

Comprehensive Annual Financial Report

*For the fiscal year ended June 30, 2019
Jefferson County, Colorado*



JEFFCO PUBLIC SCHOOLS

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



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

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, 2019

Table of Contents

Introductory Section

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

Financial Section

Independent Auditors’ Report.....	13
Management’s Discussion and Analysis	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	32
Statement of Activities.....	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	38
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	40
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund.....	41
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Grants Fund.....	43
Statement of Net Position – Proprietary Funds	44
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	45
Statement of Cash Flows - Proprietary Funds.....	46
Notes to Basic Financial Statements	47
Required Supplementary Information:	
Schedule of the District’s Proportionate Share of the Net Pension Liability.....	82
Schedule of the District’s Proportionate Share of the Net OPEB Liability.....	85
Schedule of Pension Contributions and Related Ratios	86
Schedule of OPEB Contributions and Related Ratios.....	88
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds.....	95

Schedules of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Budget and Actual:	
Bond Redemption Debt Service Fund	96
Capital Reserve - Capital Projects Fund	97
Building Fund - Capital Projects Fund.....	98
Campus Activity Special Revenue Fund.....	99
Transportation Fund.....	100
Food & Nutrition Services Special Revenue Fund	101
Combining Statement of Net Position – Internal Service Funds	104
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position –Internal Service Funds	106
Combining Statement of Cash Flows - Internal Service Funds.....	108
Component Units:	
Combining Statement of Net Position.....	112
Combining Statement of Activities	115
Combining Balance Sheet	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit).....	118

Statistical Section

Net Assets/Net Position by Component	122
Changes in Net Assets/Net Position	124
Fund Balances of Governmental Funds	128
Changes in Fund Balances of Governmental Funds.....	130
Assessed Value and Estimated Actual Value of Taxable Property	132
Direct and Overlapping Property Tax Rates.....	134
Principal Property Tax Payers	135
Property Tax Levies and Collections	137
Ratios of Outstanding Debt by Type	138
Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin	140
Demographic and Economic Statistics	142
Principal Employers	143
Full-time Equivalent District Employees by Category.....	144
Operating Statistics	146
School Building Information.....	147
Certificated Staff Data – Number of certificated staff by salary level with average salaries	148

Single Audit Section

Single Audit Reports	149
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Colorado Department of Education Auditor’s Electronic Financial Data Integrity Check Figures

Colorado Department of Education Auditor’s Electronic Financial Data Integrity Check Figures	167
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October 30, 2019

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, 2019, 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, 2019. 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, 2019, 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, 2019, 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 November of 2018, the voters approved 5A, a \$33 million mill levy override (MLO). Approximately, \$3 million flowed to charter schools based on the district's Mill Levy Sharing Plan that was authorized by the Board of Education (BOE). The district began spending the MLO funds in 2018/2019. The distribution of funds is broken into five categories as directed by the Board of Education: Compensation (\$15M), Career Tech-Ed/STEM (\$3M), Safety and Mental Health Support (\$6M), and Early Childhood Education (\$3M). At the end of year there was \$11.6M assigned to be used in 2019/2020.

Additionally in 2019, the district decreased to 16 operating charter schools that are legally separate entities with the transition of Free Horizon Montessori School moving to a district managed innovation school and Golden View Classical Academy moving outside of the district to the Charter School Institute (CSI). 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 expand through the end of 2019. Weaker international economic conditions and trade policy uncertainty continue to weigh on investment decisions, supply chains, and demand dampening the effects of a strong economic fundamentals in the US. The economy is expected to expand through the end of 2019, albeit at a slower pace as these trends continue. In 2020 and 2021, economic activity is expected to moderate on headwinds from a tight labor market, with an elevated risk of recession clouding the outlook. The national gross domestic product (GDP) grew by an impressive 3.5 percent in July 2019, marked a continued increase for the last 11 years. Real GDP grew by an annualized rate of 2.0 percent in the second quarter of 2019, after growing by a healthy 3.1 percent in the first quarter. GDP is expected to grow an annual rate of 2.2 percent in 2019, before slowing to 1.8 percent in 2020.

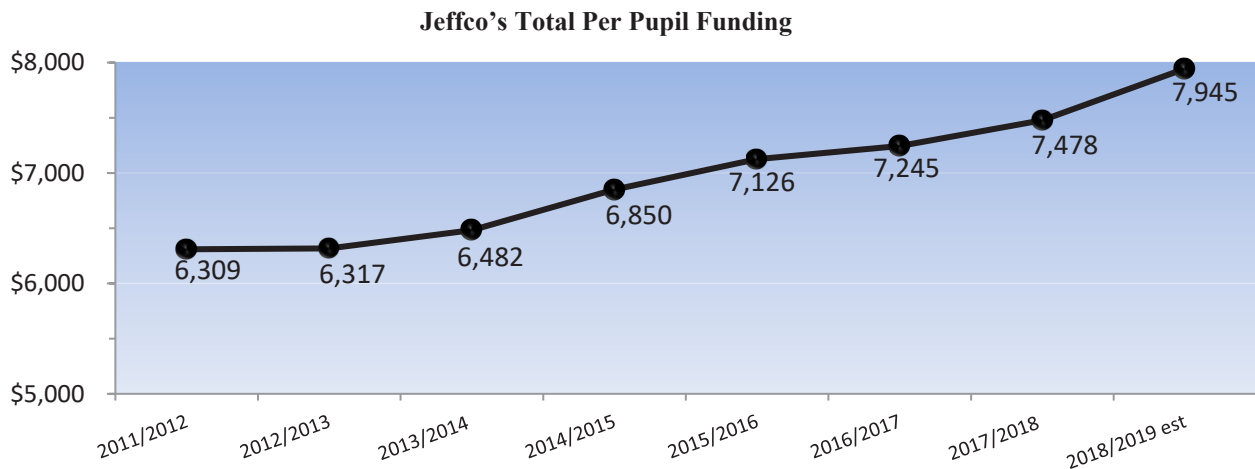
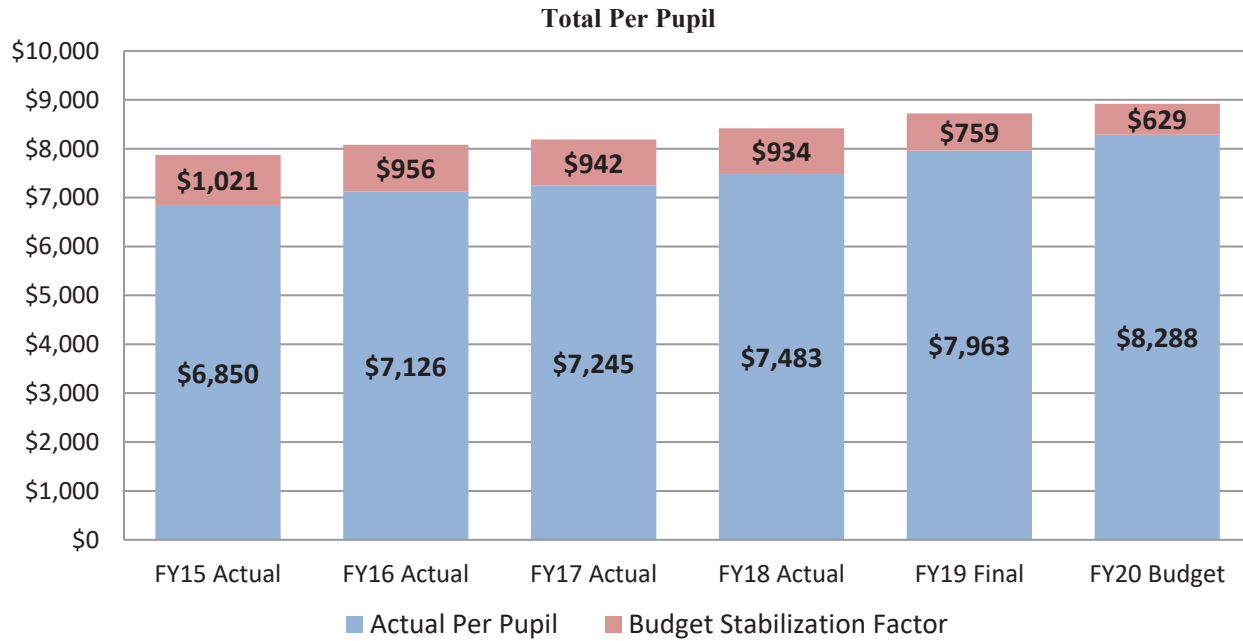
Colorado's economy continues to grow and at a higher pace than national. The housing market continues to outpace the national average. In the first quarter of 2019, the market shifted slightly to a buyers' market. However, the slowing growth is contributed by concern of affordability of homes, despite the slight decline in price growth.

Colorado State revenue continues to grow at a moderate pace. The Legislative Council economic report was positive showing an increase in revenue for 2018/2019. The State Controller's August 30 revenue certification indicates that state revenue subject to TABOR exceeded the Referendum C Cap by \$428.3 million in FY 2018/2019 and is expected to trigger a TABOR refund of \$428.5 million, to be paid out in 2019/2020. 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 2019/2020 factor at approximately \$572 million. The 2019/2020 School Finance Act provides an increase of 2.7 percent inflation that increased the base per pupil funding, anticipated student growth, and a buy down of the budget stabilization factor of \$100 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.

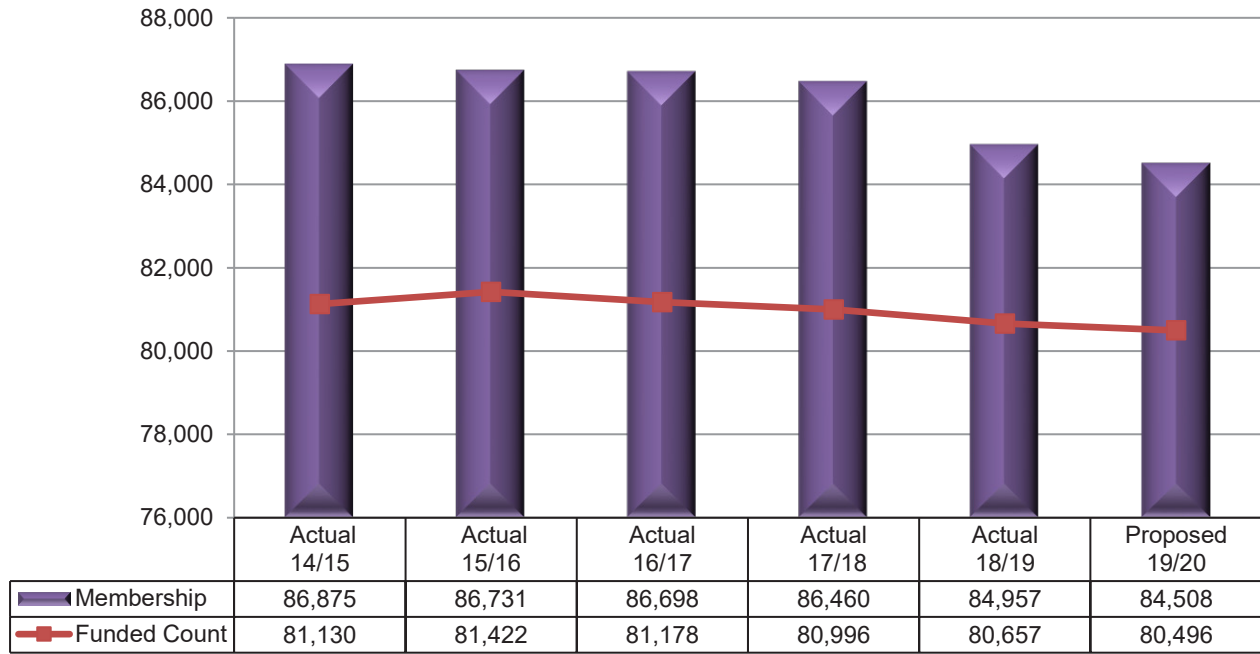
SB18-200 Modifications to PERA Public Employees' Retirement Association to Eliminate Unfunded Liability passed in spring 2018 and subsequent impacts are included in the 2018/2019 District PERA pension and OPEB liability. The public employees' retirement association (PERA) provides retirement and other 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, automatic adjustments, and makes other modifications. The State on-behalf contribution to PERA is also reflected in the districts PERA pension and OPEB liability.

In the spring of 2019, the governor proposed and passed a bill to fund full day kindergarten from .58 percent to 1.0 for full day and keeping half day at .58. This will take effect in 2019/2020.



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

Jeffco Public Schools (district) has deep and meaningful generational ties that crisscross our community and a tradition of quality on which to build. But the district must also adapt and change to prepare our students for their future. A central element of this change will be to take on entrepreneurial spirit, and a willingness to innovate and adapt.

In 2018/2019, 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

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 2019/2020 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

The district fully implemented Budgeting for Outcomes (BFO) in 2017/2018. In year two, 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.

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.

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 continued the implementation of the state ESSA plan in the current school year. Under ESSA, schools are identified for targeted or comprehensive support with additional requirements for their Unified Improvement Plans.

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. For 2018/2019 the negotiated compensation increases for effective educators included experience steps, credit and degree advancement, and a 2.5 percent COLA. As a result of passing the 5A election, a 2.67 increase to all licensed employees was implemented in March. These compensation increases are improvements in the district compensation structures and to employee earnings, but the district continues to struggle when competing with 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. As demonstrated by a number of facilities that are over 50, 60 and approaching 70 years old.

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.

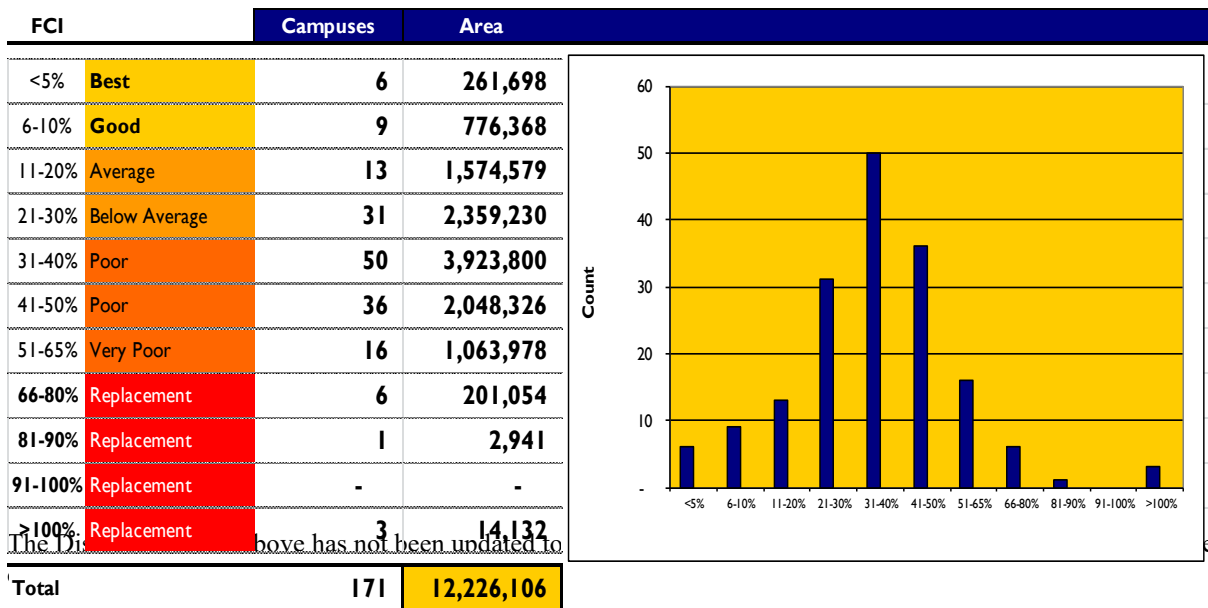
All smaller scale capital improvements are financed from the capital reserve fund. The capital reserve fund will spend between \$17 million and \$19 million each year for capital improvements to facilities. The amount, while seemingly large, becomes small when put in the perspective of supporting 88 elementary schools, six K-8 schools, four 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 \$2.94 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, including 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 2018-2019 Summary of Findings.

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



In November 2018, the voters of Jefferson County approved a \$567 million general obligation bond as part of a six-year, \$700-750 million capital improvement program. During the last quarter of FY2019, the district purchased a building and site for \$7 million that will serve as the North Area Transportation Terminal. This purchase was identified as a bond project. Four charter schools used their portion of bond proceeds to pay down or pay off debt. Planning commenced for district projects that will be constructed during FY 2020 and beyond.

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 District Technology Plan 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. Work has begun 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 plan will include the International Society for Technology in Education (ISTE) standards. The 2020-2023 Technology Plan will focus on the following key principles:

- Innovation
- Enhancing the user experience
- Quality & availability of information
- Efficiency in delivery technology

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 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. The final phase focuses on providing Gigabit fiber connectivity to our schools 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

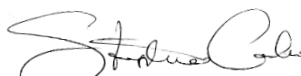
The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Jefferson County School District, No. R-1, for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the thirty-sixth consecutive year the district has received this prestigious award. In order to be awarded a Certificate of Achievement, the district published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current 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

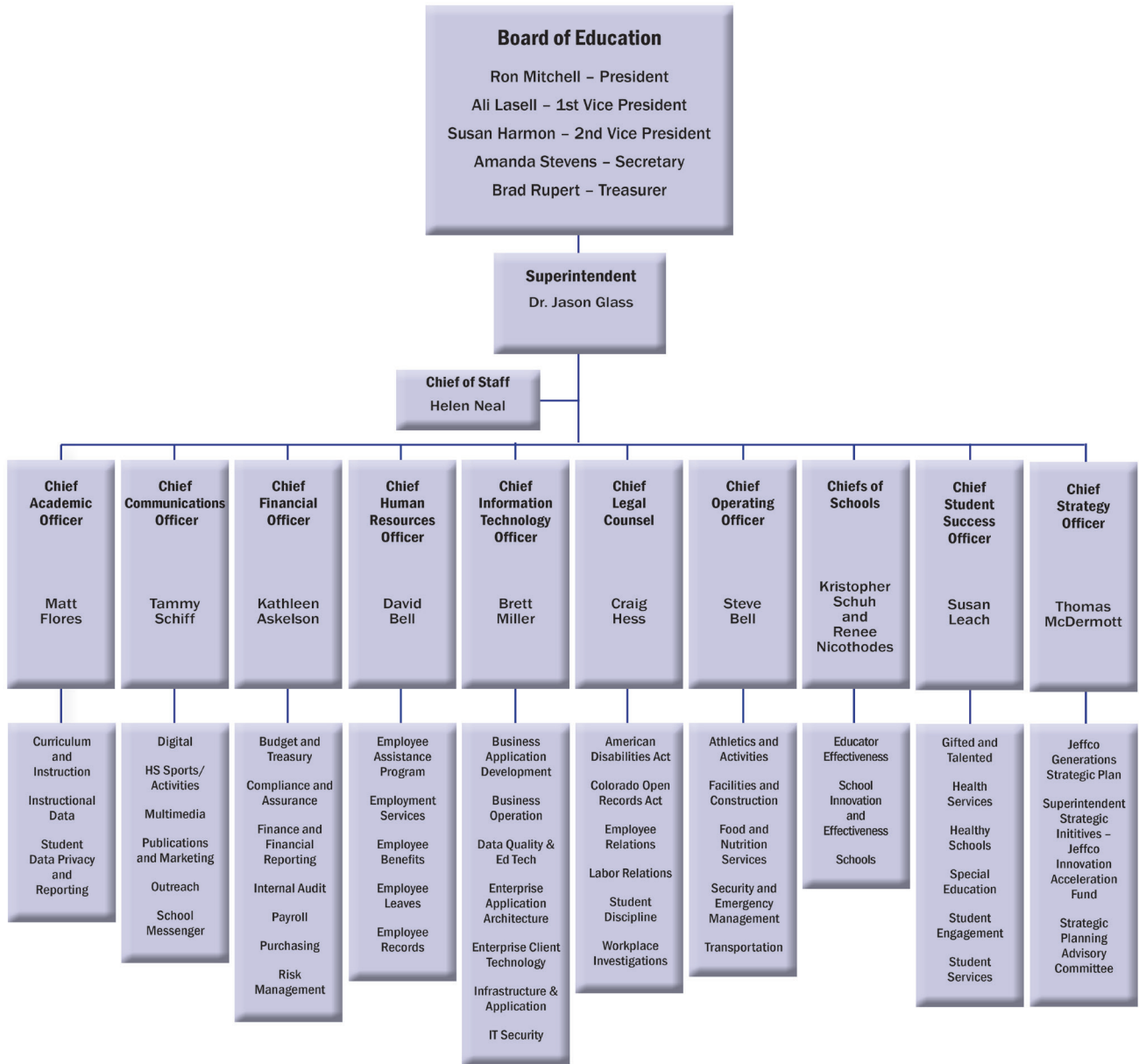
**Jefferson County School District No. R-1
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



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

Superintendent's Cabinet

Dr. Jason Glass Superintendent
Helen Neal Chief of Staff for Superintendent and BOE
Matt Flores Chief Academic Officer
Tammy Schiff..... Chief Communications Officer
Kathleen Askelson..... Chief Financial Officer
David Bell..... Chief Human Resources Officer
Brett Miller Chief Information Technology Officer
Craig Hess Chief Legal Counsel
Steve Bell Chief Operating Officer
Renee Nicothodes..... Chief of Schools, Elementary
Kristopher Schuh..... Chief of Schools, Secondary
Susan Leach..... 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, 2019, 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 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.

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, 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, 2019, 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.

