1
2012	545,880	25,459,586	46,640	41	85,542	7.4
2013	551,411	26,077,248	47,292	41	86,009	6.3
2014	558,610	28,630,911	51,254	41	86,574	4.5
2015	564,619	30,975,333	54,861	41	86,731	3.5
2016	571,711	32,230,590	56,376	41	86,361	3.0
2017	578,627	33,536,735	57,959	41	86,130	2.6

Sources: Jefferson County

Demographic and Economic Information Schedule 12
 Jefferson County School District, No.R-1
 Principal Employers
 Current Year and Nine Years Ago

Employer	2018				2009			
	Employees	Rank	Percentage of Total County Employment		Employees	Rank	Percentage of Total County Employment	
Lockheed Martin Space Systems	5,641	1	1.77	%	5,500	2	2.60	%
St. Anthony Hospital	2,343	2	0.74					
Terumo BCT	2,320	3	0.73					
MillerCoors Brewing Company	2,255	4	0.71		1,950	4	0.92	
National Renewable Energy Laboratory	2,200	5	0.69		1,100	9	0.52	
Lutheran Medical Center	1,650	6	0.52		2,540	3	1.20	
Ball Corporation	1,523	7	0.48		1,000	10	0.47	
FirstBank Holding Co. of Colorado	1,509	8	0.48					
CoorsTek	1,300	9	0.41		1,200	8	0.57	
HomeAdvisor	1,140	10	0.36					
Denver Federal Center					6,200	1	2.93	
Gambro Companies					1,720	5	0.81	
King Soopers					1,550	6	0.73	
Safeway					1,410	7	0.67	

Source: Jefferson County Economic Development Corporation

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

Operating Information Schedule 13
 Jefferson County School District, No.R-1
 Full-time Equivalent District Employees by Category without Hourly FTE's
 Fiscal Year 2009

Employee Category	2009
Educational services	
Chief academic officer	1
Community superintendents	4
Executive director	6
Principals	141
Assistant principals	140
Teachers/Resource Teachers	4,767
Counselors	132
Library media specialists	130
Social workers	63
Secretaries	380
Campus supervisors	66
Directors/assistant directors	18
Physical/occupational/speech therapists	163
Psychologists	71
Nurses	34
Technicians/specialists classified	40
Childcare specialists classified	183
Managers	1
Coordinators	21
Other	48
Total educational services	6,406
Support services	
Chief financial officer	1
Chief information officer	0
Executive director	10
Assistant superintendent	0
Directors/assistant directors	37
Supervisor	4
Manager	43
Technical specialist - administrative	64
Coordinator level/consultant	26
Technicians/specialists classified	153
Secretaries	19
Custodians	510
Trades technicians	209
Food service managers	120
Food service hourly worker	145
Security officer/alarm monitor	18
Bus drivers	221
Other	76
Total support services and human resources	1,655
Districtwide leadership	
Superintendent	1
Chief operating officer	1
Executive director	2
Administrative assistant to superintendent/BOE	4
Coordinator level/consultant	1
Manager	5
Secretaries	0
Technicians/specialists classified	0
Other	7
Total districtwide	21
Grand total	8,083

Source: Jefferson County Schools employee management analysis.

Note: Staffing information for fiscal year 2010 and forward is provided on the next page due to a change in FTE reporting.

Operating Information Schedule 13
Jefferson County School District, No.R-1
Full-time Equivalent District Employees by Category with Hourly FTE's
Last Nine Fiscal Years