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 17-31, the schedule of the District's proportionate share of the net pension liability on page 82, the schedule of the District's proportionate share of the net OPEB liability on page 85, the schedule of pension contributions and related ratios on page 86, and the schedule of OPEB contributions and related ratios on page 88 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 October 24, 2019, 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 results 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
October 24, 2019

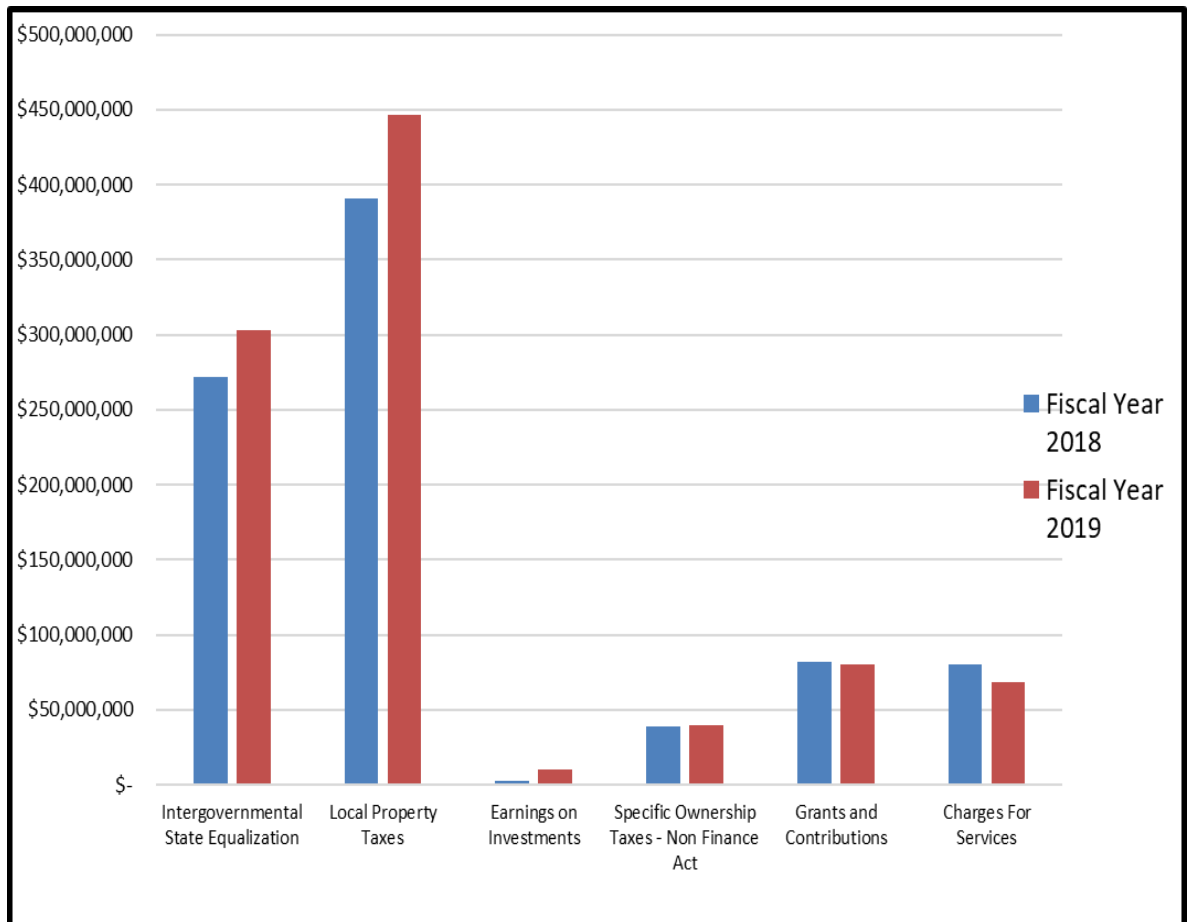


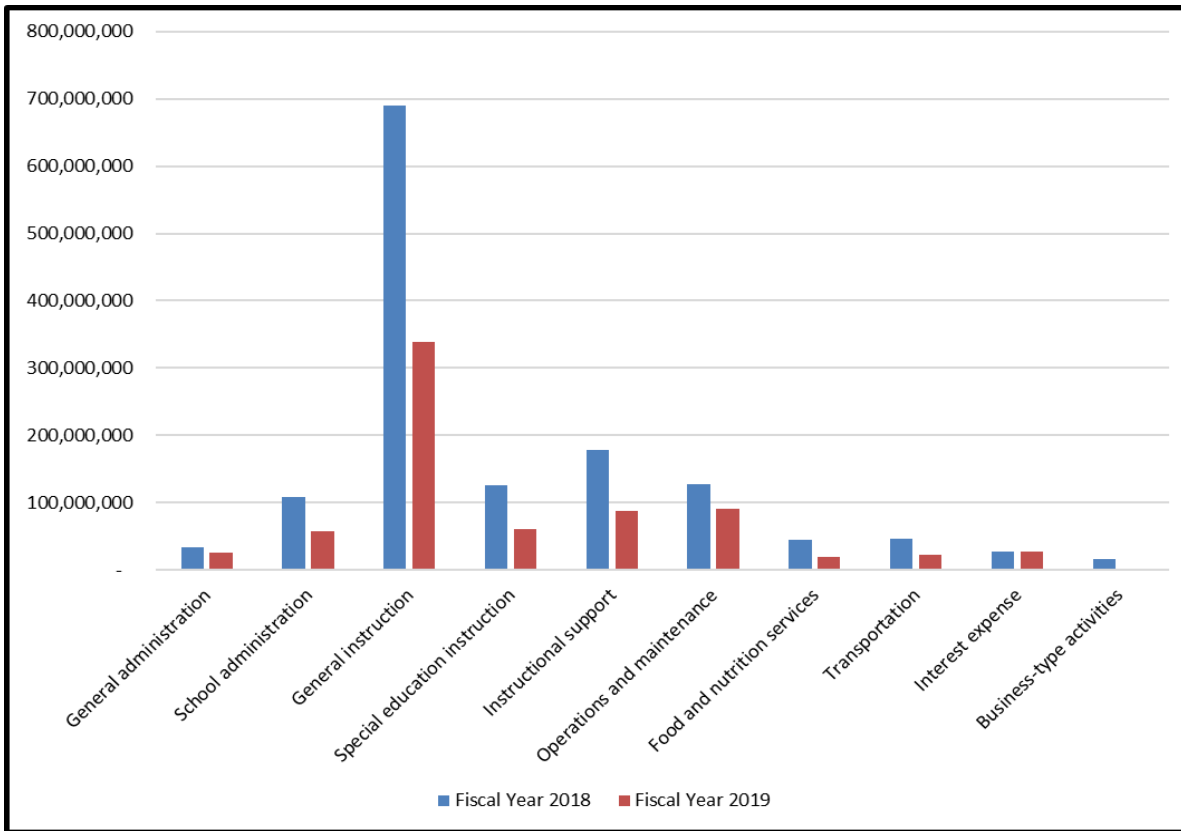
Management's Discussion and Analysis



Primary Government Government-wide Net Position:
 Increased \$223 million from prior year (excluding Free Horizon restatement)

Primary Government Government-wide Revenues: Increased \$101 million from prior year.





Primary Government Government-wide Expenses:
Decreased \$652 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, 2019. 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

- New in 2018/2019 was SB18-200 which includes the on behalf contribution from the state to PERA to fund the pension liability. The contribution impacted government wide net position, significantly reduced pension liability, proportionate share, and increased the deferred inflows for the changes in assumptions.
- Total government-wide net position increased \$223 million in 2018/2019 which includes business-type activities, SB18-200 on behalf contribution from the State to PERA and excludes the restatement of Free Horizon's net position.
- Government-wide total liabilities decreased \$1.4 billion from the prior year from SB18-200 the on behalf payment the State contributed to PERA for pension. This created a significant reduction in the districts pension liability; deferred inflows of resources increased from changes in assumptions with the additional on behalf payment from the State to PERA. The change in proportionate share of the District's liability, changes in assumptions, and in experience increased \$1 billion.
- Net investment in capital assets decreased \$13 million. This decrease 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, 2019, totaling \$1.6 billion and \$78 million respectively. This reduction change in the liability significantly impacted the unrestricted portion of net position.
- Government-wide total assets increased \$384 million which includes business-type activities. The year over year increase in assets was mainly driven by the general obligation issuance of the voter approved 2018 Series bonds and mill levy override resulting in large cash and investment balances.
- Deferred outflows of resources decreased from prior year in the District's share of the PERA liability mostly due to the on be-half payment from the State to PERA. 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 resulted in a \$492 million ending balance.

- The combined governmental fund balance for fiscal year 2019 is \$617 million, an increase of \$370 million from the prior year mostly based on the bond issuance and additional 5A mill levy into governmental funds. Of the fund balance, \$370 million is committed to construction projects. School carry forward balance of \$20 million is assigned. Of the general fund balance, \$88 million (12.5 percent of General Fund expenditures) is unassigned.

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 32-80 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 81-119.

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, building 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, 2019; 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 111-119.

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.

The District maintains eight different governmental funds. The major funds are the general fund, the capital reserve capital projects fund, building 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 47-80 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 94-109 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 increased \$223 million from the prior year primarily due to the on-behalf payment from the State to PERA for contributions during fiscal year 2019 which reduced the pension liability for the district which excludes the restatement for Free Horizon's net position. Net investment in capital assets decreased by \$13 million over prior year, this decrease was primarily due to receiving bond funds for the general obligation issuance and beginning the planning work for future projects that were not yet completed.

Cash and investments account for 47 percent of the total assets. These assets are available to provide resources for near-term operations of the District and capital construction. 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 \$1.6 billion in pension liability and \$78 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 resources of the primary government activities are exceeded by liabilities and deferred inflows of resources by \$1.7 billion with a negative unrestricted net position balance of \$2.2 billion.

Comparative Summary of Net Position As of June 30

	Fiscal Year 2018			Fiscal Year 2019		
	Governmental Activities	Business-type Activities	Government-Wide	Governmental Activities	Business-type Activities	Government- Wide
Assets:						
Current and other assets	\$413,600,255	\$10,709,665	\$424,309,920	\$792,697,633	\$11,171,044	\$803,868,677
Capital assets, net of depreciation	<u>833,190,090</u>	<u>1,362,898</u>	<u>834,552,988</u>	<u>838,205,786</u>	<u>1,216,370</u>	<u>839,422,156</u>
Total assets	<u>1,246,790,345</u>	<u>12,072,563</u>	<u>1,258,862,908</u>	<u>1,630,903,419</u>	<u>12,387,414</u>	<u>1,643,290,833</u>
Total deferred outflows of resources	<u>958,841,480</u>	<u>-</u>	<u>958,841,480</u>	<u>492,015,538</u>	<u>-</u>	<u>492,015,538</u>
Liabilities:						
Other liabilities	3,493,772,210	968,934	3,494,741,144	1,842,031,533	1,133,269	1,843,164,802
Long-term liabilities outstanding	<u>462,027,309</u>	<u>104,105</u>	<u>462,131,414</u>	<u>759,033,001</u>	<u>111,429</u>	<u>759,144,430</u>
Total liabilities	<u>3,955,799,519</u>	<u>1,073,039</u>	<u>3,956,872,558</u>	<u>2,601,064,534</u>	<u>1,244,698</u>	<u>2,602,309,232</u>
Total deferred inflows of resources	<u>166,821,978</u>	<u>-</u>	<u>166,821,978</u>	<u>1,225,802,654</u>	<u>-</u>	<u>1,225,802,654</u>
Net position:						
Net investment in capital assets	410,495,440	1,362,898	411,858,338	398,121,140	1,216,370	399,337,510
Restricted for:						
Grants	8,776,867	-	8,776,867	8,811,028	-	8,811,028
Debt service	60,776,013	-	60,776,013	78,455,899	-	78,455,899
Food service	5,622,786	-	5,622,786	3,926,071	-	3,926,071
TABOR	19,578,269	521,857	20,100,126	21,703,903	553,325	21,703,903
Unrestricted	<u>(2,422,239,047)</u>	<u>9,114,769</u>	<u>(2,413,124,278)</u>	<u>(2,214,966,272)</u>	<u>9,373,021</u>	<u>(2,205,593,251)</u>
Total net position	<u>(\$1,916,989,672)</u>	<u>\$10,999,524</u>	<u>(\$1,905,990,148)</u>	<u>(\$1,703,948,231)</u>	<u>\$11,142,716</u>	<u>(\$1,692,805,515)</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 2018		Fiscal Year 2019	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 833,190,090	\$ 1,362,898	\$ 838,205,786	\$ 1,216,370
Deferred outflows on refunding	12,937,231	-	5,872,896	-
Unspent proceeds from bond issuance	-	-	336,442,901	-
Less: General obligation bonds	387,711,708	-	730,629,404	-
Less: Certificate of participation and premium/Note	<u>47,920,173</u>	<u>-</u>	<u>51,771,039</u>	<u>-</u>
Net investment in capital assets	<u>\$ 410,495,440</u>	<u>\$ 1,362,898</u>	<u>\$ 398,121,140</u>	<u>\$ 1,216,370</u>

Government-wide activities

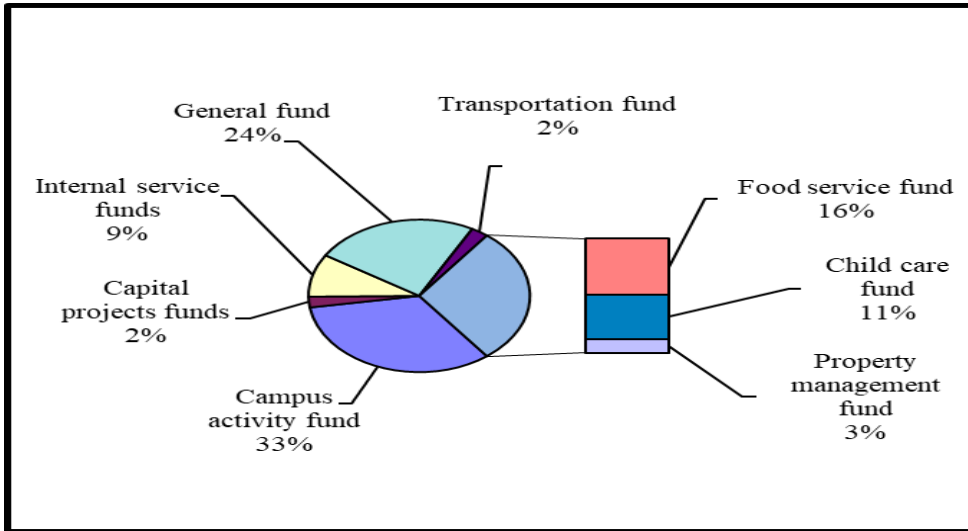
Government-wide activities increased the net position of the District by \$223 million during the year ended June 30, 2019 excluding the restatement of Free Horizon's net position. The following schedules, charts and analysis focus on this decrease.

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

	Fiscal Year 2018			Fiscal Year 2019		
	Governmental Activities	Business-type Activities	Government Wide	Governmental Activities	Business-type Activities	Government Wide
Revenues						
Program revenues:						
Charges for services	\$69,016,790	\$11,197,596	\$80,214,386	\$68,601,344	\$11,917,321	\$80,518,665
Operating grants and contributions	75,976,827	6,066,190	82,043,017	80,666,439	6,245,151	86,911,590
General revenues:						
Taxes:						
Local property taxes	390,410,501	-	390,410,501	446,393,000	-	446,393,000
Automotive ownership taxes	38,543,552	-	38,543,552	39,646,824	-	39,646,824
Intergovernmental state equalization	272,182,129	-	272,182,129	302,623,503	-	302,623,503
Earnings on investments	<u>2,503,137</u>	<u>131,422</u>	<u>2,634,559</u>	<u>10,205,724</u>	<u>295,703</u>	<u>10,501,427</u>
Total revenues	<u>848,632,936</u>	<u>17,395,208</u>	<u>866,028,144</u>	<u>948,136,834</u>	<u>18,458,175</u>	<u>966,595,009</u>
Expenses						
Governmental activities:						
General administration	34,010,421	-	34,010,421	25,577,408	-	25,577,408
School administration	107,454,780	-	107,454,780	57,184,224	-	57,184,224
General instruction	689,803,039	-	689,803,039	338,352,008	-	338,352,008
Special education instruction	125,986,386	-	125,986,386	60,078,428	-	60,078,428
Instructional support	177,535,468	-	177,535,468	87,358,735	-	87,358,735
Operations and maintenance	125,858,843	-	125,858,843	90,139,921	-	90,139,921
Transportation	46,130,547	-	46,130,547	18,396,673	-	18,396,673
Interest expense, unallocated	28,918,125	-	28,918,125	21,757,237	-	21,757,237
Food services	43,950,669	-	43,950,669	27,254,231	-	27,254,231
Child care	-	14,329,881	14,329,881	-	15,770,645	15,770,645
Property management	<u>-</u>	<u>1,805,591</u>	<u>1,805,591</u>	<u>-</u>	<u>1,843,658</u>	<u>1,843,658</u>
Total expenses	<u>1,379,648,278</u>	<u>16,135,472</u>	<u>1,395,783,750</u>	<u>726,098,865</u>	<u>17,614,303</u>	<u>743,713,168</u>
Increase (decrease) in net position before transfers	<u>(531,015,342)</u>	<u>1,259,736</u>	<u>(529,755,606)</u>	<u>222,037,969</u>	<u>843,872</u>	<u>222,881,841</u>
Transfers	<u>1,350,000</u>	<u>(1,350,000)</u>	<u>-</u>	<u>700,680</u>	<u>(700,680)</u>	<u>-</u>
Increase (decrease) in net position	<u>(529,665,342)</u>	<u>(90,264)</u>	<u>(529,755,606)</u>	<u>222,738,649</u>	<u>143,192</u>	<u>222,881,841</u>
Net position, July 1, as restated*	<u>(1,387,324,330)</u>	<u>11,089,788</u>	<u>(1,376,234,542)</u>	<u>(1,926,686,880)</u>	<u>10,999,524</u>	<u>(1,915,687,356)</u>
Net position, June 30	<u>(\$1,916,989,672)</u>	<u>\$10,999,524</u>	<u>(\$1,905,990,148)</u>	<u>(\$1,703,948,231)</u>	<u>\$11,142,716</u>	<u>(\$1,692,805,515)</u>

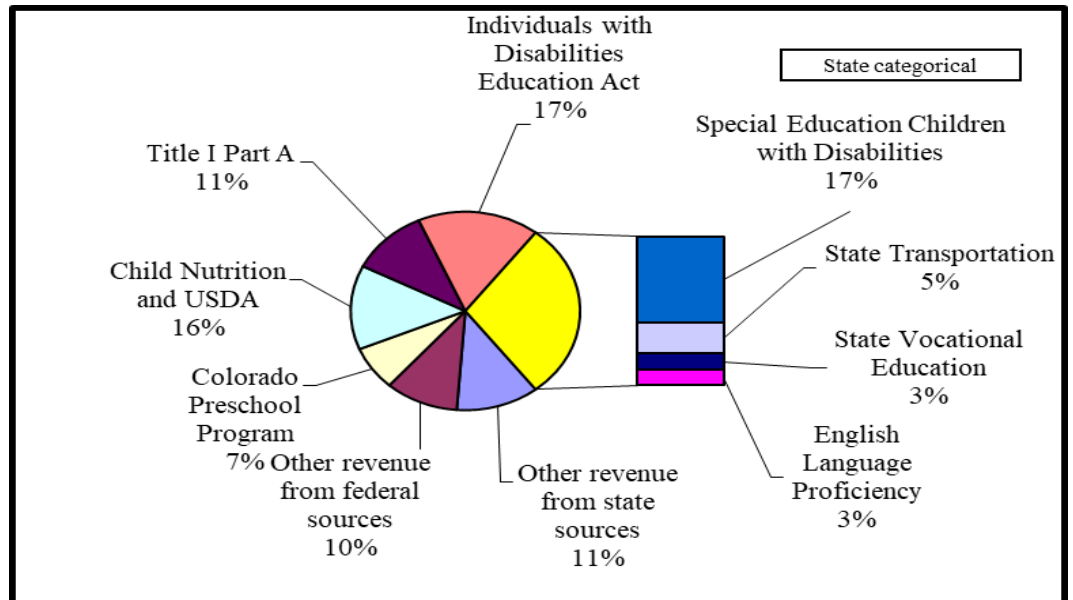
*Prior year net position is restated for the transition of Free Horizon Montessori School moving into the District Governmental funds. The restated amount includes recording the year over year change in PERA liability & expense for the pension and health care trust fund and fund balance of \$1,642,722 full detail listed in Note 15.

Analysis of Revenues

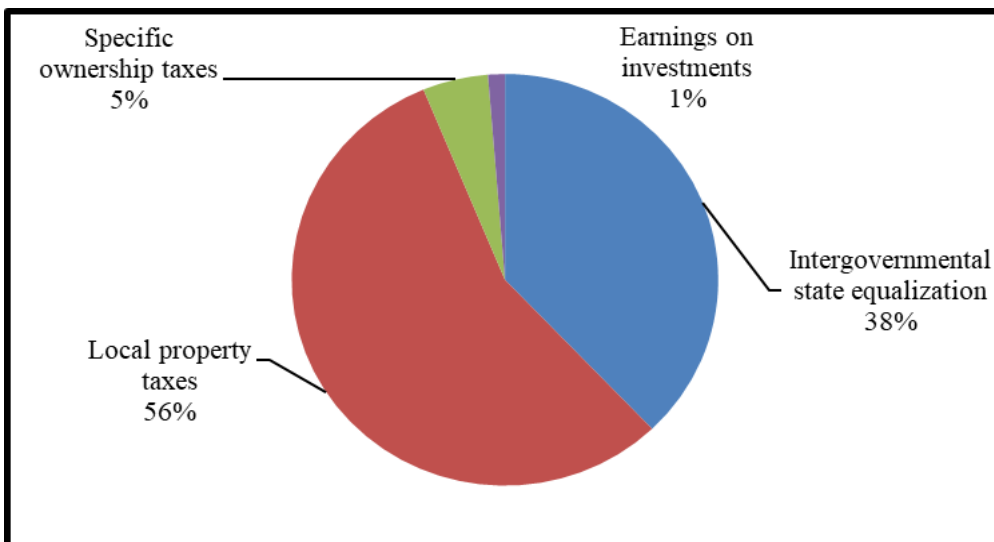


Government-wide Charges for Services
totals \$81 million

Government-wide Operating Grants and Contributions
(includes Capital grants and contributions)
totals \$87 million



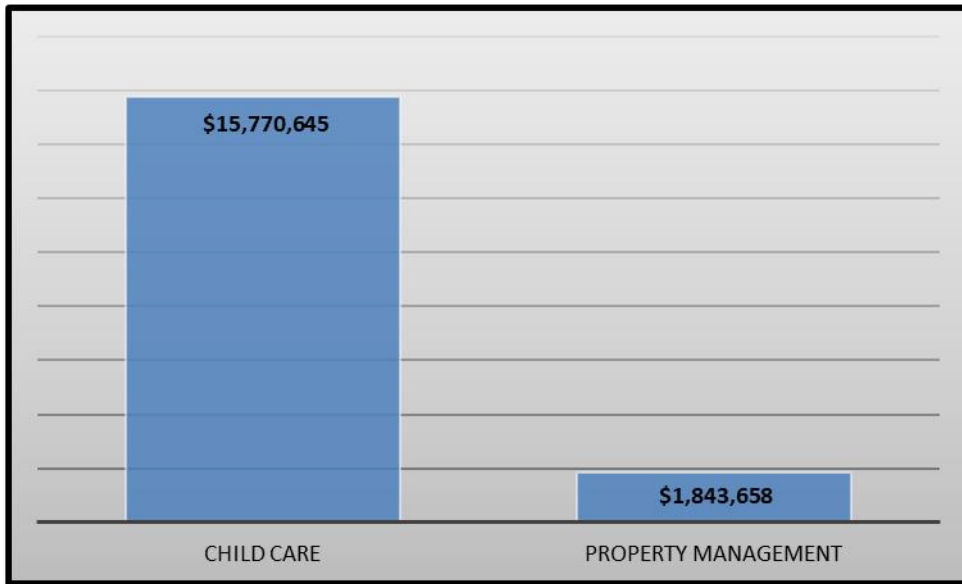
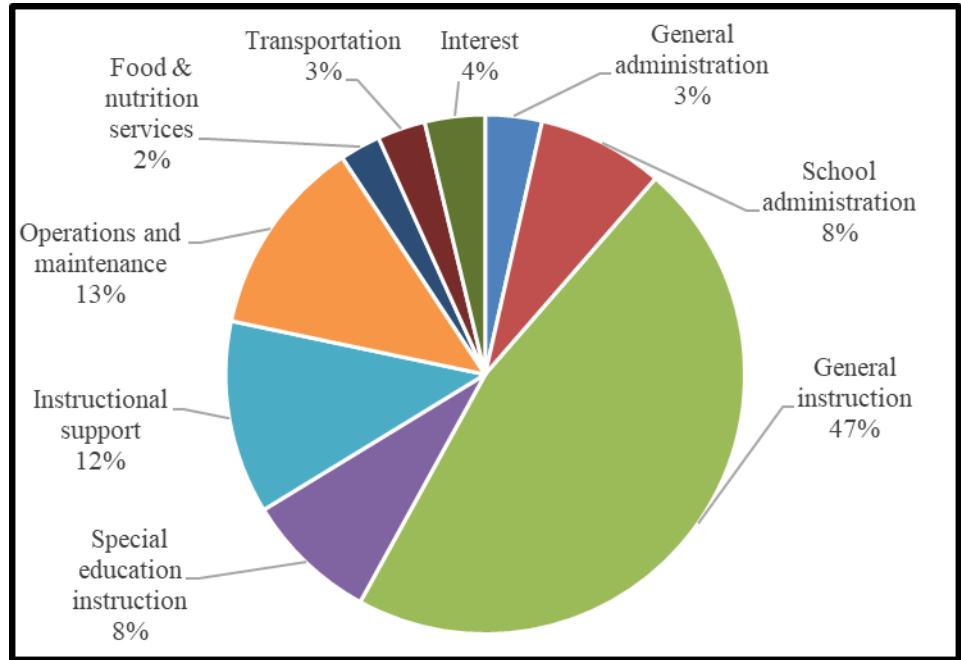
State categorical



Total General Revenues
of \$800 million

Analysis of Expenses

Governmental Activities
Expenses total \$726 million



Business-type Activities
Expenses total \$18 million

Government-wide revenues

Government-wide revenues increased \$101 million from the prior year. Local property taxes increased \$56 million. \$33 million for additional mill levy override due to the passage of 5A, and \$1 million for specific ownership tax (a vehicle use tax) from the prior year. State equalization funding (state share) increased by \$30 million due to additional state program revenue.

Investment income accounted for an additional \$8 million over prior year. Charges for services increased \$300 thousand over prior year mostly due to the transition of Free Horizon Montessori School into the District funds and fees for 1:1 devices. Grants and other contributions are up \$5 million with new grant awards.

Government-wide expenses

Government-wide expenses decreased \$652 million from the prior year. This year the State contributed an on-behalf payment to PERA which reduced the District pension expense. This is part of GASB 85 that recognizes on-behalf payments for pensions or OPEB in employer financial statements.

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 104-109 of this report. Following are highlights of activity in the District’s internal service funds for fiscal year 2019.

- Central services provide copier and printing services for the District. The fund implemented a new program with Papercut Management System that requires employees to log in to the printer to release print jobs, make copies, and scan. This new system increased expenses over budget by \$2,120 and resulted in a higher reduction in printing revenue than expected leaving the fund with a net loss and spending outside the budget.
- The employee benefits fund accounts for dental and vision self-insurance for the District. Revenues are higher than plan and prior year due to increased participation from a planned net loss of using reserves for self-insurance plans to keep the premiums affordable for employees. Claim expenses were down this year in life insurance claims, in prior year the district paid out more insurance claims for retirees; each with adequate reserves to cover this annual planned loss.
- The insurance reserve fund accounts for self-insured property, liability, worker’s compensation and other insurance as needed for the District. Revenues were higher due to the hail storm in May of 2017 and expenditures were slightly lower due to the timing of payments for this work. The hail storm damage accounts for \$12 million in damage with the \$10 on property and the remaining on fleet. The timing of the claim, work and financial impact are not always in the same period. The hail storm resulted in higher premiums for the District that will increase ongoing costs.
- The technology fund supports the District’s technology initiatives and systems. Revenues are up due to receiving funds for Teacher Match, website support and salary increases. Expenses for the year are slightly below plan and prior year.

The District’s business-type activities net position increased \$143 thousand in 2018/2019 for Child Care and Property Management. The child care fund includes the transition of Free Horizon Montessori School child care activities from a charter school to a district managed school this year. The basic proprietary fund financial statements are presented on pages 44-46. Key elements that highlight the activities in fiscal year 2019 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 the transition of the Free Horizon Montessori School preschool and before/after school program into this fund. The fund overall was planned for a net loss and ended the year better than expected.
- The property management fund accounts for revenues and expenses related to the public use of District property. Revenues and expenditures are up over the previous year and in line or better than budget driven by increased building rental. The fund was planned to spend down reserves and ended the year better than expected even with the planned 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.

Unassigned fund balance for the District at the end of the fiscal year is comprised of the general fund balance of \$88 million, \$15 million up from the prior year. The fund was planned at a net gain for 2018/2019 for the additional mill levy overrides that

were received late in the year. The mill levy overrides are committed for one-time use for 2019/2020 per the election language for 5A.

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 2018/2019, the School Finance Act funded 3.4 percent for inflation and decreased the budget stabilization factor \$61 million, increasing base per pupil funding. The student funded enrollment for the whole District, including component unit charter schools, decreased by 339 students in both component unit charter schools and district management schools.

Actual expenditures for the general fund were in line with plan. The excess revenue over expenditures was primarily a result of higher revenues for the additional mill levy override that was not able to be programmed in the current year and assigned to one time use for FY20, better than planned interest revenue and additional specific ownership tax. The school carry forward amount decreased by \$4 million, there is a new reserve assignment for \$11.6 million for the 5A mill levy funds, and a \$15 million increase in the unassigned reserves to \$88 million.

The bond redemption debt service fund has a fund balance of \$79 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 2019 principal and interest payments. The levy to accumulate resources for the June 2020 interest payments and December 2020 principal and interest payments will be certified in December 2019. In compliance with Senate Bill 237, the District has contracted with a third party custodian to administer bond principal and interest payments. In December 2018, the 2018 series General Obligation Bonds were issued for \$326 million to begin funding the six year capital improvement plan.

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 capital reserve capital projects fund had an annual transfer of \$23 million from the general fund.

The building fund capital projects fund was established this year to account for the voter approved \$326 million of bond proceeds for capital purposes. The projects to be completed with these funds are part of the six year capital improvement plan that was mapped out of site level project scopes.

The grants fund revenues and expenditures were higher than the prior year and in line with budget with new state funded grants and late awards. One of the new grants awarded came from the Colorado Division of Homeland Security. This grant was awarded to allow the district facilities office to update and upgrade all schools safety systems including locks and camera systems.

Revenues for Campus Activities were at 94 percent of budget and above prior year due to the increased fees for 1:1 devices and Sr. participation fees. The passage of the 5A MLO had a portion of funds set aside for technology devices that reduced some of the fee revenue that was collected. Expenditures ended the year below last year and at 96 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 increase and came in slightly below plan with an increase of \$670 thousand and ended the year at \$12.1 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 \$3.7 million in fees to help offset the cost of transportation. The transfer from the general fund was \$18 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2018/2019 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:

- \$30 million increase to general fund revenue for 5A mill levy override revenue
- \$23 million increase to general fund expenditures for additional MLO and acquisition of new site
- \$349 thousand transfer out to child care fund

General fund expenditures were 100 percent of the final budget. The unassigned fund balance for the general fund at the end of the fiscal year is \$88 million, higher than the prior year due to specific ownership tax and interest revenue. \$11.6 million mill levy override were assigned for 2019/2020.

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 \$758 million. Unassigned fund balance represents 12 percent of expenditures while total fund balance represents 19 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, 2019, increased slightly to \$839 million (net of accumulated depreciation). The majority of the increase is for the acquisition of the Free Horizon Montessori site.

Major capital events during the year include the following:

- Acquisition of the old Free Horizon Montessori Site at 581 Conference Place for \$5.6 million.
- Depreciation of \$66 million for governmental activities and \$178 thousand for business-type activities.

	Fiscal Year 2018		Fiscal Year 2019	
	Governmental Activities*	Business-type Activities	Governmental Activities	Business-type Activities
Non-depreciable assets:				
Land	\$ 62,724,270	-	\$ 65,365,144	-
Construction in progress	<u>28,996,193</u>	<u>-</u>	<u>30,914,929</u>	<u>-</u>
Total non-depreciable assets	91,720,463	-	96,280,073	-
Depreciable assets (net of accumulated depreciation):				
Buildings and site improvements	710,708,325	-	711,645,190	-
Equipment and vehicles	<u>30,761,302</u>	<u>\$ 1,362,898</u>	<u>30,280,523</u>	<u>\$ 1,216,370</u>
Total depreciable assets	<u>741,469,627</u>	<u>1,362,898</u>	<u>741,925,713</u>	<u>1,216,370</u>
Total capital assets, as restated:	<u>\$ 833,190,090</u>	<u>\$ 1,362,898</u>	<u>\$ 838,205,786</u>	<u>\$ 1,216,370</u>

Additional information on the District’s capital assets can be found in note 4 on pages 58-60 of this report.

At June 30, 2019, the District had total bonded debt outstanding of \$657 million backed by the full faith and credit of the District. Additionally, the District has long-term debt obligations of certificates of participation and a bank loan in the amount of \$69 million for governmental activities still outstanding at the end of the current fiscal year.

General Obligation Bonds and Certificates of Participation/Bank Loans

	Fiscal Year 2018			Fiscal Year 2019		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
General obligation bonds	\$ 358,275,000	-	\$ 358,275,000	\$ 657,285,000	-	\$ 657,285,000
COP’s/Bank Loan	<u>67,735,000</u>	<u>-</u>	<u>67,735,000</u>	<u>69,425,000</u>	<u>-</u>	<u>69,425,000</u>
Total outstanding long-term debt	<u>\$ 426,010,000</u>	<u>-</u>	<u>\$ 426,010,000</u>	<u>\$ 726,710,000</u>	<u>-</u>	<u>\$ 726,710,000</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 \$1,889,170,854 and the legal debt margin was \$1,311,373,222.

Additional information on the District’s long-term obligations can be found in notes 7 and 8 on pages 61-64.

GENERAL BUDGETARY HIGHLIGHTS AND ECONOMIC FACTORS

For the 2019/2020 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 2019/2020 Adopted Budget, the largest factor was increased compensation as well as an anticipated loss of enrollment of \$(2.0) million that was offset by \$21.7 million in additional state funding. In addition to new state funding, there is an estimated increase in specific ownership tax as well as an increase in interest revenue. An assumption of \$14.8 million was also built in to the budget as the district continues to allocate funds from the 2018 5A Mill Levy.

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 2019/2020 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, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Cash	\$ 2,456,387	\$ 900	\$ 2,457,287	\$ 25,239
Restricted cash	37,000	-	37,000	11,013,963
Cash held by county treasurer	4,899,724	-	4,899,724	-
Equity in pooled cash with investments	335,187,518	10,840,421	346,027,939	24,959,410
Investments	422,761,830	-	422,761,830	-
Property taxes receivable	7,126,721	-	7,126,721	-
Accounts receivable	4,684,238	329,723	5,013,961	250,943
Intergovernmental receivable	7,109,308	-	7,109,308	-
Inventories	3,418,471	-	3,418,471	-
Prepaid expenses	5,016,436	-	5,016,436	-
Capital assets				
Land and construction in progress	96,280,073	-	96,280,073	28,909,853
Depreciable assets	1,887,605,868	2,815,358	1,890,421,226	105,208,416
Accumulated depreciation	(1,145,680,155)	(1,598,988)	(1,147,279,143)	(27,893,036)
Total capital assets	<u>838,205,786</u>	<u>1,216,370</u>	<u>839,422,156</u>	<u>106,225,233</u>
Total assets	<u>1,630,903,419</u>	<u>12,387,414</u>	<u>1,643,290,833</u>	<u>142,474,788</u>
Deferred outflows of resources				
Loss on refunding	\$ 5,872,896	\$ -	\$ 5,872,896	\$ 1,168,569
Pension				
Contributions after measurement date	50,482,417	-	50,482,417	3,780,794
Changes in proportionate share	488,290	-	488,290	37,245
Changes in experience	53,172,102	-	53,172,102	4,055,765
Changes in assumptions	292,584,865	-	292,584,865	22,317,273
Changes in investment earnings	85,439,745	-	85,439,745	6,517,023
OPEB				
Contributions after measurement date	2,691,692	-	2,691,692	201,590
Changes in experience	284,140	-	284,140	21,676
Changes in assumptions	549,181	-	549,181	41,890
Changes in investment earnings	450,210	-	450,210	34,339
Total deferred outflows of resources	<u>492,015,538</u>	<u>-</u>	<u>492,015,538</u>	<u>38,176,164</u>
Liabilities				
Accounts payable	\$ 19,320,172	\$ 144,380	\$ 19,464,552	\$ 3,990,892
Accrued salaries and benefits	91,688,117	948,737	92,636,854	2,961,989
Payroll withholding	27,168,741	-	27,168,741	-
Unearned revenue	1,250,480	40,152	1,290,632	149,372
Liability claims/premiums	6,454,883	-	6,454,883	-
Interest payable	1,403,535	-	1,403,535	497,372
Early retirement	1,120,000	-	1,120,000	-
Long term liabilities				
Due within 1 year	47,815,000	-	47,815,000	2,462,204
Due in more than 1 year	754,485,443	-	754,485,443	68,067,990
Compensated absences (long term)	4,547,558	111,429	4,658,987	-
Net pension liability	1,567,522,188	-	1,567,522,188	119,564,690
Net OPEB liability	78,288,417	-	78,288,417	5,971,545
Total liabilities	<u>2,601,064,534</u>	<u>1,244,698</u>	<u>2,602,309,232</u>	<u>203,666,054</u>
Deferred inflows of resources				
Pension				
Changes in proportionate share	\$ 249,664,769	\$ -	\$ 249,664,769	\$ 19,043,491
Changes in assumptions	974,830,198	-	974,830,198	74,356,376
OPEB				
Changes in proportionate share	1,188,519	-	1,188,519	90,658
Changes in experience	119,168	-	119,168	9,091
Total deferred inflows of resources	<u>1,225,802,654</u>	<u>-</u>	<u>1,225,802,654</u>	<u>93,499,616</u>
Net position				
Net investment in capital assets	398,121,140	1,216,370	399,337,510	42,597,710
Restricted for:				
Capital projects	-	-	-	849,519
Grants	8,811,028	-	8,811,028	-
Debt service	78,455,899	-	78,455,899	8,610,568
Food services	-	-	-	-
TABOR	21,703,903	553,325	22,257,228	2,423,641
Unrestricted	(2,211,040,201)	9,373,021	(2,201,667,180)	(170,996,156)
Total net position	<u>\$ (1,703,948,231)</u>	<u>\$ 11,142,716</u>	<u>\$ (1,692,805,515)</u>	<u>\$ (116,514,718)</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, 2019

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position						
	Program Revenues			Primary Government		Component Units	
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	TOTAL	Charter Schools
Primary government:							
Governmental activities:							
General administration	\$ 25,577,408	\$ 1,232,924	\$ 2,974,340	\$ (21,370,144)	\$ -	\$ (21,370,144)	\$ -
School administration	57,184,224	-	363,945	(56,820,279)	-	(56,820,279)	-
General instruction	338,352,008	36,890,661	15,958,015	(285,503,332)	-	(285,503,332)	-
Special education instruction	60,078,428	6,852,969	28,436,367	(24,789,092)	-	(24,789,092)	-
Instructional support	87,358,735	-	15,392,691	(71,966,044)	-	(71,966,044)	-
Operations and maintenance	90,139,921	10,113,814	346,352	(79,679,755)	-	(79,679,755)	-
Food & nutrition services	18,396,673	11,484,300	11,931,665	5,019,292	-	5,019,292	-
Transportation	21,757,237	2,026,676	5,263,064	(14,467,497)	-	(14,467,497)	-
Interest expense, unallocated	27,254,231	-	-	(27,254,231)	-	(27,254,231)	-
Total governmental activities	726,098,865	68,601,344	80,666,439	(576,831,082)	-	(576,831,082)	-
Business-type Activities:							
Child care	15,770,645	9,014,931	6,245,151	-	(510,563)	(510,563)	-
Property management	1,843,658	2,902,390	-	-	1,058,732	1,058,732	-
Total business-type activities	17,614,303	11,917,321	6,245,151	-	548,169	548,169	-
Total primary government	\$ 743,713,168	\$ 80,518,665	\$ 86,911,590	\$ (576,831,082)	\$ 548,169	\$ (576,282,913)	-
Component units-Charter schools	\$ 81,006,344	\$ 32,276,422	\$ -				\$ (48,729,922)
General revenues							
Taxes:							
Local property taxes				446,393,000	-	446,393,000	-
Automotive ownership taxes				39,646,824	-	39,646,824	-
Unrestricted intergovernmental state equalization				302,623,503	-	302,623,503	83,245,012
Unrestricted Investment income				10,205,724	295,703	10,501,427	-
Transfers				700,680	(700,680)	-	-
Total general revenues and transfers				799,569,731	(404,977)	799,164,754	83,245,012
Change in net position				222,738,649	143,192	222,881,841	34,515,090
Net position July 1, 2018, as restated				(1,926,686,880)	10,999,524	(1,915,687,356)	(151,029,808)
Net position June 30, 2019				\$ (1,703,948,231)	\$ 11,142,716	\$ (1,692,805,515)	\$ (116,514,718)

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, 2019

	General	Bond Redemption Debt Service	Capital Reserve Capital Projects
Assets			
Cash	\$ 2,000	\$ -	\$ 526,797
Cash held by county treasurer	4,647,327	252,397	-
Equity in pooled cash with investments	213,865,043	-	35,395,474
Investments	-	78,563,040	-
Property taxes receivable, net of allowance for doubtful collections of \$2,333,882	6,082,724	1,043,997	-
Accounts, notes, contracts, and interest receivable	1,726,645	-	45,222
Intergovernmental receivables	-	-	-
Due from other funds	-	-	706,008
Inventories	1,053,960	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 227,377,699</u>	<u>\$ 79,859,434</u>	<u>\$ 36,673,501</u>
Liabilities			
Accounts and retainages payable	\$ 3,821,559	\$ -	\$ 2,973,449
Accrued salaries, benefits, and compensated absences	79,992,662	-	186,144
Due to other funds	-	-	-
Other unearned revenues	179,591	-	-
Total liabilities	<u>83,993,812</u>	<u>-</u>	<u>3,159,593</u>
Deferred Inflows of Resources			
Unavailable property tax revenues	<u>2,316,679</u>	<u>372,066</u>	<u>-</u>
Fund balances:			
Nonspendable:			
Inventory	1,053,960	-	-
Prepaid items	-	-	-
Restricted for:			
TABOR	20,727,895	-	87,638
Grants	-	-	-
Food Service	-	-	-
Debt service	-	79,487,368	-
Construction	-	-	-
Committed to:			
Construction	-	-	33,426,270
Multi-year contract	301,868	-	-
Assigned to:			
School carry forward	19,564,000	-	-
Special revenue funds - campus activity	-	-	-
Planned 2020 one-time expenses for 5A MLO	11,582,763	-	-
Unassigned	87,836,722	-	-
Total fund balances	<u>141,067,208</u>	<u>79,487,368</u>	<u>33,513,908</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 227,377,699</u>	<u>\$ 79,859,434</u>	<u>\$ 36,673,501</u>

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

Building Fund Capital Projects	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,819,805	\$ -	\$ 107,485	\$ 2,456,087
-	-	-	4,899,724
-	7,201,313	20,408,861	276,870,691
344,198,790	-	-	422,761,830
-	-	-	7,126,721
49,492	144,620	220,837	2,186,816
-	6,997,575	111,733	7,109,308
-	-	-	706,008
-	-	2,149,446	3,203,406
-	-	68,382	68,382
<u>\$ 346,068,087</u>	<u>\$ 14,343,508</u>	<u>\$ 23,066,744</u>	<u>\$ 727,388,973</u>
\$ 8,919,178	\$ 857,538	\$ 1,367,841	\$ 17,939,565
-	4,674,942	3,078,572	87,932,320
706,008	-	-	706,008
-	-	803,394	982,985
<u>9,625,186</u>	<u>5,532,480</u>	<u>5,249,807</u>	<u>107,560,878</u>
-	-	-	2,688,745
-	-	2,149,446	3,203,406
-	-	68,382	68,382
-	-	668,603	21,484,136
-	8,811,028	-	8,811,028
-	-	-	-
-	-	-	79,487,368
336,442,901	-	-	336,442,901
-	-	-	33,426,270
-	-	-	301,868
-	-	-	19,564,000
-	-	11,004,435	11,004,435
-	-	-	11,582,763
-	-	-	87,836,722
<u>336,442,901</u>	<u>8,811,028</u>	<u>13,890,866</u>	<u>613,213,279</u>
<u>\$ 346,068,087</u>	<u>\$ 14,343,508</u>	<u>\$ 19,140,673</u>	<u>\$ 723,462,902</u>



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Reconciliation of governmental funds balance sheet to statement of net position
 June 30, 2019