Employee Category	As of June 30								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administrative services									
Superintendent	1	1	1	1	0	1	1	1	1
Chief Academic Officer	1	1	1	1	0	0	0	0	0
Chief Operating Officer	2	1	1	1	0	0	0	0	0
Chief Information Officer	1	1	1	1	0	0	0	0	0
Chief Technology Officer	0	1	1	1	1	0	0	0	0
Chief Financial Officer	1	1	1	1	0	0	0	0	0
Chief Officer	0	0	0	0	5	8	9	10	10
Executive Director	19	19	18	19	18	11	11	14	14
Principal	135	142	140	143	142	142	138	140	156
Director/Assistant Director	56	57	49	46	63	69	74	73	79
Assistant Principal	138	128	129	124	131	131	129	152	174
Community Superintendent	4	4	4	4	0	0	0	0	0
Manager/Supervisor	44	47	48	52	63	62	63	68	72
Technical Specialist	83	88	87	84	95	111	112	122	122
Resource Specialist	0	0	0	0	1	1	1	1	2
Coordinator - Administrative	11	11	14	12	10	14	17	22	30
Administrator	7	7	9	15	11	14	16	13	21
Food Service Coordinator	7	7	7	8	8	8	7	5	4
Administrative Assistant	10	10	9	9	9	13	14	12	13
Investigator	2	2	2	2	2	2	2	2	2
Total administrative services	522	528	522	524	559	587	594	635	700
Licensed services									
Dean	0	0	0	0	0	2	12	13	24
Teacher	4,439	4,442	4,360	4401	4372	4341	4316	4329	4,776
Counselor	142	143	142	143	143	154	154	187	194
Teacher Librarian	129	135	119	118	116	114	111	113	119
Coordinator	27	27	23	22	17	18	14	15	13
Resource Teachers	92	113	87	70	72	87	125	107	92
Instructional Coach	141	140	129	130	129	130	126	126	141
Physical Therapists	14	12	11	12	12	12	12	13	12
Occupational Therapists	33	32	31	29	29	26	29	29	33
Nurse	35	40	40	41	48	49	48	45	54
Psychologist	69	70	70	67	60	48	52	51	57
Social Worker	60	57	59	64	70	75	80	88	99
Audiologist	4	4	4	5	5	5	5	5	5
Speech Therapist	116	117	118	120	117	115	119	118	124
Certificated - Hourly	26	15	18	17	19	18	22	27	40
Total licensed services	5,327	5,347	5,211	5,239	5,209	5,194	5,225	5,265	5,783
Support services									
Director/Assistant Director - Preschool	42	45	47	44	49	50	52	59	48
Supervisor	0	0	0	0	1	1	1	1	0
Technical Specialist/Coordinator Classified	5	7	7	9	8	8	10	6	20
Accountant	3	2	2	2	2	1	1	1	1
Accounts Receivable	0	0	0	0	0	1	0	2	0
Specialist/Technicians - Classified	344	344	332	321	309	312	329	338	339
Buyer/Buyer Assistant	6	6	5	5	5	4	5	5	4
Transportation Trainer	5	5	5	5	5	5	5	5	5
Group Leader	17	16	15	18	14	15	15	14	12
School Secretary	348	336	329	328	331	329	329	339	402
Secretary/Clerk	35	33	26	28	32	30	36	31	32
Paraprofessional/Para-Educator	1,106	1,053	1,087	1,125	1,098	1,127	1,136	1,127	1,344
Special Interpreter/Tutor	82	56	62	67	64	62	72	77	77
Clinic Aides	84	80	80	84	79	83	82	114	124
Trade Technician	184	174	167	166	163	167	174	168	167
Food Equipment Repair Assistant	2	2	2	2	2	2	2	2	2
Bus Driver	225	218	221	235	234	219	225	230	225
Printing Equipment Operator	3	2	2	2	2	2	2	2	2
Custodian	491	450	442	452	456	453	446	456	473
Campus Supervisor	67	63	64	66	66	67	70	66	73
Security Officer/Alarm Monitors	18	18	18	19	17	20	19	25	27
Food Service/Satellite Manager	126	121	118	117	123	119	117	117	128
Food Service Hourly Worker	185	160	165	167	157	150	146	144	142
Warehouse Worker	14	15	14	14	14	15	14	15	15
Classified/Certificated Hourly	200	202	182	172	181	164	192	202	200
Total Support Services	3,592	3,408	3,392	3,448	3,412	3,406	3,480	3,544	3,862
Grand total	9,441	9,284	9,125	9,211	9,180	9,187	9,299	9,444	10,345

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

Operating Information Schedule 14
Jefferson County School District, No.R-1
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Expenditures (1)	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff (3)	Pupil Teacher Ratio	Graduation Rate (2)
2009	654,203,800	79,691	8,209	4.92%	4,564	17.46	81.3
2010	670,045,146	79,750	8,402	2.35%	4,439	17.97	78.1
2011	639,282,379	79,067	8,085	-3.77%	4,442	17.80	79.1
2012	612,608,734	78,210	7,833	-3.12%	4,360	17.94	81.4
2013	617,955,694	78,534	7,869	0.46%	4,401	17.84	81.5
2014	633,048,988	78,417	8,073	2.60%	4,372	17.94	82.9
2015	647,540,353	78,492	8,250	2.19%	4,341	18.08	82.9
2016	630,595,087	77,699	8,116	-1.62%	4,316	18.00	82.8
2017	693,979,445	76,897	9,025	11.20%	4,329	17.76	83.5
2018	704,980,883	76,367	9,231	2.29%	4,777	15.99	*