Governmental funds total fund balances	\$	617,139,350
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.		2,688,745
Capital assets used in governmental funds are not considered current financial resources and therefore, not reported in the governmental funds.		1,949,794,045
Deferred outflows from refunding debt are not considered current financial resources and not reported in the governmental funds.		5,872,896
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 \$50,482,417, changes in proportion and differences between contributions recognized and proportionate share of contributions \$488,290, the difference in change of assumptions \$292,584,865, the difference between expected and actual experience \$53,172,102 and the difference between expected and actual investment earnings \$85,439,745. OPEB: Contributions subsequent to measurement date \$2,691,692 and the difference between expected and actual experience \$284,140, the difference in change of assumptions \$549,181 and the difference between expected and actual investment earnings \$450,210.		486,142,642
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.		31,965,074
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.		1,117,526,649
Long-term liabilities for general obligation debt, net of discounts and premiums (\$730,629,404), certificates of participation net of discounts and premiums (\$71,671,039), early retirement estimate (\$1,120,000), and compensated absences (\$3,587,097) are not due and payable in the current period and, therefore, not reported in the funds.		807,007,540
Interest payable on certificates of participation and general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.		1,403,535
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 \$974,830,198 and change in proportionate share \$249,664,769. OPEB: change in proportionate share \$1,188,519 and change in experience \$119,168.		1,225,802,654
The long-term liability for pension and OPEB is not due and payable in the current period and, therefore, not reported in the funds.		1,645,810,605
Governmental activities net position	<u>\$</u>	<u>(1,703,948,231)</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, 2019

	General*	Bond Redemption Debt Service
Revenues:		
Taxes	\$ 417,403,687	\$ 68,803,668
Intergovernmental	335,769,678	-
Investment income	2,334,875	1,068,907
Other	25,746,124	-
Total revenues	781,254,364	69,872,575
Expenditures:		
Current:		
General administration	29,630,747	-
School administration	63,697,197	-
General instruction	360,717,281	-
Special education instruction	66,108,395	-
Instructional support	98,428,087	-
Operations and maintenance	80,086,374	-
Food service operation	-	-
Transportation	-	-
Capital outlay	-	-
Debt service:		
Principal retirements	2,385,000	27,480,000
Interest and fiscal charges	623,003	24,169,239
Total expenditures	701,676,084	51,649,239
Excess (deficiency) of revenues over (under) expenditures	79,578,280	18,223,336
Other Financing Sources (Uses):		
Free Horizon Montessori site acquisition	-	-
General Obligation Issuance	-	-
Premium from GO issuance	-	-
Transfers out	(56,886,292)	-
Transfers in	400,000	-
Total other financing sources (uses)	(56,486,292)	-
Net change in fund balances	23,091,988	18,223,336
Fund balances - July 1, 2018, restated*	117,975,220	61,264,032
Fund balances - June 30, 2019	\$ 141,067,208	\$ 79,487,368

*Beginning balance restated to include transition of Free Horizon Montessori school

**State Revenue and Expenditures include state contribution amounts of \$12,730,157

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

Capital Reserve Capital Projects	Building Fund Capital Projects	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 486,207,355
-	-	41,521,529	15,565,913	392,857,120
1,098,319	4,688,738	-	146,020	9,336,859
1,822,954		1,647,722	43,265,820	72,482,620
<u>2,921,273</u>	<u>4,688,738</u>	<u>43,169,251</u>	<u>58,977,753</u>	<u>960,883,954</u>
-	-	2,971,986	-	32,602,733
-	-	363,657	-	64,060,854
-	-	10,161,365	27,040,847	397,919,493
-	-	13,798,025	-	79,906,420
-	-	15,380,510	-	113,808,597
-	-	346,078	-	80,432,452
-	-	-	24,130,817	24,130,817
-	-	113,469	26,818,642	26,932,111
37,817,042	44,901,186	-	-	82,718,228
1,510,000	-	-	-	31,375,000
1,851,617	-	-	-	26,643,859
<u>41,178,659</u>	<u>44,901,186</u>	<u>43,135,090</u>	<u>77,990,306</u>	<u>960,530,564</u>
<u>(38,257,386)</u>	<u>(40,212,448)</u>	<u>34,161</u>	<u>(19,012,553)</u>	<u>353,390</u>
5,585,000	-	-	-	5,585,000
-	326,490,000	-	-	326,490,000
-	50,165,349	-	-	50,165,349
-	-	-	-	(56,886,292)
23,473,773	-	-	19,120,111	42,993,884
<u>29,058,773</u>	<u>376,655,349</u>	<u>-</u>	<u>19,120,111</u>	<u>368,347,941</u>
(9,198,613)	336,442,901	34,161	107,558	368,701,331
42,712,521	-	8,776,867	17,709,379	248,438,019
<u>\$ 33,513,908</u>	<u>\$ 336,442,901</u>	<u>\$ 8,811,028</u>	<u>\$ 17,816,937</u>	<u>\$ 617,139,350</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, 2019

Governmental funds changes in fund balances	\$	368,701,331
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.		2,688,745
Principal retirements including 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.		37,856,826
Reverse the prior year interest payable accrued to offset current year expenditures.		793,163
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.		(226,972)
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 \$70,409,657) was more than depreciation (\$63,761,745) in the current period.		6,647,912
Less:		
Loss on disposals: The net effect of transactions involving these capital assets is to reduce net position.		1,567,822
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.		2,856,276
Interest payable on certificates of participation and general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.		1,403,535
Amortization of deferred outflows on refunding.		7,064,335
General obligation debt issuance and premium is recognized on the fund statement \$376,655,349 along with the debt issuance and closing costs for the Free Horizon Montessori site of \$5,585,000		382,240,349
Amount of long term compensated absences accrued for the current year.		336,929
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 \$(202,372,282) and OPEB expense \$625,392. Pension expense is favorable this year due to the State funding PERA for on-behalf payments for all school districts.		(201,746,890)
	<u>\$</u>	<u>222,738,649</u>

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

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Fiscal year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 354,643,702	\$ 384,643,702	\$ 377,756,863	\$ (6,886,839)
Automotive ownership taxes	30,400,000	30,400,000	39,646,824	9,246,824
State of Colorado	317,842,976	317,842,976	323,039,521	5,196,545
Investment earnings	250,000	250,000	2,334,875	2,084,875
Other	22,050,000	22,050,000	25,746,124	3,696,124
Total revenues	725,186,678	755,186,678	768,524,207	13,337,529
Expenditures:				
Current:				
General administration	29,784,795	30,441,366	29,314,628	1,126,738
School administration	52,134,348	62,567,133	62,462,930	104,203
General instruction	362,806,850	353,631,432	353,571,733	59,699
Special education instruction	59,752,391	64,044,411	64,855,751	(811,340)
Instructional support	87,030,095	98,884,767	96,690,986	2,193,781
Operations and maintenance	73,951,044	79,179,027	79,041,896	137,131
Debt Service:				
Principal retirement	2,385,000	2,385,000	2,385,000	-
Interest and fiscal charges	623,003	623,003	623,003	-
Total expenditures	668,467,526	691,756,139	688,945,927	2,810,212
Excess of revenues over expenditures	56,719,152	63,430,539	79,578,280	16,147,741
Other financing sources (uses) -				
Transfers out	(56,661,844)	(57,011,164)	(56,886,292)	124,872
Transfers in	400,000	400,000	400,000	-
Total other financing uses	(56,261,844)	(56,611,164)	(56,486,292)	124,872
Excess of expenditures over revenues and other financing sources (uses)	\$ 457,308	\$ 6,819,375	23,091,988	\$ 16,272,613
Other State Revenue - on behalf contribution from State to PERA, Jeffco's Portion			12,730,157	
On-behalf payment from State to PERA, Jeffco's Portion			(12,730,157)	
Fund balance - July 1, 2018, as restated*			117,975,220	
Fund balance - June 30, 2019			<u>\$ 141,067,208</u>	

*Beginning balance restated to include transition of Free Horizon Montessori school

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, 2019

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Original Budget Amount	Final Budget Amount	Actual	
Revenues:				
Intergovernmental:				
Federal government	\$ 33,997,932	\$ 34,719,432	\$ 33,350,754	\$ (1,368,678)
State of Colorado	6,604,171	7,316,558	8,170,775	854,217
Other:				
Gifts and grants	940,605	940,605	1,647,722	707,117
Total revenues	41,542,708	42,976,595	43,169,251	192,656
Expenditures:				
Current:				
General administration	3,724,129	4,346,661	2,971,986	1,374,675
School administration	545,102	1,220,102	363,657	856,445
General instruction	10,130,091	10,133,876	10,161,365	(27,489)
Special education instruction	14,664,245	14,243,030	13,798,025	445,005
Instructional support	12,181,832	13,235,617	15,380,510	(2,144,893)
Operations and maintenance	41,369	41,369	346,078	(304,709)
Transportation	255,940	255,940	113,469	142,471
Total expenditures	41,542,708	43,476,595	43,135,090	341,505
Excess of revenues over expenditures	\$ -	\$ (500,000)	34,161	\$ 534,161
Fund balance - July 1, 2018			8,776,867	
Fund balance - June 30, 2019			\$ 8,811,028	

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, 2019

Assets	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Child Care Fund	Property Management Fund	Totals	
Current assets:				
Cash	\$ 400	\$ 500	\$ 900	\$ 300
Restricted cash	-	-	-	37,000
Equity in pooled cash with investments	6,285,254	4,555,167	10,840,421	58,316,827
Accounts and other receivable	2,216	327,507	329,723	2,497,422
Inventories	-	-	-	215,065
Prepaid items	-	-	-	4,948,054
Total current assets	<u>6,287,870</u>	<u>4,883,174</u>	<u>11,171,044</u>	<u>66,014,668</u>
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	456,681	2,358,677	2,815,358	34,091,896
Less accumulated depreciation	(283,978)	(1,315,010)	(1,598,988)	(28,153,506)
Total capital assets, net of accumulated depreciation	<u>172,703</u>	<u>1,043,667</u>	<u>1,216,370</u>	<u>5,938,390</u>
Total assets	<u>\$ 6,460,573</u>	<u>\$ 5,926,841</u>	<u>\$ 12,387,414</u>	<u>\$ 71,953,058</u>
Liabilities and Net Position				
Current liabilities:				
Accounts payable	\$ 143,102	\$ 1,278	\$ 144,380	\$ 1,380,607
Accrued salaries, benefits, and compensated absences	928,466	20,271	948,737	3,755,797
Payroll withholding	-	-	-	27,168,741
Interest Payable	-	-	-	-
Due to other funds	-	-	-	-
Other unearned revenues	40,152	-	40,152	267,495
Estimated liability for premiums and claims	-	-	-	6,454,883
Total current liabilities	<u>1,111,720</u>	<u>21,549</u>	<u>1,133,269</u>	<u>39,027,523</u>
Non-current liabilities:				
Compensated absences	91,265	20,164	111,429	960,461
Total noncurrent liabilities	<u>91,265</u>	<u>20,164</u>	<u>111,429</u>	<u>960,461</u>
Total liabilities	<u>1,202,985</u>	<u>41,713</u>	<u>1,244,698</u>	<u>39,987,984</u>
Net position:				
Investment in capital assets	172,703	1,043,667	1,216,370	5,938,390
Restricted for:				
TABOR	463,024	90,301	553,325	219,767
Unrestricted	4,621,861	4,751,160	9,373,021	25,806,917
Total net position	<u>5,257,588</u>	<u>5,885,128</u>	<u>11,142,716</u>	<u>31,965,074</u>
Total liabilities and net position	<u>\$ 6,460,573</u>	<u>\$ 5,926,841</u>	<u>\$ 12,387,414</u>	<u>\$ 71,953,058</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, 2019

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Child Care Fund	Property Management Fund	Totals	Internal Service Funds
Operating Revenues:				
Insurance premiums	\$ -	\$ -	\$ -	\$ 12,928,768
Service contracts	1,174,610	2,902,390	4,077,000	21,867,680
Tuition	7,840,321	-	7,840,321	-
Total operating revenues	<u>9,014,931</u>	<u>2,902,390</u>	<u>11,917,321</u>	<u>34,796,448</u>
Operating Expenses:				
Salaries and employee benefits	12,292,581	1,129,621	13,422,202	17,428,723
Administration services	1,960,836	113,034	2,073,870	5,040,956
Utilities	1,908	182,452	184,360	26,235
Supplies	611,231	212,060	823,291	2,234,803
Repairs and maintenance	3,935	-	3,935	6,021,077
Rent	881,499	-	881,499	-
Depreciation	18,645	159,999	178,644	2,402,569
Other	10	40,303	40,313	-
Claim losses	-	-	-	14,795,770
Premiums paid	-	-	-	2,534,928
Total operating expenses	<u>15,770,645</u>	<u>1,837,469</u>	<u>17,608,114</u>	<u>50,485,061</u>
Income (loss) from operations	<u>(6,755,714)</u>	<u>1,064,921</u>	<u>(5,690,793)</u>	<u>(15,688,613)</u>
Non-operating revenues (expenses):				
Reimbursement from government sponsored programs	6,245,151	-	6,245,151	-
Investment income	174,036	121,667	295,703	868,865
Loss on sale of capital assets	-	(6,189)	(6,189)	(312)
Total non-operating revenues (expenses)	<u>6,419,187</u>	<u>115,478</u>	<u>6,534,665</u>	<u>868,553</u>
Income (loss) before transfers and capital contributions	(336,527)	1,180,399	843,872	(14,820,060)
Transfers out to other funds	-	(1,050,000)	(1,050,000)	-
Transfers in from other funds	349,320	-	349,320	14,593,088
Change in net position	<u>12,793</u>	<u>130,399</u>	<u>143,192</u>	<u>(226,972)</u>
Total net position - July 1, 2018	5,244,795	5,754,729	10,999,524	32,192,046
Total net position - June 30, 2019	<u>\$ 5,257,588</u>	<u>\$ 5,885,128</u>	<u>\$ 11,142,716</u>	<u>\$ 31,965,074</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, 2019

	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	\$ 9,023,582	\$ 2,912,153	\$ 11,935,735	\$ 34,164,344
Payments to employees	(12,194,343)	(1,131,143)	(13,325,486)	(17,447,561)
Payments to vendors	(3,379,968)	(556,806)	(3,936,774)	(29,474,151)
Net cash provided by (used for) operating activities	<u>(6,550,729)</u>	<u>1,224,204</u>	<u>(5,326,525)</u>	<u>(12,757,368)</u>
Cash flows from noncapital financing activities:				
Transfers received	349,320	-	349,320	14,593,088
Transfers out	-	(1,050,000)	(1,050,000)	-
Federal and state reimbursements	6,245,151	-	6,245,151	-
Net cash provided (used) by noncapital financing activities	<u>6,594,471</u>	<u>(1,050,000)</u>	<u>5,544,471</u>	<u>14,593,088</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(11,427)	(26,877)	(38,304)	(2,338,488)
Net cash (used for) capital and related financing activities	<u>(11,427)</u>	<u>(26,877)</u>	<u>(38,304)</u>	<u>(2,338,488)</u>
Cash flows from investing activities:				
Interest received	174,036	121,667	295,703	868,865
Net cash provided by investing activities	<u>174,036</u>	<u>121,667</u>	<u>295,703</u>	<u>868,865</u>
Net increase (decrease) in cash and cash equivalents	206,351	268,994	475,345	366,097
Cash and cash equivalents - July 1, 2018	6,079,303	4,286,673	10,365,976	57,988,030
Cash and cash equivalents - June 30, 2019	<u>\$ 6,285,654</u>	<u>\$ 4,555,667</u>	<u>\$ 10,841,321</u>	<u>\$ 58,354,127</u>
Reconciliation of cash flows from operating activities:				
Operating Income (Loss)	\$ (6,755,714)	\$ 1,064,921	\$ (5,690,793)	\$ (15,688,613)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	18,645	159,999	178,644	2,402,569
(Increase) decrease intergovernmental and other receivables	4,201	9,764	13,965	(634,169)
(Increase) in prepaid items	-	-	-	(759,897)
(Increase) in inventories	-	-	-	(40,096)
Increase (decrease) in accounts payable	79,451	(8,957)	70,494	305,618
Increase (decrease) in accrued salaries, benefits, and compensated absences	98,238	(1,523)	96,715	(18,838)
Increase in payroll withholding	-	-	-	1,756,602
Increase in unearned revenues	4,450	-	4,450	2,065
Decrease in estimated liability for premiums and claims	-	-	-	(82,609)
Net cash provided by (used for) operating activities	<u>\$ (6,550,729)</u>	<u>\$ 1,224,204</u>	<u>\$ (5,326,525)</u>	<u>\$ (12,757,368)</u>
Noncash investing, capital, and financing activities:				
Disposal and write off of capital assets	\$ -	\$ 6,189	\$ 6,189	\$ 312

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

Notes to Basic Financial Statements

1. Summary of significant accounting policies

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

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

A) Reporting entity

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (GASB No. 14), 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

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, Building fund, 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

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. Building fund – Capital projects – used to account for resources to be used from the 2018 voter approved bond for a capital improvement plan that will span over 6 years. Each issuance of debt will be spent in 3 years.
5. 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.

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, 2019 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 2018 but not yet collected as of June 30, 2019 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 \$7,109,308 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, 2019, the District had \$6,900,745 and \$208,563 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 - \$1,053,960 and Other Governmental funds - \$2,149,446 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 - \$68,382.

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 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 \$5,872,896 and \$1,168,569 for component units. Deferred outflows of resources for pension and OPEB activity is included and referenced below (note 12 &13).

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

M) Pension and OPEB

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.

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.

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 service). As of June 30, 2019, for budgetary purposes the District restricted \$20,727,895 in the General fund, \$87,638 in the Capital Reserve Capital Projects fund, \$668,603 in Other Governmental funds, \$463,024 in the Child Care fund, \$90,301 in the Property Management fund, \$219,767 in Internal Service funds and \$2,423,641 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, 2019, a summary of changes in accumulated vacation is as follows:

Fund	Accumulated Vacation			Balance June 30, 2019	Due within one year
	Balance June 30, 2018	Additions	Deletions		
General	\$ 4,008,733	\$ 1,054,046	\$ (595,161)	\$ 4,467,618	\$ 1,489,206
Grants fund	195,225	67,427	(106,467)	156,185	52,062
Special Revenue	489,328	139,650	(83,101)	545,877	181,959
Capital projects	181,966	62,694	(33,693)	210,967	70,322
Enterprise	156,155	49,179	(38,191)	167,143	55,714
Internal service	<u>1,290,343</u>	<u>350,145</u>	<u>(199,798)</u>	<u>1,440,690</u>	<u>480,230</u>
	<u>\$ 6,321,750</u>	<u>\$ 1,723,141</u>	<u>\$ (1,056,411)</u>	<u>\$ 6,988,480</u>	<u>\$ 2,329,493</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.

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 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) On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the District by the State of Colorado has been recorded in the fund financial statements.

S) New and Future Accounting Pronouncements

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.

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, 2019 are as follows:

	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
Child care fund	\$ 15,987,777	\$ 15,770,645	\$ 217,132
Property management fund	1,922,232	1,829,650	92,582
Central services fund	3,455,015	3,457,135	(2,120)
Employee benefits fund	7,114,012	6,493,100	620,912
Insurance reserve fund	15,277,235	12,686,590	2,590,645
Technology fund	29,491,984	27,848,236	1,643,748

3. Deposits and investments

Deposits:	Government-wide Statement of Net Position		
	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash	\$ 2,457,287	\$ 25,239	\$ 2,482,526
Restricted cash and cash held by third parties	4,936,724	11,013,963	15,950,687
Equity in pooled cash and investments	346,027,939	24,959,410	370,987,349
Investments	<u>422,761,830</u>	<u>-</u>	<u>422,761,830</u>
Total cash and investments	<u>\$ 776,183,780</u>	<u>\$ 35,998,612</u>	<u>\$ 812,182,392</u>

The carrying value of the District's cash, restricted cash held by third parties and cash held in trust is \$46,739,451; cash held at the county treasurer is excluded.

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, 2019, \$44,792,835 of the District and the discretely presented component unit’s bank balance were exposed to custodial credit risk. Deposits exposed to credit risk of \$44,542,835 are collateralized with securities held by the pledging financial institution through PDPA. Deposits of \$250,000 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, 2019 the District had \$4,899,724 held in trust. Jefferson County collects the property taxes for the District and holds the funds in trust until sent to the District monthly.

Investments:

As of June 30, 2019, the District (including the primary government and component units) 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	\$ 299,009,960	Overnight	AAAm	Aaamf
CSafe	418,276,220	Under 60 days	AAAm	N/A
FFCB	5,591,285	.97	AA+	Aaa
FNMA	5,769,759	1.07	AA+	Aaa
FHLMC	1,100,198	.31	AA+	Aaa
FHLB	6,711,926	1.84	AA+	Aaa
US Treasury T-Notes	11,009,278	1.20	AA+	Aaa
Corporate Bonds	12,074,151	Average 1.20 years	10% AA+ 28% AA- 33% AA 13% A+ 10% AAA 6% BBB+	13% Aa3 55% Aa2 10% Aa1 16% A1 6%Baa1
Municipal Bonds	1,000,440	2.19	AAA	Aaa
	<u>\$ 760,543,217</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, 2019, CSafe had a balance of \$418,276,220.

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.