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

(2) Enrollment data report

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

*Not available

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary/Pre-K campuses	103	103	101	101	99	99	99	100	99	99
Total square feet	4,430,062	4,682,782	4,616,761	4,592,792	4,582,688	4,583,299	4,579,989	4,746,203	4,714,483	4,824,248
Total program capacity	44,330	51,047	50,711	48,670	43,088	43,408	43,408	43,013	44,600	45,507
Enrollment	40,053	40,947	40,874	40,274	40,774	40,670	40,652	40,017	39,371	38,837
Middle school campuses	19	19	19	19	19	19	19	17	17	17
Total square feet	2,176,013	2,037,237	2,037,237	2,037,237	2,037,237	2,037,237	2,037,237	1,817,299	1,817,299	1,817,299
Total program capacity	15,812	16,410	16,410	15,943	15,786	15,786	15,786	15,786	14,199	14,199
Enrollment	11,209	10,770	10,755	10,686	10,720	10,757	10,745	10,060	10,052	9,986
High school campuses	17	17	17	17	17	17	17	17	17	17
Total square feet	3,595,258	3,692,357	3,692,357	3,692,357	3,692,597	3,692,597	3,692,597	3,724,284	3,724,284	3,724,284
Total program capacity	28,680	30,063	30,063	30,019	29,764	29,764	29,764	29,835	29,835	29,835
Enrollment	24,108	23,939	23,384	23,219	22,958	22,959	22,935	23,589	23,388	23,496
Option schools/Districtwide	13	15	15	15	15	15	15	17	17	17
Total square feet	894,106	900,062	900,062	923,062	928,709	930,932	907,020	956,482	956,481	952,978
Total program capacity			5,711	5,817	5,868	5,868	5,868	6,344	6,344	6,277
Enrollment	4,321	4,094	4,054	4,031	3,801	4,031	4,160	4,033	4,086	4,048
Charter schools	13	13	14	14	15	16	16	17	18	18
Enrollment	4,952	5,198	5,551	6,119	7,008	7,592	8,082	9,032	9,464	9,763
Support facilities										
Total square feet	419,518	468,413	534,434	491,806	485,210	493,488	493,488	493,488	525,595	527,123

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

Operating Information Schedule 16
 Jefferson County School District, No.R-1
 Certificated staff Data - Number of certificated staff by salary level with average salaries
 Last Ten Fiscal Years

Fiscal Year	Non-Degree Vocational	Bachelor's Degree	Master's or Higher Level Degree	Salary Ranges	Average Salary
2009	17	2574	3,034	33,283 to 93,626	57,200
2010	18	2446	3,210	33,616 to 94,562	59,000
2011	17	2263	3,289	33,616 to 94,562	60,100
2012	17	2030	3,269	32,608 to 91,725	58,500
2013	16	1986	3,318	32,934 to 92,642	58,100
2014	17	2109	3,173	33,616 to 94,562	57,900
2015	16	1417	3,877	38,000 to 91,787	57,800
2016	16	1518	3,834	38,000 to 91,819	57,400
2017	16	1291	4,058	38,000 to 91,819	58,000
2018	19	1514	3,855	38,000 to 90,862	58,800

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.

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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Single Audit

Fiscal Year Ended June 30, 2018

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**Schedule of Expenditures
of Federal Awards**

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2017 through June 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through Colorado Department of Human Services:			
Donated commodities: June 30, 2017	10.555	51 2008008000 4010	\$ 1,713,270
Passed through Colorado Department of Education:			
National school breakfast program June 30, 2018	10.553	4553	1,728,749
National school lunch program June 30, 2018	10.555	4555	8,436,591
Summer food service program for children June 30, 2018	10.559	4559	134,484
Child nutrition cluster subtotal			<u>12,013,094</u>
Child Nutrion Discretionary Grants	10.579	4579	12,761
Fresh Fruit and Vegatable Program	10.582	4582	265,250
Agency subtotal			<u>12,291,105</u>
<u>U. S. Department of Education</u>			
Direct:			
Title VII - Indian education-formula grants to LEA and tribal schools	84.060a	4060	98,311
Total direct			<u>98,311</u>
Passed through Colorado Department of Education:			
Individuals with disabilities education act-part B/Increasing Achievement	84.027	4027/5027	14,108,999
Individuals with disabilities education act-preschool services	84.173	4173	327,695
Special education cluster subtotal			<u>14,436,694</u>
Adult education-state administered basic grant program	84.002	5002/6002	174,580
Title I grants to local education agencies	84.010	4010/5010/7010	10,065,677
Twenty-First century community learning	84.287	5287	1,165,826
McKinney Homeless - education for children and youth	84.196	5196	35,438
Public charter schools start-up**	84.282	5282	447,925
Title III - English language learners	84.365	4365	472,833
Title II - A - Teacher Quality	84.367	4367	1,317,113
Title IV-A - Student Support and Academic Enrichment	84.424	4424	118,975
Passed through Colorado Community College and Occupational: Educational			
Vocational and applied technology education-basic state grants	84.048a	4048	387,166
Agency subtotal			<u>28,720,538</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Jefferson County Human Services			
Temporary Assistance for Needy Families (TANF)	93.558	8558	93,936
Refugee and Entrant Assistance State Programs	93.566	8566	7,222
Agency subtotal			<u>101,158</u>
Total expenditures of federal awards			<u>\$ 41,112,801</u>

*See Notes to Schedule of Federal Awards (SEFA)

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1

Notes to Schedule of Expenditures of Federal Awards

June 30, 2018

(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)(C) 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 \$1,713,270 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) Indirect Costs

The District has elected to not use the 10 percent de Minimis indirect cost rate as allowed under Uniform Guidance.

(5) 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, 2018.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 41,112,801
Less: USDA *	<u>(12,291,105)</u>
	<u>\$ 28,821,696</u>

Grants Fund

Total expenditures from basic financial statements	\$ 38,553,886
Less: Nonfederal grants expenditures	<u>(9,732,190)</u>
	<u>\$ 28,821,696</u>

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





CliftonLarsonAllen

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*

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County School District, No. R-1 (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated .

We did not audit the financial statements of Golden View Classical Academy, a component unit of the District, which represents 5 percent and 7 percent, respectively, of the assets and deferred outflows of resources and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon have been furnished to us, and our opinion, insofar as it relates to the amounts include for Golden View Classical Academy in the aggregate discretely presented component units, is based solely on the report of the other auditors. The financial statements of Golden View Classical Academy were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 6, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Jefferson County School District, No. R-1's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 District'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 a 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. *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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 the District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 6, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 6, 2018

**JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.367	Title II, Part A – Supporting Effective Instruction State Grant
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,233,384

Auditee qualified as low-risk auditee? _____ x yes _____ no

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2CFR 200.516(a).

**JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

Jefferson County School District, No. R-1 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2018.

Audit period: July 1, 2017 - June 30, 2018

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2017 – 001 Food Service Fund Capital Asset Purchase

Condition: During testing over capital assets, it was noted the Food Service Fund purchased an espresso machine without prior written approval from the Colorado Department of Education (CDE) in the amount of \$14,682. According to CCR 301-11.3.03(7) and CCR 301-11.3.03(10), all purchases greater than \$5,000 for the Food Service Fund must be included on the pre-approved equipment list or be submitted to CDE Office of School Nutrition (OSN) for prior approval before purchasing with Child Nutrition funds. In addition, all funds remaining in the Food Service Fund shall be used for the support of the food service program and shall not be used for any other purpose. CDE also requires Districts to complete a series of questions to determine if the asset purchase is in line with federal and state regulations. The series of questions were not completed and submitted to CDE for approval of the purchase of the asset.

Status: Not repeated.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2017 – 002

Condition: During our testing over twenty schools, we noted three schools that had an incorrect poverty rate percentage reported to the Colorado Department of Education (CDE) on the District's consolidated application. The schools in question had three areas where the poverty rates were to be reported for grade levels K-6, 7-9, and 10-12. Only one grade level was updated for the current year leaving the other two grade levels reported at an incorrect rate. This error was not detected by the review process of the consolidate application prior to submission to CDE.

Status: Not repeated.

If there are questions regarding this schedule, please call Joshua Shoemaker at 303-982-6837.



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
Auditors Integrity Report
 District: 1420 - JEFFERSON COUNTY R-1
 Fiscal Year 2017-18
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+		-	=
Governmental				
10 General Fund	117,845,464	636,052,452	636,883,740	117,014,176
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	117,845,464	636,052,452	636,883,740	117,014,176
11 Charter School Fund	34,812,347	88,152,271	88,994,367	33,970,252
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	6,537,673	24,728,397	25,643,285	5,622,785
22 Govt Designated-Purpose Grants Fund	8,181,875	39,148,877	38,553,885	8,776,867
23 Pupil Activity Special Revenue Fund	11,650,484	27,641,864	27,892,014	11,400,333
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	567,598	25,898,184	25,829,522	636,260
31 Bond Redemption Fund	61,883,146	124,294,839	124,913,953	61,264,032
39 Certificate of Participation (COP) Debt	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	44,932,521	38,942,231	41,793,909	42,080,843
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	286,411,108	1,004,859,114	1,010,504,673	280,765,548
Enterprise				
50 Other Enterprise Funds	11,089,788	16,045,208	16,135,472	10,999,524
64 (63) Risk-Related Activity Fund	7,608,351	11,800,850	13,029,389	6,379,812
60,65-69 Other Internal Service Funds	29,640,379	9,544,526	13,372,671	25,812,234
Totals	48,338,518	37,390,584	42,537,532	43,191,570
Trust and Agency				
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

FINAL

*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.