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, 2019:

<u>Investment by fair value level:</u>	<u>6/30/2019</u>	Fair Value Measurements Using		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate Bonds	\$ 12,074,151	\$ -	\$ 12,074,151	\$ -
Government Agencies	19,173,168	-	19,173,168	-
Government Bonds	11,009,278	-	11,009,278	-
Municipal Bonds	<u>1,000,440</u>	<u>-</u>	<u>1,000,440</u>	<u>-</u>
Total Investments by fair value level	<u>43,257,037</u>	<u>\$ -</u>	<u>\$ 43,257,037</u>	<u>\$ -</u>
Investments at amortized costs	<u>717,286,180</u>			
	<u>\$ 760,543,217</u>			

4. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance				Balance
	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Non-depreciable assets:					
Land	\$ 62,724,270	\$ 2,640,874	\$ -	\$ -	\$ 65,365,144
Construction in progress	<u>28,996,193</u>	<u>53,076,229</u>	<u>(955,194)</u>	<u>(50,202,299)</u>	<u>30,914,929</u>
Total non-depreciable assets	<u>\$ 91,720,463</u>	<u>\$ 55,717,103</u>	<u>\$ (955,194)</u>	<u>\$ (50,202,299)</u>	<u>\$ 96,280,073</u>
Depreciable assets:					
Buildings and site improvements	\$ 1,720,072,541	\$ 10,483,292	\$ (3,169,221)	\$ 50,164,351	\$ 1,777,550,963
Equipment and vehicles – Internal service funds	33,282,024	2,338,488	(1,528,616)	-	34,091,896
Equipment and vehicles	<u>73,514,703</u>	<u>4,209,262</u>	<u>(1,798,904)</u>	<u>37,948</u>	<u>75,963,009</u>
Total depreciable assets	<u>\$ 1,826,869,268</u>	<u>\$ 17,031,042</u>	<u>\$ (6,496,741)</u>	<u>\$ 50,202,299</u>	<u>\$ 1,887,605,868</u>
Less accumulated depreciation for:					
Building and site improvements	\$(1,009,364,216)	\$(59,253,795)	\$ 2,712,238	\$ -	\$(1,065,905,773)
Equipment and vehicles – Internal service funds	(27,279,239)	(2,402,570)	1,528,303	-	(28,153,506)
Equipment and vehicles	<u>(48,756,185)</u>	<u>(4,507,950)</u>	<u>1,643,259</u>	<u>-</u>	<u>(51,620,876)</u>
Total accumulated depreciation	<u>\$(1,085,399,640)</u>	<u>\$(66,164,315)</u>	<u>\$ 5,883,800</u>	<u>\$ -</u>	<u>\$(1,145,680,155)</u>
Total capital assets, net	<u>\$ 833,190,091</u>	<u>\$ 6,583,830</u>	<u>\$ (1,568,135)</u>	<u>\$ -</u>	<u>\$ 838,205,786</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.

Business-type activities

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

	Balance				Balance
	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Equipment	\$ 445,254	\$ 11,427	\$ -	\$ -	\$ 456,681
Accumulated depreciation	<u>(265,333)</u>	<u>(18,645)</u>	<u>-</u>	<u>-</u>	<u>(283,978)</u>
Total	<u>\$ 179,921</u>	<u>\$ (7,218)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,703</u>

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

	Balance				Balance
	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Equipment	\$ 2,368,458	\$ 26,877	\$ (36,658)	\$ -	\$ 2,358,677
Accumulated depreciation	<u>(1,185,481)</u>	<u>(159,999)</u>	<u>30,470</u>	<u>-</u>	<u>(1,315,010)</u>
Total	<u>\$ 1,182,977</u>	<u>\$ (133,122)</u>	<u>\$ (6,188)</u>	<u>\$ -</u>	<u>\$ 1,043,667</u>

Total capital assets being depreciated, business-type activities	\$ 2,815,358
Accumulated depreciation	(1,598,988)
Business-type activities capital assets, net	<u>\$ 1,216,370</u>

Discretely presented component units

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

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Non-depreciable assets:					
Land	\$ 15,383,312	\$ 500,000	\$ (820,874)	\$ -	\$ 15,062,438
Construction in progress*	<u>894,394</u>	<u>13,697,615</u>	<u>-</u>	<u>(744,594)</u>	<u>13,847,415</u>
Total Non-depreciable assets:	<u>\$ 16,277,706</u>	<u>\$ 14,197,615</u>	<u>\$ (820,874)</u>	<u>\$ (744,594)</u>	<u>\$ 28,909,853</u>
Depreciable assets:					
Buildings and equipment*	\$ 109,781,355	\$ 683,139	\$ (6,000,672)	\$ 744,594	\$ 105,208,416
Accumulated depreciation*	<u>(25,108,216)</u>	<u>(4,340,810)</u>	<u>1,555,990</u>	<u>-</u>	<u>(27,893,036)</u>
Total Depreciable assets:	<u>\$ 84,673,139</u>	<u>\$ (3,657,671)</u>	<u>\$ (4,444,682)</u>	<u>\$ 744,594</u>	<u>\$ 77,315,380</u>
Total	<u>\$ 100,950,845</u>	<u>\$ 10,539,944</u>	<u>\$ (5,265,556)</u>	<u>\$ -</u>	<u>\$ 106,225,233</u>

*Beginning assets adjusted to exclude Golden View Classical Academy that moved out of the District component units to Charter School Institute (CSI). Free Horizon Montessori School Assets are accounted for in the deletions.

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

Governmental activities:

General Administration	\$ 142,876
School Administration	8,391,715
General Instruction	47,553,050
Special Ed Instruction	304,761
Instructional Support	1,829,824
Operations & Maintenance	2,126,157
Transportation	3,169,410
Food Services	243,952
Capital assets held by the District's internal service funds	<u>2,402,570</u>

Total depreciation expense – governmental activities

\$ 66,164,315

Business-type activities:

Child care	\$ 18,645
Property management	<u>159,999</u>

Total depreciation expense – business-type activities

\$ 178,644

Construction commitments

The District has active construction projects as of June 30, 2019. 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, 2019, are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Districtwide Site Improvements	\$ 6,010,185	\$17,355,032
Districtwide Roofing Projects	1,814,039	2,452,688
Summit Ridge MS Upgrades	3,861,364	2,411,251
District Wide Paving	405,776	1,770,926
District Wide Flooring Projects	1,122,547	1,568,143
Ken Caryl MS Addition	4,935,379	1,504,759
Districtwide Playgrounds	349,579	1,461,987
Districtwide HVAC Projects	662,982	1,397,332

5. Transfers

The District transfers amounts between funds to meet their operational needs and legal requirements. At June 30, 2019, the detail for these transfers from the General Fund and Property Management Fund to other funds is as follows:

Transfers In (Receiving Fund)	Transfers Out (Paying Fund)		
	General Fund	Property Management Fund	Total
Campus activity fund	\$ 699,242	\$ 400,000	\$ 1,099,242
Child Care fund	349,320	-	349,320
Transportation fund	18,020,869	-	18,020,869
Capital reserve capital projects fund	23,223,773	250,000	23,473,773
General Fund	-	400,000	400,000
Net transfers within funds	42,293,204	1,050,000	43,343,204
Internal service funds	14,593,088	-	14,593,088
Net transfers into the proprietary funds	14,593,088	-	14,593,088
Total Transfers out	56,886,292	1,050,000	57,936,292
Net General Fund transfers	\$ 56,886,292	\$ (400,000)	\$ 56,486,292

6. Reconciliation of government-wide and fund financial statements

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

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

eliminated from the government fund statements during the consolidation of governmental activities. The transfer covers interfund borrowing for construction management administration costs.

Due to the capital reserve capital projects fund from building fund – fund statements	\$ 706,008
Elimination of governmental activity	<u>(706,008)</u>
Due to the primary government – governmental activities	<u>\$ -</u>

7. 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, 2019, are comprised of the following:

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	Outstanding <u>June 30, 2019</u>	<u>Current Portion</u>
<u>Governmental activities</u>					
Supplemental Ret COP's 2015 Refunding	\$ 22,285,000	\$ -	\$ (2,385,000)	\$ 19,900,000	\$ 2,435,000
2016 Construction COP's	45,450,000	-	(1,510,000)	43,940,000	1,560,000
Free Horizon Montessori Acquisition	-	5,585,000	-	5,585,000	-
Less deferred amounts:					
Premiums	<u>2,470,212</u>	<u>-</u>	<u>(224,173)</u>	<u>2,246,039</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 70,205,212</u>	<u>\$ 5,585,000</u>	<u>\$ (4,119,173)</u>	<u>\$ 71,671,039</u>	<u>\$ 3,995,000</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, 2019 was \$10,130,648. 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, 2019 \$4,830,811.

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	Outstanding <u>June 30, 2019</u>	<u>Current Portion</u>
<u>Component unit activities:</u>					
Component units – Buildings/Capital leases	\$ 92,340,288	\$ 1,000,000	\$ (23,474,745)	\$ 69,865,543	\$ 2,039,979
Less deferred amounts:					
For discounts and premiums	<u>96,568</u>	<u>-</u>	<u>(120,422)</u>	<u>(23,854)</u>	<u>-</u>
Total Component unit capital lease	<u>\$ 92,436,856</u>	<u>\$ -</u>	<u>\$ (23,585,167)</u>	<u>\$ 69,841,689</u>	<u>\$ 2,039,979</u>
Component Units - Promissory notes	<u>\$ 1,171,994</u>	<u>\$ -</u>	<u>\$ (483,489)</u>	<u>\$ 688,505</u>	<u>\$ 422,225</u>

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

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

Capital Leases

Fiscal Year Ending <u>June 30</u>	Governmental Activities COP's		Component Units Charter Schools	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 3,995,000	\$2,434,805	\$ 2,039,979	\$ 3,182,840
2021	4,085,000	2,333,208	19,106,753	3,148,616
2022	4,205,000	2,221,528	1,774,648	2,287,062
2023	9,925,000	2,081,795	1,865,745	2,202,564
2024	4,515,000	1,703,836	1,941,890	2,113,427
2025-2029	17,660,000	5,855,201	11,198,502	9,076,115
2030-2034	13,025,000	3,000,084	21,988,026	4,322,866
2035-2039	12,015,000	808,997	5,360,000	2,202,353
2040-2044	-	-	4,325,000	670,038
2045-2046	-	-	265,000	29,250
Total	<u>\$69,425,000</u>	<u>\$20,439,454</u>	<u>\$69,865,543</u>	<u>\$29,235,130</u>

Promissory note

Fiscal Year Ending <u>June 30</u>	Component Units Charter Schools	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 422,225	\$ 37,492
2021	120,073	11,436
2022	146,207	4,235
Total	<u>\$ 688,505</u>	<u>\$ 53,163</u>

The District has appropriated amounts from 2019 revenues in the General Fund to meet the lease payments for the COP principal and interest which is due in 2020.

8. 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, 2019 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%.	\$186,275,000
\$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 \$30,375 to \$1,245,375 through December 15, 2022. Interest rate: 2.00% to 5.00%. This bond was partially refunded in fiscal year 2018. \$ 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%. 70,395,000

\$326,490,000 2018 Series Bonds due in semi-annual installments with annual payments of \$930,375 to \$38,645,375 through December 15, 2038. Interest rate: 1.82% to 3.56%. 326,490,000

Total \$657,285,000

	<u>Balance June 30, 2018</u>	<u>New and Refunding Issues</u>	<u>Payments & Amortization of Discount</u>	<u>Balance June 30, 2018</u>	<u>Current Portion</u>
<u>General obligation bonds:</u>					
Refunding - 2010	\$213,755,000	\$ -	\$(27,480,000)	\$186,275,000	\$27,740,000
Refunding - 2012	69,540,000	-	-	69,540,000	-
Construction - 2012	4,585,000	-	-	4,585,000	1,080,000
Refunding - 2017	70,395,000	-	-	70,395,000	-
Series - 2018	-	326,490,000	-	326,490,000	15,000,000
Less deferred amounts:					
Discounts & Premiums	<u>29,436,708</u>	<u>50,165,349</u>	<u>(6,257,653)</u>	<u>73,344,404</u>	<u>-</u>
	<u>\$387,711,708</u>	<u>\$376,655,349</u>	<u>\$(33,737,653)</u>	<u>\$730,629,404</u>	<u>\$ 43,820,000</u>

Future year's general obligation bonds repayment schedule:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 43,820,000	\$ 30,687,963
2021	45,245,000	28,475,025
2022	31,750,000	26,588,900
2023	33,275,000	24,996,475
2024	34,805,000	23,319,350
2025-2029	160,840,000	91,445,250
2030-2034	135,835,000	58,837,700
2035-2039	<u>171,715,000</u>	<u>21,952,975</u>
Total	<u>\$ 657,285,000</u>	<u>\$ 306,303,638</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, 2019, are \$1,889,170,854 and \$1,311,373,222, respectively. Management of the District believes it is in compliance with the legal debt limit.

9. 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 defeased bonds that have a call date of 12/15/2022. The trust account assets and the liabilities for the defeased bonds are not included in the District's basic financial statements. At June 30, 2019 the defeased debt and outstanding principal was \$72,260,000 and assets in trust were \$79,479,873.

10. 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 two percent of each building value. All 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 \$6,157,883 are included as an estimated liability in the Insurance Reserve Fund as of June 30, 2019. 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, 2019 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, 2018	\$ 4,829,396
Increase (Decrease) in estimated claims:	
Estimated property claims	351,190
Automobile claims	(49,816)
General liability claims	60,483
Workers' compensation claims	<u>966,630</u>
Balance June 30, 2019	<u>\$ 6,157,883</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>2018</u>	<u>2019</u>
Amount of claims liabilities at July 1	\$ 4,675,500	\$ 4,829,396
Incurred claims and change in reserve	9,930,696	8,966,512
Payments on claims	<u>(9,776,800)</u>	<u>(7,638,025)</u>
Amount of claims liabilities at June 30	<u>\$ 4,829,396</u>	<u>\$ 6,157,883</u>

The Employee Benefits Fund was established in 1984 to account for the District's previous self-insured medical plan and retired paid-up life insurance programs for eligible employees, retirees, dependents, and other approved individuals. The Employee Benefits Fund is reimbursed by the other funds based on predetermined rates or allowances. Included in the current liability total in the Employee Benefits Fund is \$259,200 and \$37,800 to cover the estimated cost of claims incurred but not paid or reported as of June 30, 2019, related to the District's self-insured dental and vision plans respectively and \$179,149 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>2018</u>	<u>2019</u>
Amount of claims liabilities at July 1	\$ 334,874	\$ 302,413
Incurred claims and change in reserve	6,157,169	5,799,686
Payments on claims	<u>(6,189,630)</u>	<u>(5,805,099)</u>
Amount of claims liabilities at June 30	<u>\$ 302,413</u>	<u>\$ 297,000</u>

11. 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 allow ability 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.

12. Defined Benefit Pension plan

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*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division

Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases 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.

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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018. 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.

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, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 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. The automatic adjustment provision may raise or lower

the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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 lifetime retirement benefit formula(s) 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, 2019: Eligible employees, the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 31, 2018	January 1, 2019 Through June 30, 2019
Employer contribution rate	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)	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.13%

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

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 \$99,722,465 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. 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 and the State as a nonemployer contributing entity.

At June 30, 2019 the District’s reported a liability of \$1,567,522,188 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a

nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$1,567,522,188
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ 214,336,891
Total	\$1,781,859,079

At December 31, 2018, Jefferson County Public Schools R-1 which includes component units proportionate share was 9.53 percent, which was a decrease of 1.41 from its proportion measured as of December 31, 2017. The District's proportion which excludes component units is reflected in the RSI.

For the year ended June 30, 2019, the District recognized pension expense of \$(202,372,282) and revenue of \$1,101,132 for support from the State as a nonemployer contributing entity. At June 30, 2019, 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	\$53,172,102	\$ -
Changes of assumptions or other inputs	292,584,865	974,830,198
Net difference between projected and actual earnings on pension plan investments	85,439,745	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	488,290	249,664,769
Contributions subsequent to the measurement date	50,482,417	-
Total	\$482,167,419	\$1,224,494,967

\$50,482,417 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, 2020. 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:	
2020	\$(161,866,475)
2021	(409,556,620)
2022	(268,124,068)
2023	46,737,198
2024	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2017 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 plan investment expenses, including price inflation	7.25 percent
Discount rate	4.78 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually, thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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%
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 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:

- 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 member contribution rates in effect for each year, including the scheduled increases in SB 18-200. 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 for each year, including the scheduled increase in SB 18-200. Employer contributions also include the 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.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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. 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 middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 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 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

Sensitivity of the District 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 7.25 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 (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 pension liability	1,992,836,304	1,567,522,188	1,210,611,920

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.

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

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 (CAFR) 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.

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 \$5,317,146 for the year ended June 30, 2019

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

At June 30, 2019, the District reported a liability of \$78,288,417 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, Jefferson County Public Schools R-1 which includes component units proportionate share was 6.19 percent, which was a decrease of 0.02 from its proportion measured as of December 31, 2017. The District's proportion which excludes component units is reflected in the RSI.

For the year ended June 30, 2019, the District recognized OPEB expense of \$625,392. At June 30, 2019 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	\$ 284,140	\$ 119,168
Changes of assumptions or other inputs	549,181	-
Net difference between projected and actual earnings on OPEB plan investments	450,210	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	1,188,519
Contributions subsequent to the measurement date	2,691,692	-
Total	\$3,975,223	\$1,307,687

\$2,691,692 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, 2020. 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:	
2020	\$(91,287)
2021	(91,287)
2022	(91,172)
2023	221,397
2024	26,594
Thereafter	1,599

Actuarial assumptions. The total OPEB liability in the December 31, 2017 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	3.25 percent for 2018, gradually rising to 5.00 percent in 2025

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.

The actuarial assumptions used in the December 31, 2017, 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 discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

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, 2017, 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.

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
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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 health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- 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 2018 plan year.
- 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 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%
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	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$76,126,560	\$78,288,417	\$80,774,924

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, 2018, 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 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	\$87,597,919	\$78,288,417	\$70,329,656

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.

14. 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.

15. Restatements

Effective July 1, 2018, Free Horizon Montessori School, in accordance with the State Board of Education Financial Policies and Procedures Handbook, was reclassified from a charter school component unit to a school of innovation moving into the District funds. 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 component units.

Fund balance/Net Position - beginning of the year:

	General Fund	Capital Reserve Fund	Campus Activity Fund	Governmental Activities
Primary Government:				
As originally presented	117,014,176	42,080,843	11,400,333	(1,916,989,672)
Free Horizon Montessori School reclassification of fund balance	961,044	631,678	50,000	1,642,722
Free Horizon Montessori School reclassification of Pension & OPEB	-	-	-	(11,339,930)
As restated	<u>\$ 117,975,220</u>	<u>\$ 42,712,521</u>	<u>\$ 11,450,333</u>	<u>\$ (1,926,686,880)</u>

Charter school capital beginning balance of capital assets are restated due to Golden View Classical Academy exiting the District at the end of fiscal year 2018.

Component Unit Charter Schools			
	As originally Stated: Balance June 30, 2018	Removal Golden View Classical Academy	Restated Balance June 30, 2018
Non-depreciable assets:			
Land	\$ 15,383,312	\$ -	\$ 15,383,312
Construction in progress	918,501	(24,107)	894,394
Total Non-depreciable assets	<u>\$ 16,301,813</u>	<u>\$ (24,107)</u>	<u>\$ 16,277,706</u>
Depreciable assets:			
Building and Equipment Accumulated	\$ 112,204,390	\$ (2,423,035)	\$ 109,781,355
Depreciation	(25,547,351)	439,135	(25,108,216)
Total Depreciable assets	<u>\$ 86,657,039</u>	<u>\$ (1,983,900)</u>	<u>\$ 84,673,139</u>
Total	<u>\$ 102,958,852</u>	<u>\$ (2,008,007)</u>	<u>\$ 100,950,845</u>

Component units beginning balance changed in aggregate as both Golden View Classical Academy and Free Horizon Montessori School were removed from the District component units. Free Horizon Montessori School moved from a component unit into the District managed schools whereas Golden View Classical Academy left the system and moved over to the Charter School Institute (CSI). Since component units are captured at the individual component unit level, a restatement of fund balance did not occur but a removal of the two schools change the total component unit beginning balance. Each of the remaining component units beginning balance is equal to the prior year fund balance.

16. Budget/GAAP reporting differences

The accompanying statement of revenues, expenditures and changes in fund balance (deficit) for the general fund budget and actual has been prepared on a legally prescribed basis of accounting, which differs from GAAP. The following Revenue and Expenditure (excluding other financing uses) and Fund Balance schedules identify these differences for the general fund. Component units are reported on GAAP basis.

	GAAP Basis Reporting	Effect of: On-behalf State Contribution to PERA	Budget Basis Reporting
General Fund			
Revenues:			
Taxes	417,403,687	-	417,403,687
Intergovernmental	335,769,678	(12,730,157)	323,039,521
Interest	2,334,875	-	2,334,875
Other	25,746,124	-	25,746,124
Total revenues	<u>781,254,364</u>	<u>(12,730,157)</u>	<u>768,524,207</u>
Expenditures:			
Current:			
General administration	29,630,747	(316,119)	29,314,628
School administration	63,697,197	(1,234,267)	62,462,930
General instruction	360,717,281	(7,145,548)	353,571,733
Special education instruction	66,108,395	(1,252,644)	64,855,751
Instructional support	98,428,087	(1,737,101)	96,690,986
Operations and maintenance	80,086,374	(1,044,478)	79,041,896
Principal retirements	2,385,000	-	2,385,000
Interest and fiscal charges	623,003	-	623,003
Total expenditures	<u>701,676,084</u>	<u>(12,730,157)</u>	<u>688,945,927</u>
Excess of revenues over (under) expenditures	79,578,280	-	79,578,280
Other Financing Sources (Uses):			
Transfers out (note 10)	(56,886,292)		(56,886,292)
Transfers in (note 10)	400,000		400,000
Total other financing sources (uses)	<u>(56,486,292)</u>	<u>-</u>	<u>(56,486,292)</u>
Net change in fund balances	23,091,988	-	23,091,988
Fund balances - July 1, 2018, as restated	<u>117,975,220</u>	<u>-</u>	<u>117,975,220</u>
Fund balances - June 30, 2019	<u>141,067,208</u>	<u>-</u>	<u>141,067,208</u>

The on-behalf payment contribution from the State to PERA lowers the pension expense and liability to cover the unfunded portion of the pension trust fund.

17. Compliance

The building fund – capital projects and internal service central service fund may be in violation of state statutes as the expenditures exceed the appropriated budgets.

Fund	<u>Expenditures</u>			Favorable (Unfavorable) Variance
	Original Budget	Final Budget	Actual	
Building Fund - Capital Projects Fund	\$ -	\$ 39,778,167	\$ 44,901,186	\$ (5,123,019)
Central Services - Internal Service Fund	\$ 3,405,015	\$ 3,455,015	\$ 3,457,135	\$ (2,120)

The Food Nutrition Services Fund may be in violation of state statutes as the amount spent down of fund balance exceeded the final appropriated budget and board approved resolution to spend down reserves.

Fund	<u>Spend down of fund balance</u>			Favorable (Unfavorable) Variance
	Original Budget	Board Approved Resolution	Actual	
Food Nutrition Services - Special Revenue Fund	\$ (259,129)	\$ (305,697)	\$ (585,073)	\$ (279,376)

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>2018</u>		<u>2017</u>		<u>2016</u>
District's proportion (percentage) of the collective net pension liability	8.8525295467%		10.1435305492%		10.4256037294%
District's proportionate share of the collective pension liability	\$ 1,567,522,188	\$	3,280,057,279	\$	3,107,987,859
State's Proportionate Share of the Net Pension Liability	214,336,891		-		-
	<u>\$ 1,781,859,079</u>	<u>\$</u>	<u>3,280,057,279</u>	<u>\$</u>	<u>3,107,987,859</u>
Covered payroll	\$ 511,406,769	\$	464,620,159	\$	466,519,811
District's proportionate share of the net pension liability as a percentage of its covered payroll	306.51%		705.97%		666.21%
Plan fiduciary net position as a percentage of the total pension liability	57.01%		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
-	-	-
<u>\$ 1,590,707,061</u>	<u>\$ 1,451,023,165</u>	<u>\$ 1,420,871,997</u>
\$ 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>2018</u>		<u>2017</u>		<u>2016</u>
District's proportion (percentage) of the collective net OPEB liability	5.7542079222%		5.7635097638%		5.9259699159%
District's proportionate share of the collective OPEB liability	\$ 78,288,417	\$	74,902,573	\$	76,832,214
Covered payroll	\$ 511,406,769	\$	464,620,159	\$	466,519,811
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	15.31%		16.12%		16.47%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%		17.53%		16.72%

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 99,722,465	\$ 87,572,892	\$ 86,576,161	\$ 80,716,775
Contributions in relation to the statutorily required contribution	<u>99,722,465</u>	<u>87,572,892</u>	<u>86,576,161</u>	<u>80,716,775</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	521,288,369	470,576,691	471,682,591	455,031,063
Contribution as a percentage of covered payroll	19.13%	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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 5,317,146	\$ 4,799,882	\$ 4,811,163	\$ 4,641,317
Contributions in relation to the statutorily required contribution	<u>5,317,146</u>	<u>4,799,882</u>	<u>4,811,163</u>	<u>4,641,317</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	521,288,369	470,576,691	471,682,591	455,031,063
Contribution as a percentage of covered payroll	1.02%	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>
\$	4,599,795	\$ 4,548,727	\$ 4,593,319	\$ 4,620,313	\$ 4,879,620	\$ 4,990,286
	<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>-</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
	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.

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

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

Major Governmental Funds

Bond Redemption Debt Service

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

Capital Projects

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

Building Fund – Capital Projects – This fund is used to account for resources from the 2018 voter approved bond for a six year capital improvement program.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2019

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	Food & Nutrition Services Fund	
Assets				
Cash	\$ 106,560	\$ 500	\$ 425	\$ 107,485
Equity in pooled cash with investments	12,171,891	2,698,437	5,538,533	20,408,861
Accounts and interest receivable	9,018	192,833	18,986	220,837
Intergovernmental receivables:				
From the federal/state government	-	-	111,733	111,733
Inventories	447,673	615,402	1,086,371	2,149,446
Prepaid items	-	43,112	25,270	68,382
Total assets	<u>\$ 12,735,142</u>	<u>\$ 3,550,284</u>	<u>\$ 6,781,318</u>	<u>\$ 23,066,744</u>
Liabilities				
Accounts payable	\$ 466,266	\$ 862,464	\$ 39,111	\$ 1,367,841
Accrued salaries and benefits	134,337	2,029,306	914,929	3,078,572
Unearned revenues	13,828	-	789,566	803,394
Total liabilities	<u>614,431</u>	<u>2,891,770</u>	<u>1,743,606</u>	<u>5,249,807</u>
Fund Balances:				
Nonspendable:				
Inventory	447,673	615,402	1,086,371	2,149,446
Prepaid items	-	43,112	25,270	68,382
Restricted for:				
TABOR	668,603	-	-	668,603
Food Service	-	-	3,926,071	3,926,071
Assigned to:				
Special revenue funds	11,004,435	-	-	11,004,435
Total fund balance	<u>12,120,711</u>	<u>658,514</u>	<u>5,037,712</u>	<u>17,816,937</u>
Total liabilities and fund balances	<u>\$ 12,735,142</u>	<u>\$ 3,550,284</u>	<u>\$ 6,781,318</u>	<u>\$ 23,066,744</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, 2019

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Campus Activity Fund	Transportation Fund	Food & Nutrition Services Fund	
Revenues:				
Intergovernmental:				
Federal government	\$ -	\$ -	\$ 10,028,961	\$ 10,028,961
State of Colorado	-	5,149,505	387,447	5,536,952
Commodities	-	-	1,515,257	1,515,257
Other:				
Interest	16,241	-	129,779	146,020
Food Sales	-	-	11,207,787	11,207,787
Student activities	6,142,096	-	-	6,142,096
Fundraising	2,897,874	-	-	2,897,874
Fees and dues	8,596,091	-	-	8,596,091
Donations	4,325,226	-	-	4,325,226
Miscellaneous	4,634,455	-	-	4,634,455
Service contracts	-	3,670,521	276,513	3,947,034
Total revenues	<u>26,611,983</u>	<u>8,820,026</u>	<u>23,545,744</u>	<u>58,977,753</u>
Expenditures:				
Current:				
General instruction	27,040,847	-	-	27,040,847
Food service operations	-	-	24,130,817	24,130,817
Transportation	-	26,818,642	-	26,818,642
Total expenditures	<u>27,040,847</u>	<u>26,818,642</u>	<u>24,130,817</u>	<u>77,990,306</u>
Excess of revenues over (under) expenditures	(428,864)	(17,998,616)	(585,073)	(19,012,553)
Other financing sources (uses):				
Transfers in	1,099,242	18,020,869	-	19,120,111
Total other financing sources (uses)	<u>1,099,242</u>	<u>18,020,869</u>	<u>-</u>	<u>19,120,111</u>
Net change in fund balance	670,378	22,253	(585,073)	107,558
Fund balance - July 1, 2018, restated to include Free Horizon Montessori School	11,450,333	636,261	5,622,785	17,709,379
Fund balance - June 30, 2019	<u>\$ 12,120,711</u>	<u>\$ 658,514</u>	<u>\$ 5,037,712</u>	<u>\$ 17,816,937</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, 2019

Bond Redemption Debt Service Fund

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 41,824,075	\$ 70,250,474	\$ 68,803,668	\$ (1,446,806)
Interest	200,000	200,000	1,068,907	868,907
Total taxes	<u>42,024,075</u>	<u>70,450,474</u>	<u>69,872,575</u>	<u>(577,899)</u>
Expenditures:				
Debt Service				
Principal retirement	27,480,000	27,480,000	27,480,000	-
Interest and fiscal charges	16,344,075	24,175,714	24,169,239	6,475
Total expenditures	<u>43,824,075</u>	<u>51,655,714</u>	<u>51,649,239</u>	<u>6,475</u>
Excess of revenues over expenditures	(1,800,000)	18,794,760	18,223,336	(571,424)
Other financing sources (uses):				
General obligation bond proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium from refunding bonds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,800,000)</u>	<u>\$ 18,794,760</u>	18,223,336	<u>\$ (571,424)</u>
Fund balance - July 1, 2018			61,264,032	
Fund balance - June 30, 2019			<u>\$ 79,487,368</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, 2019

Capital Reserve Capital Projects Fund				
	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 32,000	\$ 32,000	\$ 1,098,319	\$ 1,066,319
Other	1,986,644	1,986,644	1,822,954	(163,690)
Total revenues	<u>2,018,644</u>	<u>2,018,644</u>	<u>2,921,273</u>	<u>902,629</u>
Expenditures:				
Capital outlay:				
Facility improvements	18,595,938	18,595,938	18,296,801	299,137
District utilization	3,867,301	9,452,301	1,868,616	7,583,685
New construction	15,140,895	15,140,895	11,359,731	3,781,164
Vehicles	711,368	711,368	126,006	585,362
Acquisition - Free Horizon Site	-	-	6,165,888	(6,165,888)
Principal Payment - COP	-	-	1,510,000	(1,510,000)
Interest payment - COP & Bank Debt	3,203,375	3,203,375	1,851,617	1,351,758
Total expenditures	<u>41,518,877</u>	<u>47,103,877</u>	<u>41,178,659</u>	<u>5,925,218</u>
Excess of revenues over (under) expenditures	(39,500,233)	(45,085,233)	(38,257,386)	6,827,847
Other financing sources:				
Proceeds from Free Horizon debt issuance	-	5,585,000	5,585,000	-
Transfers in	23,473,773	23,473,773	23,473,773	-
Total other financing sources	<u>23,473,773</u>	<u>29,058,773</u>	<u>29,058,773</u>	<u>-</u>
Net change in fund balance	<u>\$ (16,026,460)</u>	<u>\$ (16,026,460)</u>	(9,198,613)	<u>\$ 6,827,847</u>
Fund balance - July 1, 2018, restated to include Free Horizon Montessori School			42,712,521	
Fund balance - June 30, 2019			<u>\$ 33,513,908</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Building Fund - Capital Projects Fund
Fiscal year ended June 30, 2019

Building Fund - Capital Projects Fund				
	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ -	\$ 4,700,000	\$ 4,688,738	\$ (11,262)
Total revenues	<u>-</u>	<u>4,700,000</u>	<u>4,688,738</u>	<u>(11,262)</u>
Expenditures:				
Capital outlay:				
Facility improvements	-	20,509,316	14,957,926	5,551,390
District utilization	-	17,000,000	19,780,293	(2,780,293)
New construction	-	176,792	221,153	(44,361)
Vehicles	-	2,092,059	9,941,814	(7,849,755)
Total expenditures	<u>-</u>	<u>39,778,167</u>	<u>44,901,186</u>	<u>(5,123,019)</u>
Excess of revenues over (under) expenditures	-	(35,078,167)	(40,212,448)	(5,134,281)
Other financing sources:				
General Obligation Issuance	-	326,490,000	326,490,000	-
Premium for General Obligation Issuance	-	50,165,349	50,165,349	-
Total other financing sources	<u>-</u>	<u>376,655,349</u>	<u>376,655,349</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 341,577,182</u>	336,442,901	<u>\$ (5,134,281)</u>
Fund balance - July 1, 2018			-	
Fund balance - June 30, 2019			<u>\$ 336,442,901</u>	

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual (Budget Basis)
Campus Activity Special Revenue Fund
Fiscal year ended June 30, 2019

	Campus Activity Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 16,241	\$ 16,241
Student activities	6,646,709	6,646,709	6,142,096	(504,613)
Fundraising	2,990,552	2,990,552	2,897,874	(92,678)
Fees and dues	8,535,838	8,535,838	8,596,091	60,253
Donations	3,978,195	3,978,195	4,325,226	347,031
Miscellaneous	6,065,220	6,065,220	4,634,455	(1,430,765)
Total revenues	28,216,514	28,216,514	26,611,983	(1,604,531)
Expenditures:				
Current:				
Athletics and activities	27,621,712	28,121,712	27,040,847	1,080,865
Total expenditures	27,621,712	28,121,712	27,040,847	1,080,865
Excess of revenues over (under) expenditures	594,802	94,802	(428,864)	(523,666)
Other financing sources:				
Transfers in	1,100,000	1,100,000	1,099,242	(758)
Total other financing sources (uses)	1,100,000	1,100,000	1,099,242	(758)
Net change in fund balance	\$ 1,694,802	\$ 1,194,802	670,378	\$ (524,424)
Fund balance - July 1, 2018, restated to include Free Horizon Montessori School			11,450,333	
Fund balance - June 30, 2019			\$ 12,120,711	

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, 2019

	Transportation Fund		
	Original & Final Budget Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Service contracts	\$ 3,748,961	\$ 3,670,521	\$ (78,440)
State of Colorado	5,012,876	5,149,505	136,629
Total revenues	8,761,837	8,820,026	58,189
Expenditures:			
Current:			
Transportation	26,906,820	26,818,642	88,178
Total expenditures	26,906,820	26,818,642	88,178
Excess of revenues over (under) expenditures	(18,144,983)	(17,998,616)	146,367
Other financing sources:			
Transfers in	18,144,983	18,020,869	(124,114)
Total other financing sources (uses)	18,144,983	18,020,869	(124,114)
Net change in fund balance	\$ -	22,253	\$ 22,253
Fund balance - July 1, 2018		636,261	
Fund balance - June 30, 2019		\$ 658,514	

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, 2019

	Food & Nutrition Service Fund			Variance with Final Budget - Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental:				
Federal Government	\$ 10,710,364	\$ 10,710,364	\$ 10,028,961	\$ (681,403)
State of Colorado	413,771	413,771	387,447	(26,324)
Commodities	1,531,416	1,531,416	1,515,257	(16,159)
Other:				-
Food Sales	12,579,138	12,579,138	11,207,787	(1,371,351)
Service Contracts	58,000	58,000	276,513	218,513
Interest	10,380	10,380	129,779	119,399
Total revenues	25,303,069	25,303,069	23,545,744	(1,757,325)
Expenditures:				
Current:				
Purchased food	8,831,750	8,831,750	7,624,265	1,207,485
USDA commodities	1,531,416	1,531,416	1,532,851	(1,435)
Salaries and employee benefits	11,870,041	11,870,041	12,275,048	(405,007)
Administrative services	2,234,611	2,234,611	1,701,261	533,350
Supplies	1,014,000	1,014,000	951,165	62,835
Repairs and maintenance	60,000	60,000	12,247	47,753
Capital Outlay	10,000	10,000	33,980	(23,980)
Total expenditures	25,551,818	25,551,818	24,130,817	1,421,001
Net change in fund balance	\$ (248,749)	\$ (248,749)	(585,073)	\$ (336,324)
Fund balance - July 1, 2018			5,622,785	
Fund balance - June 30, 2019			\$ 5,037,712	

*Board Resolution on June 6, 2019 to spend down beginning fund balance in the amount of \$305,697.



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, 2019

<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 with investments	1,017,241	41,354,826	7,350,609
Accounts and other receivable	16,136	19,050	2,378,613
Inventories	215,065	-	-
Prepaid items	17,188	-	2,975,394
Total current assets	<u>1,265,930</u>	<u>41,410,876</u>	<u>12,704,616</u>
Capital assets:			
Vehicles and equipment	3,217,621	-	128,448
Less accumulated depreciation	<u>(1,719,064)</u>	<u>-</u>	<u>(128,448)</u>
Total capital assets net of accumulated depreciation	1,498,557	-	-
Total assets	<u>\$ 2,764,487</u>	<u>\$ 41,410,876</u>	<u>\$ 12,704,616</u>
<u>Liabilities and Net Position</u>			
Current liabilities:			
Accounts payable	\$ 131,572	\$ 179,149	\$ 109,004
Accrued salaries, benefits, and compensated absences	72,454	2,539,856	31,890
Payroll withholding	-	27,168,741	-
Other unearned revenues	-	-	-
Estimated liability for premiums and claims	-	297,000	6,157,883
Total current liabilities	<u>204,026</u>	<u>30,184,746</u>	<u>6,298,777</u>
Non-current liabilities:			
Compensated absences	59,637	2,042	13,505
Total non-current liabilities	<u>59,637</u>	<u>2,042</u>	<u>13,505</u>
Total liabilities	<u>263,663</u>	<u>30,186,788</u>	<u>6,312,282</u>
<u>Net Position</u>			
Investment in capital assets	1,498,557	-	-
Restricted for:			
TABOR	1,183	3,305	214,903
Unrestricted	<u>1,001,084</u>	<u>11,220,783</u>	<u>6,177,431</u>
Total net position	2,500,824	11,224,088	6,392,334
Total liabilities and net position	<u>\$ 2,764,487</u>	<u>\$ 41,410,876</u>	<u>\$ 12,704,616</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 300
-	37,000
8,594,151	58,316,827
83,623	2,497,422
-	215,065
<u>1,955,472</u>	<u>4,948,054</u>
10,633,246	66,014,668
30,745,827	34,091,896
<u>(26,305,994)</u>	<u>(28,153,506)</u>
4,439,833	5,938,390
<u>\$ 15,073,079</u>	<u>\$ 71,953,058</u>

\$ 960,882	\$ 1,380,607
1,111,597	3,755,797
-	27,168,741
267,495	267,495
-	6,454,883
<u>2,339,974</u>	<u>39,027,523</u>

<u>885,277</u>	<u>960,461</u>
885,277	960,461
<u>3,225,251</u>	<u>39,987,984</u>

4,439,833	5,938,390
376	219,767
<u>7,407,619</u>	<u>25,806,917</u>
11,847,828	31,965,074
<u>\$ 15,073,079</u>	<u>\$ 71,953,058</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, 2019

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Revenues:			
Insurance premiums	\$ -	\$ 5,677,616	\$ 7,251,152
Service contracts	3,325,411	-	-
Total revenues	<u>3,325,411</u>	<u>5,677,616</u>	<u>7,251,152</u>
Expenses:			
Salaries and employee benefits	1,035,448	81,458	627,922
Administration services	279,296	573,008	596,186
Utilities	1,532	-	-
Supplies	1,459,796	-	-
Repairs and maintenance	423,086	-	-
Depreciation	257,967	-	-
Other	-	-	-
Claim losses	-	5,799,686	8,966,512
Premiums paid	10	38,948	2,495,970
Total expenses	<u>3,457,135</u>	<u>6,493,100</u>	<u>12,686,590</u>
Income (loss) from operations	<u>(131,724)</u>	<u>(815,484)</u>	<u>(5,435,438)</u>
Non-operating revenues (expenses):			
Interest revenues	36,565	378,096	256,648
Gain (loss) on sale of capital assets	-	-	-
Total non-operating revenues (expenses)	<u>36,565</u>	<u>378,096</u>	<u>256,648</u>
Income (loss) before transfers	(95,159)	(437,388)	(5,178,790)
Transfers from the general fund	-	-	5,191,312
Change in net position	<u>(95,159)</u>	<u>(437,388)</u>	<u>12,522</u>
Net position - July 1, 2018	2,595,983	11,661,476	6,379,812
Net position - June 30, 2019	<u>\$ 2,500,824</u>	<u>\$ 11,224,088</u>	<u>\$ 6,392,334</u>

Technology Fund	Total Governmental Activities - Internal Service Funds
\$ -	\$ 12,928,768
18,542,269	21,867,680
<u>18,542,269</u>	<u>34,796,448</u>
15,683,895	17,428,723
3,592,466	5,040,956
24,703	26,235
775,007	2,234,803
5,597,991	6,021,077
2,144,602	2,402,569
-	-
29,572	14,795,770
-	2,534,928
<u>27,848,236</u>	<u>50,485,061</u>
<u>(9,305,967)</u>	<u>(15,688,613)</u>
197,556	868,865
(312)	(312)
<u>197,244</u>	<u>868,553</u>
(9,108,723)	(14,820,060)
9,401,776	14,593,088
<u>293,053</u>	<u>(226,972)</u>
11,554,775	32,192,046
<u>\$ 11,847,828</u>	<u>\$ 31,965,074</u>

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Cash Flows
Internal Service Funds
Fiscal year ended June 30, 2019

	Central Services Fund	Employee Benefits Fund	Insurance Reserve Fund
Cash flows from operating activities:			
Cash received from customers	\$ 3,325,313	\$ 5,672,920	\$ 6,606,971
Cash paid to employees	(1,049,297)	(303,866)	(628,595)
Cash paid to vendors	(2,202,123)	(4,760,897)	(12,915,132)
Net cash provided by (used for) in operating activities	<u>73,893</u>	<u>608,157</u>	<u>(6,936,756)</u>
Cash flows from noncapital financing activities:			
Transfers in and (out)	-	-	5,191,312
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>5,191,312</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(546,947)	-	-
Net cash (used for) capital and related financing activities	<u>(546,947)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	36,565	378,096	256,648
Net cash provided by investing activities	<u>36,565</u>	<u>378,096</u>	<u>256,648</u>
Net increase (decrease) in cash and cash equivalents	(436,489)	986,253	(1,488,796)
Cash and cash equivalents - July 1, 2018	1,454,030	40,405,573	8,839,405
Cash and cash equivalents - June 30, 2019	<u>\$ 1,017,541</u>	<u>\$ 41,391,826</u>	<u>\$ 7,350,609</u>
Reconciliation of cash flows from operating activities:			
Income (Loss) from operations	\$ (131,724)	\$ (815,484)	\$ (5,435,438)
Cash flows from operating activities:			
Depreciation	257,967	-	-
(Increase) decrease intergovernmental and other receivables	(98)	(4,696)	(644,181)
(Increase) decrease in prepaid items	(16,279)	-	(879,712)
Increase in other inventories	(40,096)	-	-
Increase (decrease) in accounts payable	17,972	-	-
Increase (decrease) in accrued salaries, benefits, and compensated and compensated balances	(13,849)	(222,408)	(673)
Increase in payroll withholding	-	1,756,602	-
Increase in estimated liability for premiums and claims	-	-	-
Net cash provided by (used for) in operating activities	<u>\$ 73,893</u>	<u>\$ 608,157</u>	<u>\$ (6,936,756)</u>
Noncash investing, capital, and financing activities:			
Disposal and write off of capital assets	\$ -	\$ -	\$ -

Technology Fund	Governmental Activities - Internal Service Funds
\$ 18,559,140	\$ 34,164,344
(15,465,803)	(17,447,561)
(9,595,999)	(29,474,151)
<u>(6,502,662)</u>	<u>(12,757,368)</u>
9,401,776	14,593,088
<u>9,401,776</u>	<u>14,593,088</u>
(1,791,541)	(2,338,488)
<u>(1,791,541)</u>	<u>(2,338,488)</u>
197,556	868,865
<u>197,556</u>	<u>868,865</u>
1,305,129	366,097
7,289,022	57,988,030
<u>\$ 8,594,151</u>	<u>\$ 58,354,127</u>
\$ (9,305,967)	\$ (15,688,613)
2,144,602	2,402,569
14,806	(634,169)
136,094	(759,897)
-	(40,096)
287,646	305,618
218,092	(18,838)
-	1,756,602
2,065	2,065
-	(82,609)
<u>\$ (6,502,662)</u>	<u>\$ (12,757,368)</u>
\$ 312	\$ 312

(0)



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, 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, 2019

	Addebrouke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Golden	Compass Montessori - Wheat Ridge	Doral Academy	Excel Charter School	Great Work Montessori
Assets							
Cash	\$ 1,500	\$ 1,000	\$ 500	\$ 400	\$ 500	\$ 500	\$ 300
Restricted cash for debt service and deposits	690,396	738,585	-	-	-	632,189	-
Restricted cash for TABOR	240,411	123,704	125,353	90,446	54,323	148,398	50,969
Equity in pooled cash with investments	1,822,255	935,508	1,205,329	891,545	433,266	2,867,463	302,396
Accounts receivable	-	-	-	-	-	1,266	-
Capital assets							
Land and construction in progress	5,505,294	650,000	1,016,509	-	-	235,981	-
Depreciable assets	11,857,572	6,109,877	5,185,773	640,244	271,978	5,317,459	-
Accumulated depreciation	(662,348)	(3,063,214)	(2,357,364)	(55,895)	(177,585)	(2,439,400)	-
Total capital assets	16,700,518	3,696,663	3,844,918	584,349	94,393	3,114,040	-
Total assets	\$ 19,455,080	\$ 5,495,460	\$ 5,176,100	\$ 1,566,740	\$ 582,482	\$ 6,763,856	\$ 353,665
Deferred outflows of resources							
Loss on refunding	-	-	-	-	-	448,187	-
Pension							
Cont after measurement date	321,851	171,511	209,562	156,433	85,564	236,225	87,192
Change in assumptions	1,830,566	1,046,915	1,108,600	954,819	563,011	1,395,333	526,716
Change in investment earnings	534,556	305,717	323,730	278,823	164,409	407,461	153,810
Change in proportionate share	3,055	1,747	1,850	1,593	940	2,329	879
Change in experience	332,673	190,258	201,468	173,521	102,317	253,577	95,721
OPEB							
Cont after measurement date	17,161	9,145	11,174	8,341	4,562	12,595	4,649
Change in experience	1,778	1,017	1,077	927	547	1,355	512
Change in assumptions	3,436	1,965	2,081	1,792	1,057	2,619	989
Change in investment earnings	2,817	1,611	1,706	1,469	866	2,147	810
Total deferred outflows	\$ 3,047,893	\$ 1,729,886	\$ 1,861,248	\$ 1,577,718	\$ 923,273	\$ 2,761,828	\$ 871,278
Liabilities							
Accounts payable	51,058	3,768	30,036	25,461	14,962	51,339	2,427
Accrued salaries and benefits	283,122	167,378	205,337	151,911	43,331	199,940	26,469
Unearned revenues	-	-	15,725	62,907	-	-	-
Accrued interest	66,413	10,415	-	-	210	15,150	-
Long term liabilities							
Due within 1 year	350,000	275,000	-	-	375,837	250,000	-
Due in more than 1 year	17,360,000	4,616,881	-	-	48,156	5,058,123	-
Net Pension liability	9,807,250	5,608,841	5,939,321	5,115,436	3,016,330	7,475,492	2,821,878
OPEB liability	489,814	280,128	296,634	255,486	150,648	373,356	140,936
Total liabilities	\$ 28,407,657	\$ 10,962,411	\$ 6,487,053	\$ 5,611,201	\$ 3,649,474	\$ 13,423,400	\$ 2,991,710
Deferred inflows of resources							
Pension							
Change in proportionate share	1,562,035	893,340	945,977	814,754	480,422	1,190,648	449,450
Change in assumptions	6,099,055	3,488,096	3,693,619	3,181,251	1,875,833	4,648,952	1,754,904
OPEB							
Change in proportionate share	7,436	4,253	4,503	3,879	2,287	5,668	2,140
Change in investment earnings	746	426	452	389	229	568	215
Total deferred inflows	\$ 7,669,272	\$ 4,386,115	\$ 4,644,551	\$ 4,000,273	\$ 2,358,771	\$ 5,845,836	\$ 2,206,709
Net Position							
Net investment in capital assets	(435,559)	(619,581)	3,844,918	584,349	(329,599)	(1,296,400)	-
Restricted for:							
Capital projects	-	-	-	-	-	-	-
Debt service	611,517	721,160	648,315	-	(327)	610,560	-
TABOR	240,411	123,704	125,353	90,446	54,323	148,398	50,969
Unrestricted	(13,990,325)	(8,348,464)	(8,712,842)	(7,141,811)	(4,226,887)	(9,206,110)	(4,024,445)
Total net position	\$ (13,573,956)	\$ (8,123,180)	\$ (4,094,256)	\$ (6,467,016)	\$ (4,502,490)	\$ (9,743,552)	\$ (3,973,476)

	Lincoln Academy		Mountain			Rocky Mountain Academy		Rocky Mountain	Two Roads High	Woodrow Wilson	Total Charter
Jefferson Academy	Charter School	Montessori Peaks	Phoenix	New America	Evergreen	Deaf School	School	Academy	Schools		
\$ 1,300	\$ 17,139	\$ 500	\$ -	\$ 300	\$ 300	\$ -	\$ 500	\$ 500		25,239	
2,677,170	797,870	866,995	1,245,024	-	576,869	-	365,224	-		8,590,322	
499,188	204,283	136,148	180,418	63,168	85,851	82,315	127,277	211,389		2,423,641	
5,383,404	2,310,605	1,432,455	944,933	1,082,490	761,255	483,610	609,876	3,493,020		24,959,410	
-	-	4,742	-	136,449	-	108,434	-	52		250,943	
14,958,571	2,927,652	1,099,229	830,000	-	201,182	92,058	258,000	1,135,377		28,909,853	
23,009,586	8,346,021	4,857,879	5,707,764	275,702	5,154,247	12,400,469	4,025,312	12,048,533		105,208,416	
(5,681,312)	(1,696,963)	(2,349,562)	(949,913)	(253,607)	(2,423,638)	(1,659,530)	(403,547)	(3,719,158)		(27,893,036)	
32,286,845	9,576,710	3,607,546	5,587,851	22,095	2,931,791	10,832,997	3,879,765	9,464,752		106,225,233	
\$ 40,847,907	\$ 12,906,607	\$ 6,048,386	\$ 7,958,226	\$ 1,304,502	\$ 4,356,066	\$ 11,507,356	\$ 4,982,642	\$ 13,169,713		142,474,788	
-	126,733	572,179	-	-	21,470	-	-	-		1,168,569	
776,690	339,630	225,321	270,363	92,013	122,923	159,254	230,299	295,963		3,780,794	
4,505,258	2,102,322	1,372,133	1,601,506	528,432	672,131	956,591	1,334,477	1,818,463		22,317,273	
1,315,612	613,914	400,686	467,667	154,311	196,274	279,341	389,690	531,022		6,517,023	
7,518	3,509	2,290	2,673	882	1,122	1,596	2,227	3,035		37,245	
818,750	382,060	249,361	291,045	96,033	122,148	173,843	242,517	330,473		4,055,765	
41,413	18,109	12,014	14,416	4,906	6,554	8,491	12,279	15,781		201,590	
4,376	2,042	1,333	1,555	513	653	929	1,296	1,766		21,676	
8,456	3,946	2,575	3,006	992	1,262	1,796	2,505	3,413		41,890	
6,933	3,235	2,111	2,464	813	1,034	1,472	2,053	2,798		34,339	
\$ 7,485,006	\$ 3,595,500	\$ 2,840,003	\$ 2,654,695	\$ 878,895	\$ 1,145,571	\$ 1,583,313	\$ 2,217,343	\$ 3,002,714		38,176,164	
3,348,845	137,080	19,045	46,732	63,235	7,300	4,172	6,815	178,617		3,990,892	
737,444	289,474	184,297	-	85,220	126,457	146,416	178,524	136,669		2,961,989	
-	18,755	5,600	41,980	-	-	-	-	4,405		149,372	
124,667	101,922	52,051	118,738	-	1,813	-	5,993	-		497,372	
512,592	278,775	210,000	115,000	-	75,000	-	20,000	-		2,462,204	
19,252,408	6,855,696	5,500,000	6,496,107	-	1,635,619	-	1,245,000	-		68,067,990	
24,136,901	11,263,180	7,351,194	8,580,061	2,831,075	3,600,939	5,124,931	7,149,452	9,742,409		119,564,690	
1,205,494	562,529	367,148	428,523	141,395	179,845	255,961	357,073	486,575		5,971,545	
\$ 49,318,351	\$ 19,507,411	\$ 13,689,335	\$ 15,827,141	\$ 3,120,925	\$ 5,626,973	\$ 5,531,480	\$ 8,962,857	\$ 10,548,675		203,666,054	
3,844,370	1,793,926	1,170,851	1,366,577	450,915	573,534	816,266	1,138,718	1,551,708		19,043,491	
15,010,556	7,004,486	4,571,652	5,335,875	1,760,624	2,239,397	3,187,156	4,446,190	6,058,730		74,356,376	
18,301	8,540	5,574	6,506	2,147	2,730	3,886	5,421	7,387		90,658	
1,835	856	559	652	215	274	390	544	741		9,091	
\$ 18,875,062	\$ 8,807,808	\$ 5,748,636	\$ 6,709,610	\$ 2,213,901	\$ 2,815,935	\$ 4,007,698	\$ 5,590,873	\$ 7,618,566		93,499,616	
14,573,058	3,047,563	(1,003,211)	(436,360)	22,095	1,633,468	10,832,997	2,715,220	9,464,752		42,597,710	
849,519	-	-	-	-	-	-	-	-		849,519	
1,680,996	681,436	811,589	1,041,612	-	544,317	-	505,773	753,620		8,610,568	
499,188	204,283	136,148	180,418	63,168	85,851	82,315	127,277	211,389		2,423,641	
(37,463,261)	(15,746,394)	(10,494,108)	(12,709,500)	(3,236,692)	(5,204,907)	(7,363,821)	(10,702,015)	(12,424,575)		(170,996,156)	
\$ (19,860,500)	\$ (11,813,112)	\$ (10,549,582)	\$ (11,923,830)	\$ (3,151,429)	\$ (2,941,271)	\$ 3,551,491	\$ (7,353,745)	\$ (1,994,814)		(116,514,718)	



JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Combining Statement of Activities
Component Units
Fiscal year ended June 30, 2019

	Expenses	Charges For Services	Net Expenses	General Revenues	Change in net position	Net position beginning*	Net position ending
Schools							
Addenbrooke Classical Academy	\$ 11,280,058	\$ 556,355	\$ (10,723,703)	\$ 8,833,009	\$ (1,890,694)	\$ (11,683,262)	\$ (13,573,956)
Collegiate Academy of Colorado	4,172,687	218,087	(3,954,600)	4,660,819	706,219	(8,829,399)	(8,123,180)
Compass Montessori - Golden	3,792,817	5,110,901	1,318,084	4,080,807	5,398,891	(9,493,147)	(4,094,256)
Compass Montessori - Wheat Ridge	2,265,356	1,189,104	(1,076,252)	2,193,766	1,117,514	(7,584,530)	(6,467,016)
Doral Academy	1,664,418	76,069	(1,588,349)	2,112,751	524,402	(5,026,892)	(4,502,490)
Excel Charter School	4,344,550	514,515	(3,830,035)	5,333,267	1,503,232	(11,246,784)	(9,743,552)
Great Work Montessori	4,090,343	731,538	(3,358,805)	1,210,617	(2,148,188)	(1,825,288)	(3,973,476)
Jefferson Academy	16,298,434	8,303,719	(7,994,715)	18,695,488	10,700,773	(30,561,273)	(19,860,500)
Lincoln Academy Charter School	7,323,090	476,752	(6,846,338)	7,601,487	755,149	(12,568,261)	(11,813,112)
Montessori Peaks	3,749,791	993,942	(2,755,849)	4,297,808	1,541,959	(12,091,541)	(10,549,582)
Mountain Phoenix	5,356,287	1,128,227	(4,228,060)	5,789,678	1,561,618	(13,485,448)	(11,923,830)
New America	1,534,684	414,827	(1,119,857)	2,040,504	920,647	(4,072,076)	(3,151,429)
Rocky Mountain Academy Evergreen	1,624,528	3,592,915	1,968,387	2,974,592	4,942,979	(7,884,250)	(2,941,271)
Rocky Mountain Deaf School	3,263,819	2,020,820	(1,242,999)	860,134	(382,865)	3,934,356	3,551,491
Two Roads High School	3,586,374	3,303,862	(282,512)	4,854,971	4,572,459	(11,926,204)	(7,353,745)
Woodrow Wilson Academy	6,659,108	3,644,789	(3,014,319)	7,705,314	4,690,995	(6,685,809)	(1,994,814)
Total	<u>\$ 81,006,344</u>	<u>\$ 32,276,422</u>	<u>\$ (48,729,922)</u>	<u>\$ 83,245,012</u>	<u>\$ 34,515,090</u>	<u>\$ (151,029,808)</u>	<u>\$ (116,514,718)</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, 2019

	Adenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Golden	Compass Montessori - Wheat Ridge	Doral Academy	Excel Charter School	Great Work Montessori
Assets:							
Cash	\$ 1,500	\$ 1,000	\$ 500	\$ 400	\$ 500	\$ 500	\$ 300
Deposits	-	-	-	-	-	-	-
Restricted Cash	930,807	862,289	125,353	90,446	54,323	780,587	50,969
Equity in pooled cash with investments	1,822,255	935,508	1,205,329	891,545	433,266	2,867,463	302,396
Accounts, notes, contracts, and interest receivable	-	-	-	-	-	1,266	-
Total Assets	\$ 2,754,562	\$ 1,798,797	\$ 1,331,182	\$ 982,391	\$ 488,089	\$ 3,649,816	\$ 353,665
Liabilities and fund balances (deficit)							
Liabilities:							
Accounts and retainages payable	51,058	3,768	30,036	25,461	14,962	51,339	2,427
Accrued salaries, benefits, and compensated absences	283,122	167,378	205,337	151,911	43,331	199,940	26,469
Unearned revenues	-	-	15,725	62,907	-	-	-
Total Liabilities	\$ 334,180	\$ 171,146	\$ 251,098	\$ 240,279	\$ 58,293	\$ 251,279	\$ 28,896
Fund balances:							
Restricted for:							
TABOR	240,411	123,704	125,353	90,446	54,323	148,398	50,969
Debt service	690,396	738,585	-	-	-	632,189	-
Construction	-	-	-	-	-	-	-
Unassigned	1,489,575	765,362	954,731	651,666	375,473	2,617,950	273,800
Total fund balances (deficit)	2,420,382	1,627,651	1,080,084	742,112	429,796	3,398,537	324,769
Total liabilities and fund balances	\$ 2,754,562	\$ 1,798,797	\$ 1,331,182	\$ 982,391	\$ 488,089	\$ 3,649,816	\$ 353,665
Amounts reported for component unit activities in the statement of net position are different because:							
Component units total fund balance	\$ 2,420,382	\$ 1,627,651	\$ 1,080,084	\$ 742,112	\$ 429,796	\$ 3,398,537	\$ 324,769
Add: Capital assets	17,362,866	6,759,877	6,202,282	640,244	271,978	5,553,440	-
Deferred outflows - Loss on refunding	-	-	-	-	-	448,187	-
Pension							
Deferred outflows - Cont after measurement	321,851	171,511	209,562	156,433	85,564	236,225	87,192
Deferred outflows - change in assumptions	1,830,566	1,046,915	1,108,600	954,819	563,011	1,395,333	526,716
Deferred outflows - Change in investment earn	534,556	305,717	323,730	278,823	164,409	407,461	153,810
Deferred outflows - Change in proportion share	3,055	1,747	1,850	1,593	940	2,329	879
Deferred outflows - Change in experience	332,673	190,258	201,468	173,521	102,317	253,577	95,721
OPEB							
Deferred outflows - Contributions subsequent to mea	17,161	9,145	11,174	8,341	4,562	12,595	4,649
Deferred outflows - Change in Experience	1,778	1,017	1,077	927	547	1,355	512
Deferred outflows - Change in Assumptions	3,436	1,965	2,081	1,792	1,057	2,619	989
Deferred outflows - Change in Earnings	2,817	1,611	1,706	1,469	866	2,147	810
Less: Accumulated depreciation	(662,348)	(3,063,214)	(2,357,364)	(55,895)	(177,585)	(2,439,400)	-
Long-term liabilities	(17,710,000)	(4,891,881)	-	-	(423,993)	(5,308,123)	-
Accrued interest	(66,413)	(10,415)	-	-	(210)	(15,150)	-
Pension							
Deferred inflows - Change in proportion share	(1,562,035)	(893,340)	(945,977)	(814,754)	(480,422)	(1,190,648)	(449,450)
Deferred inflows - Change in investment earnings	-	-	-	-	-	-	-
Deferred inflows - Change in experience	-	-	-	-	-	-	-
Deferred inflows - Change in assumptions	(6,099,055)	(3,488,096)	(3,693,619)	(3,181,251)	(1,875,833)	(4,648,952)	(1,754,904)
Pension liability	(9,807,250)	(5,608,841)	(5,939,321)	(5,115,436)	(3,016,330)	(7,475,492)	(2,821,878)
OPEB							
Deferred inflows - Change in proportion share	(7,436)	(4,253)	(4,503)	(3,879)	(2,287)	(5,668)	(2,140)
Deferred inflows - Change in experience	(746)	(426)	(452)	(389)	(229)	(568)	(215)
OPEB liability	(489,814)	(280,128)	(296,634)	(255,486)	(150,648)	(373,356)	(140,936)
Net position of component unit activities	\$ (13,573,956)	\$ (8,123,180)	\$ (4,094,256)	\$ (6,467,016)	\$ (4,502,490)	\$ (9,743,552)	\$ (3,973,476)

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	\$ -	\$ 500	\$ 500	25,239
-	-	-	-	-	-	-	-	-	-
3,176,358	1,002,153	1,003,143	1,425,442	63,168	662,720	82,315	492,501	211,389	11,013,963
5,383,404	2,310,605	1,432,455	944,933	1,082,490	761,255	483,610	609,876	3,493,020	24,959,410
-	-	4,742	-	136,449	-	108,434	-	52	250,943
<u>\$ 8,561,062</u>	<u>\$ 3,329,897</u>	<u>\$ 2,440,840</u>	<u>\$ 2,370,375</u>	<u>\$ 1,282,407</u>	<u>\$ 1,424,275</u>	<u>\$ 674,359</u>	<u>\$ 1,102,877</u>	<u>\$ 3,704,961</u>	<u>36,249,555</u>
3,348,845	137,080	19,045	46,732	63,235	7,300	4,172	6,815	178,617	3,990,892
737,444	289,474	184,297	-	85,220	126,457	146,416	178,524	136,669	2,961,989
-	18,755	5,600	41,980	-	-	-	-	4,405	149,372
<u>\$ 4,086,289</u>	<u>\$ 445,309</u>	<u>\$ 208,942</u>	<u>\$ 88,712</u>	<u>\$ 148,455</u>	<u>\$ 133,757</u>	<u>\$ 150,588</u>	<u>\$ 185,339</u>	<u>\$ 319,691</u>	<u>7,102,253</u>
499,188	204,283	136,148	180,418	63,168	85,851	82,315	127,277	211,389	2,423,641
1,827,650	797,870	866,995	1,245,024	-	576,869	-	365,224	-	7,740,802
849,519	-	-	-	-	-	-	-	-	849,519
1,298,416	1,882,435	1,228,755	856,221	1,070,784	627,798	441,456	425,037	3,173,881	18,133,340
4,474,773	2,884,588	2,231,898	2,281,663	1,133,952	1,290,518	523,771	917,538	3,385,270	29,147,302
<u>\$ 8,561,062</u>	<u>\$ 3,329,897</u>	<u>\$ 2,440,840</u>	<u>\$ 2,370,375</u>	<u>\$ 1,282,407</u>	<u>\$ 1,424,275</u>	<u>\$ 674,359</u>	<u>\$ 1,102,877</u>	<u>\$ 3,704,961</u>	<u>36,249,555</u>
\$ 4,474,773	\$ 2,884,588	\$ 2,231,898	\$ 2,281,663	\$ 1,133,952	\$ 1,290,518	\$ 523,771	\$ 917,538	\$ 3,385,270	29,147,302
37,968,157	11,273,673	5,957,108	6,537,764	275,702	5,355,429	12,492,527	4,283,312	13,183,910	134,118,269
-	126,733	572,179	-	-	21,470	-	-	-	1,168,569
776,690	339,630	225,321	270,363	92,013	122,923	159,254	230,299	295,963	3,780,794
4,505,258	2,102,322	1,372,133	1,601,506	528,432	672,131	956,591	1,334,477	1,818,463	22,317,273
1,315,612	613,914	400,686	467,667	154,311	196,274	279,341	389,690	531,022	6,517,023
7,518	3,509	2,290	2,673	882	1,122	1,596	2,227	3,035	37,245
818,750	382,060	249,361	291,045	96,033	122,148	173,843	242,517	330,473	4,055,765
41,413	18,109	12,014	14,416	4,906	6,554	8,491	12,279	15,781	201,590
4,376	2,042	1,333	1,555	513	653	929	1,296	1,766	21,676
8,456	3,946	2,575	3,006	992	1,262	1,796	2,505	3,413	41,890
6,933	3,235	2,111	2,464	813	1,034	1,472	2,053	2,798	34,339
(5,681,312)	(1,696,963)	(2,349,562)	(949,913)	(253,607)	(2,423,638)	(1,659,530)	(403,547)	(3,719,158)	(27,893,036)
(19,765,000)	(7,134,471)	(5,710,000)	(6,611,107)	-	(1,710,619)	-	(1,265,000)	-	(70,530,194)
(124,667)	(101,922)	(52,051)	(118,738)	-	(1,813)	-	(5,993)	-	(497,372)
(3,844,370)	(1,793,926)	(1,170,851)	(1,366,577)	(450,915)	(573,534)	(816,266)	(1,138,718)	(1,551,708)	(19,043,491)
-	-	-	-	-	-	-	-	-	-
(15,010,556)	(7,004,486)	(4,571,652)	(5,335,875)	(1,760,624)	(2,239,397)	(3,187,156)	(4,446,190)	(6,058,730)	(74,356,376)
(24,136,901)	(11,263,180)	(7,351,194)	(8,580,061)	(2,831,075)	(3,600,939)	(5,124,931)	(7,149,452)	(9,742,409)	(119,564,690)
(18,301)	(8,540)	(5,574)	(6,506)	(2,147)	(2,730)	(3,886)	(5,421)	(7,387)	(90,658)
(1,835)	(856)	(559)	(652)	(215)	(274)	(390)	(544)	(741)	(9,091)
(1,205,494)	(562,529)	(367,148)	(428,523)	(141,395)	(179,845)	(255,961)	(357,073)	(486,575)	(5,971,545)
<u>\$ (19,860,500)</u>	<u>\$ (11,813,112)</u>	<u>\$ (10,549,582)</u>	<u>\$ (11,923,830)</u>	<u>\$ (3,151,429)</u>	<u>\$ (2,941,271)</u>	<u>\$ 3,551,491</u>	<u>\$ (7,353,745)</u>	<u>\$ (1,994,814)</u>	<u>(116,514,718)</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, 2019

	Addenbrooke Classical Academy	Collegiate Academy of Colorado	Compass Montessori - Golden	Compass Montessori - Wheat Ridge	Doral Academy	Excel Charter School	Great Work Montessori	Jefferson Academy
Revenues:								
Intergovernmental	\$ 8,833,009	\$ 4,660,819	\$ 4,080,807	\$ 2,193,766	\$ 2,112,751	\$ 5,333,267	\$ 1,210,617	\$ 18,695,488
Other revenue*	636,002	263,638	916,158	1,230,647	100,565	575,225	754,455	2,285,800
Total revenues	<u>9,469,011</u>	<u>4,924,457</u>	<u>4,996,965</u>	<u>3,424,413</u>	<u>2,213,316</u>	<u>5,908,492</u>	<u>1,965,072</u>	<u>20,981,288</u>
Expenditures:								
Current:								
Salaries and benefits*	4,533,383	2,422,570	2,883,338	2,306,238	1,205,453	3,424,475	1,215,797	10,695,504
Purchased services	2,742,590	1,255,210	1,326,603	694,028	608,056	1,353,691	452,511	4,730,607
Materials and supplies	427,780	191,825	256,017	184,828	79,099	338,386	23,042	1,376,958
Capital outlay	704,017	-	23,943	170,010	-	13,911	-	12,707,590
Debt service	1,147,025	559,700	479,770	-	92,705	429,250	-	1,190,963
Total other instructional programs	<u>9,554,795</u>	<u>4,429,305</u>	<u>4,969,671</u>	<u>3,355,104</u>	<u>1,985,313</u>	<u>5,559,713</u>	<u>1,691,350</u>	<u>30,701,622</u>
Excess of revenues over (under) expenditures	(85,784)	495,152	27,294	69,309	228,003	348,779	273,722	(9,720,334)
Other Financing Sources (uses):								
Other financing sources - Operating Transfer from bc	21,968	-	4,242,977	-	-	-	-	6,213,940
Other financing use - Debt Repayment	-	-	(4,852,489)	-	-	-	-	-
Other financing sources - New Debt	-	-	-	-	-	-	-	1,000,000
Total other financing sources (uses)	<u>21,968</u>	<u>-</u>	<u>(609,512)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,213,940</u>
Excess of Revenues and other Financing Sources Over (Under) Expenditures	(63,816)	495,152	(582,218)	69,309	228,003	348,779	273,722	(2,506,394)
Fund balance (deficit) - July 1, 2018	2,484,198	1,132,499	1,662,302	672,803	201,793	3,049,758	51,048	6,981,167
Fund balance (deficit) - June 30, 2019	<u>\$ 2,420,382</u>	<u>\$ 1,627,651</u>	<u>\$ 1,080,084</u>	<u>\$ 742,112</u>	<u>\$ 429,796</u>	<u>\$ 3,398,537</u>	<u>\$ 324,770</u>	<u>\$ 4,474,773</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								
Less: Depreciation expense	(404,532)	(234,162)	(192,249)	(10,154)	(94,392)	(191,175)	-	(1,152,821)
Other sources - debt and amortization of premiums and discounts	-	(1,926)	-	-	-	19,871	-	(1,000,000)
Deferred outflow loss on refunding	-	-	(340,445)	-	-	(30,909)	-	-
Change in accrued interest	1,286	616	104,791	-	119	408	-	(4,480)
Pension expense	(2,350,276)	170,730	1,340,261	883,846	327,892	1,096,356	(2,339,234)	2,223,194
OPEB expense	(112,374)	(19,191)	15,359	4,505	(3,515)	991	(82,676)	(36,316)
Add: Net capital outlay asset additions	704,018	-	23,943	170,008	-	13,911	-	12,707,590
Principal payment on long-term liabilities	335,000	295,000	5,029,449	-	66,295	245,000	-	470,000
Change in net position of component unit activities	<u>\$ (1,890,694)</u>	<u>\$ 706,219</u>	<u>\$ 5,398,891</u>	<u>\$ 1,117,514</u>	<u>\$ 524,402</u>	<u>\$ 1,503,232</u>	<u>\$ (2,148,188)</u>	<u>\$ 10,700,773</u>

*On-behalf state contributions to PERA are included in both Other Revenue and Salary/Benefits.

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
\$ 7,601,487	\$ 4,297,808	\$ 5,789,678	\$ 2,040,504	\$ 2,974,592	\$ 860,134	\$ 4,854,971	\$ 7,705,314	83,245,012
568,223	1,053,642	1,197,907	437,819	525,582	2,062,441	258,860	622,141	13,489,105
8,169,710	5,351,450	6,987,585	2,478,323	3,500,174	2,922,575	5,113,831	8,327,455	96,734,117
4,838,456	3,151,971	3,809,500	1,295,063	1,690,368	2,298,029	3,155,980	3,998,801	52,924,926
1,638,731	1,283,861	1,690,941	1,089,534	926,727	442,627	1,335,120	2,129,643	23,700,480
474,530	185,997	294,391	81,280	114,825	112,580	146,486	280,187	4,568,211
252,056	-	277,982	-	129,098	-	-	602,146	14,880,753
968,384	523,105	583,625	-	345,516	-	200,000	296,006	6,816,049
8,172,157	5,144,934	6,656,439	2,465,877	3,206,534	2,853,236	4,837,586	7,306,783	102,890,419
(2,447)	206,516	331,146	12,446	293,640	69,339	276,245	1,020,672	(6,156,302)
-	-	-	-	3,096,577	-	3,103,064	3,101,768	19,780,294
-	-	-	-	(3,096,577)	-	(3,360,150)	(4,544,913)	(15,854,129)
-	-	-	-	-	-	-	-	1,000,000
-	-	-	-	-	-	(257,086)	(1,443,145)	4,926,165
(2,447)	206,516	331,146	12,446	293,640	69,339	19,159	(422,473)	(1,230,137)
2,887,035	2,025,382	1,950,517	1,121,506	996,878	454,432	898,379	3,807,743	30,377,440
<u>\$ 2,884,588</u>	<u>\$ 2,231,898</u>	<u>\$ 2,281,663</u>	<u>\$ 1,133,952</u>	<u>\$ 1,290,518</u>	<u>\$ 523,771</u>	<u>\$ 917,538</u>	<u>\$ 3,385,270</u>	<u>29,147,303</u>
\$ (2,447)	\$ 206,516	\$ 331,146	\$ 12,446	\$ 293,640	\$ 69,339	\$ 19,159	\$ (422,473)	(1,230,137)
(391,400)	(175,845)	(193,808)	(3,547)	(196,934)	(420,200)	(144,902)	(534,690)	(4,340,811)
(2,316)	-	(7,400)	-	(154,645)	-	-	187,394	(959,022)
(5,280)	(33,658)	-	-	(60,444)	-	-	-	(470,736)
5,206	1,800	1,836	-	49,240	-	17,383	20,168	198,373
325,533	1,334,748	1,051,826	896,976	1,881,624	(9,806)	1,404,376	223,842	8,461,888
(38,694)	8,398	(4,964)	14,772	41,400	(22,198)	11,443	(35,392)	(258,452)
252,056	-	277,982	-	129,098	-	-	602,146	14,880,752
612,491	200,000	105,000	-	2,960,000	-	3,265,000	4,650,000	18,233,235
<u>\$ 755,149</u>	<u>\$ 1,541,959</u>	<u>\$ 1,561,618</u>	<u>\$ 920,647</u>	<u>\$ 4,942,979</u>	<u>\$ (382,865)</u>	<u>\$ 4,572,459</u>	<u>\$ 4,690,995</u>	<u>34,515,090</u>



Statistical Section

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

<u>Content</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	122-131
Revenue Capacity These schedules contain information to help the reader assess the District's property tax revenue.	132-137
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.	138-141
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.	142-143
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.	144-148

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities					
Net investment in capital assets	\$ 344,003,602	\$ 360,914,728	\$ 376,550,610	\$ 403,794,024	\$ 409,948,271
Restricted	122,592,857	122,902,877	118,918,869	69,044,589	78,132,683
Unrestricted	<u>117,372,458</u>	<u>91,113,699</u>	<u>73,925,741</u>	<u>105,448,605</u>	<u>104,852,827</u>
Total governmental activities net assets/net position	<u>\$ 583,968,917</u>	<u>\$ 574,931,304</u>	<u>\$ 569,395,220</u>	<u>\$ 578,287,218</u>	<u>\$ 592,933,781</u>
Business-type activities					
Net investment in capital assets	\$ 3,642,539	\$ 3,706,030	\$ 3,434,251	\$ 3,555,684	\$ 3,388,248
Restricted	747,019	720,617	691,773	708,022	729,971
Unrestricted	<u>10,045,737</u>	<u>9,883,367</u>	<u>12,068,165</u>	<u>12,987,974</u>	<u>13,548,826</u>
Total business-type activities net assets/net position	<u>\$ 14,435,295</u>	<u>\$ 14,310,014</u>	<u>\$ 16,194,189</u>	<u>\$ 17,251,680</u>	<u>\$ 17,667,045</u>
Primary government					
Net investment in capital assets	\$ 347,646,141	\$ 364,620,758	\$ 379,984,861	\$ 407,349,708	\$ 413,336,519
Restricted	123,339,876	123,623,494	119,610,642	69,752,611	78,862,654
Unrestricted	<u>127,418,195</u>	<u>100,997,066</u>	<u>85,993,906</u>	<u>118,436,579</u>	<u>118,401,653</u>
Total primary government net assets/net position	<u>\$ 598,404,212</u>	<u>\$ 589,241,318</u>	<u>\$ 585,589,409</u>	<u>\$ 595,538,898</u>	<u>\$ 610,600,826</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>2015*</u>	<u>2016</u>	<u>2017</u>	<u>2018**</u>	<u>2019</u>
\$ 407,426,358	\$ 364,870,945	\$ 393,437,822	\$ 410,495,440	\$ 398,121,140
83,081,688	91,018,886	87,661,174	94,757,855	112,896,901
<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>(2,214,966,272)</u>
<u>\$ (829,192,036)</u>	<u>\$ (835,898,382)</u>	<u>\$ (1,321,086,825)</u>	<u>\$ (1,916,989,672)</u>	<u>\$ (1,703,948,231)</u>
\$ 3,297,928	\$ 3,422,469	\$ 3,230,241	\$ 1,362,898	\$ 1,216,370
5,622,279	775,822	6,905,076	521,857	553,325
10,131,353	15,264,044	9,175,963	9,114,769	9,373,021
<u>\$ 19,051,560</u>	<u>\$ 19,462,335</u>	<u>\$ 19,311,280</u>	<u>\$ 10,999,524</u>	<u>\$ 11,142,716</u>
\$ 410,724,287	\$ 368,293,414	\$ 396,668,063	\$ 411,858,338	\$ 399,337,510
88,703,967	91,794,708	94,566,250	95,279,712	113,450,226
<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>(2,205,593,251)</u>
<u>\$ (810,140,476)</u>	<u>\$ (816,436,047)</u>	<u>\$ (1,301,775,545)</u>	<u>\$ (1,905,990,148)</u>	<u>\$ (1,692,805,515)</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012*</u>	<u>2013</u>
Expenses *				
Governmental activities:				
School administration	\$ -	\$ -	\$ 57,409,152	\$ 54,996,871
General instruction	-	-	408,204,654	405,528,254
Special education instruction	-	-	65,020,783	69,392,712
Instructional support	-	-	67,648,351	64,686,916
Operations and maintenance	-	-	69,998,170	67,985,826
Food services **	-	-	-	-
Direct instruction	488,851,713	488,170,063	-	-
Indirect instruction	146,058,971	148,378,364	-	-
Transportation	21,105,227	20,850,913	23,703,443	24,115,123
Custodial services	27,460,710	26,864,799	-	-
Field services	23,020,164	21,763,434	-	-
Telecommunications, networking and utilities	21,021,606	21,974,077	-	-
Support services	25,970,162	25,168,348	-	-
General administration	4,122,191	3,909,716	27,898,413	27,617,388
District-wide	1,383,435	596,970	-	-
Interest expense, unallocated	32,332,211	28,681,991	25,666,711	25,135,731
Total governmental activities expenses	791,326,390	786,358,675	745,549,677	739,458,821
Business-type activities				
Food services **	25,200,972	24,402,366	22,995,136	24,588,376
Child care	14,728,222	14,277,646	13,664,939	14,253,323
Property management	2,051,238	1,288,442	1,276,209	1,298,134
Other enterprise	-	-	-	-
Total business-type activities expenses	41,980,432	39,968,454	37,936,284	40,139,833
Total primary government expenses	\$ 833,306,822	\$ 826,327,129	\$ 783,485,961	\$ 779,598,654
Program Revenues				
Governmental activities:				
Charges for services:				
General administration	\$ -	\$ -	\$ 1,152,290	\$ 1,323,748
General instruction	-	-	25,645,123	26,903,962
Special education instruction	-	-	4,713,718	4,932,848
Operations and maintenance	-	-	3,842,879	4,929,770
Direct instruction	5,053,827	5,148,800	-	-
Indirect instruction	27,065,122	28,066,756	-	-
Food services **	-	-	-	-
Transportation	400,388	354,195	1,386,407	1,974,372
Field services	3,998,449	3,747,188	-	-
District-wide	474,589	1,358,775	-	-
Operating grants and contributions:				
General administration	-	-	3,652,537	3,889,298
School administration	-	-	861,829	-
General instruction	-	-	14,548,969	16,103,053
Special education instruction	-	-	25,408,016	24,338,028
Instructional support	-	-	16,402,238	15,731,027
Operations and maintenance	-	-	797,353	165,699
Food services **	-	-	-	-
Direct instruction	49,402,008	69,228,523	-	-
Indirect instruction	9,914,138	13,358,689	-	-
Transportation	4,785,359	4,866,106	5,103,034	5,009,964
Total governmental activities program revenues	101,093,880	126,129,032	103,514,393	105,301,769
Business-type activities				
Charges for services:				
Food services **	11,736,773	11,634,444	11,514,984	11,049,462
Child care	10,295,931	10,281,161	9,867,724	10,630,601
Property management	1,674,886	1,763,175	1,595,449	1,796,862
Other enterprise	-	-	-	-
Operating grants and contributions:				
Food services **	10,964,421	11,709,247	12,716,967	13,520,079
Child Care	-	-	-	-
Capital grants and contributions:				
Food services	1,172,164	352,528	84,766	135,253
Property management	-	-	-	-
Other enterprise	-	-	-	-
Total business-type activities program revenues	35,844,175	35,740,555	35,779,890	37,132,257
Total primary government program revenues	\$ 136,938,055	\$ 161,869,587	\$ 139,294,283	\$ 142,434,026
Net (Expense)/Revenue				
Governmental activities	\$ (690,232,510)	\$ (660,229,643)	\$ (642,035,284)	\$ (634,157,052)
Business-type activities	(6,136,257)	(4,227,899)	(2,156,394)	(3,007,576)
Total primary government net expense	\$ (696,368,767)	\$ (664,457,542)	\$ (644,191,678)	\$ (637,164,628)

*Recategorized expense types starting in fiscal year 2012.

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

Fiscal Year						
	2014	2015	2016	2017	2018	2019
\$	56,613,420	\$ 61,622,289	\$ 63,315,375	\$ 100,562,166	\$ 107,454,780	\$ 57,184,224
	410,335,528	440,423,884	433,932,814	679,657,697	689,803,039	338,352,008
	71,357,688	76,419,427	74,429,360	121,065,638	125,986,386	60,078,428
	68,774,854	93,132,858	91,727,374	151,608,229	177,535,468	87,358,735
	78,844,714	87,346,892	82,019,992	129,182,158	125,858,843	90,139,921
	-	-	-	-	43,950,669	18,396,673
	-	-	-	-	-	-
	-	-	-	-	-	-
	23,177,884	27,654,266	27,781,099	44,542,645	46,130,547	21,757,237
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	25,908,579	25,647,057	25,347,367	46,268,361	34,010,421	25,577,408
	-	-	-	-	-	-
	24,692,063	26,445,984	19,888,625	18,707,099	28,918,125	27,254,231
	759,704,730	838,692,657	818,442,006	1,291,593,993	1,379,648,278	726,098,865
	24,059,390	24,335,013	23,708,332	24,943,806	-	-
	15,669,253	16,365,381	13,553,606	13,509,401	14,329,881	15,770,645
	1,653,841	1,881,209	1,643,904	1,722,727	1,805,591	1,843,658
	-	-	-	-	-	-
	41,382,484	42,581,603	38,905,842	40,175,934	16,135,472	17,614,303
\$	801,087,214	\$ 881,274,260	\$ 857,347,848	\$ 1,331,769,927	\$ 1,395,783,750	\$ 743,713,168
\$	2,669,066	\$ 906,896	\$ 931,133	\$ 977,969	\$ 1,163,075	\$ 1,232,924
	27,047,349	27,346,106	33,178,144	33,960,682	35,857,623	36,890,661
	3,195,644	5,435,234	6,048,054	6,393,941	7,122,128	6,852,969
	6,116,159	4,685,037	5,162,139	6,371,921	9,521,864	10,113,814
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	12,021,320	11,484,300
	2,133,779	1,979,155	2,066,642	2,052,196	3,330,780	2,026,676
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,706,405	4,002,024	3,447,090	2,609,255	2,084,224	2,974,340
	49,851	3,883	17,761	82,198	51,326	363,945
	16,423,080	17,807,677	15,976,711	16,748,158	16,358,570	15,958,015
	27,343,034	26,830,057	28,050,732	26,427,242	27,879,724	28,436,367
	16,251,832	18,028,401	16,368,008	12,777,100	13,002,528	15,392,691
	7,920,034	6,609,171	1,044,100	266,611	95,563	346,352
	-	-	-	-	12,641,266	11,931,665
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,275,093	5,383,718	5,653,141	5,103,470	3,863,626	5,263,064
	118,131,326	119,017,359	117,943,655	113,770,743	144,993,617	149,267,783
	9,830,452	10,612,859	10,641,334	10,978,683	-	-
	11,111,356	11,417,547	6,804,445	7,383,970	8,310,307	9,014,931
	1,920,377	2,276,591	2,256,716	2,415,137	2,887,289	2,902,390
	-	-	-	-	-	-
	13,389,433	14,083,555	14,024,955	13,877,640	-	-
	-	5,526,102	5,748,802	5,952,792	6,066,190	6,245,151
	96,924	234,780	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	36,348,542	44,151,434	39,476,252	40,608,222	17,263,786	18,162,472
\$	154,479,868	\$ 163,168,793	\$ 157,419,907	\$ 154,378,965	162,257,403	167,430,255
\$	(641,573,404)	\$ (719,675,298)	\$ (694,998,351)	\$ (1,177,823,250)	\$ (1,234,654,661)	\$ (576,831,082)
	(5,033,942)	1,569,831	570,410	432,288	1,128,314	548,169
\$	(646,607,346)	\$ (718,105,467)	\$ (694,427,941)	\$ (1,177,390,962)	\$ (1,233,526,347)	\$ (576,282,913)

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General revenues and other changes in net assets/net position					
Taxes					
Local property taxes	\$ 351,591,719	\$ 350,455,667	\$ 339,051,527	\$ 345,921,281	\$ 349,115,550
Automotive ownership taxes	24,730,646	23,665,288	23,537,666	25,006,758	27,486,392
School finance act	321,046,426	278,313,571	279,036,998	276,148,509	284,144,134
Earnings on investments	3,045,378	841,952	1,159,227	37,569	873,530
Special Item	-	2,000,000	-	-	-
Transfers (a)	<u>(4,268,518)</u>	<u>(4,084,448)</u>	<u>(4,040,569)</u>	<u>(4,065,067)</u>	<u>(5,399,639)</u>
Total governmental activities	<u>696,145,651</u>	<u>651,192,030</u>	<u>638,744,849</u>	<u>643,049,050</u>	<u>656,219,967</u>
Business-type activities:					
Earnings on investments	48,286	18,170	-	-	49,668
Transfers	<u>4,268,518</u>	<u>4,084,448</u>	<u>4,040,569</u>	<u>4,065,067</u>	<u>5,399,639</u>
Total business-type activities	<u>4,316,804</u>	<u>4,102,618</u>	<u>4,040,569</u>	<u>4,065,067</u>	<u>5,449,307</u>
Total primary government	<u>\$ 700,462,455</u>	<u>\$ 655,294,648</u>	<u>\$ 642,785,418</u>	<u>\$ 647,114,117</u>	<u>\$ 661,669,274</u>
Change in net assets/net position					
Governmental activities	\$ 5,913,141	\$ (9,037,613)	\$ (3,290,435)	\$ 8,891,998	\$ 14,646,563
Business-type activities	<u>(1,819,453)</u>	<u>(125,281)</u>	<u>1,884,175</u>	<u>1,057,491</u>	<u>415,365</u>
Total primary government	<u>\$ 4,093,688</u>	<u>\$ (9,162,894)</u>	<u>\$ (1,406,260)</u>	<u>\$ 9,949,489</u>	<u>\$ 15,061,928</u>

Fiscal Year					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	355,606,853	\$ 364,385,070	\$ 365,608,757	\$ 390,410,501	\$ 446,393,000
	28,916,207	30,799,478	33,300,878	38,543,552	39,646,824
	296,285,316	292,098,015	291,894,387	272,182,129	302,623,503
	504,048	809,442	1,180,785	2,503,137	10,205,724
	-	-	-	-	-
	200,000	200,000	650,000	1,350,000	700,680
	<u>681,512,424</u>	<u>688,292,005</u>	<u>692,634,807</u>	<u>704,989,319</u>	<u>799,569,731</u>
	14,684	40,367	66,655	131,422	295,703
	<u>(200,000)</u>	<u>(200,000)</u>	<u>(650,000)</u>	<u>(1,350,000)</u>	<u>(700,680)</u>
	<u>(185,316)</u>	<u>(159,633)</u>	<u>(583,345)</u>	<u>(1,218,578)</u>	<u>(404,977)</u>
\$	<u>681,327,108</u>	<u>688,132,372</u>	<u>692,051,462</u>	<u>703,770,741</u>	<u>799,164,754</u>
\$	(38,162,874)	\$ (6,706,346)	\$ (485,188,279)	\$ (529,665,342)	\$ 222,738,649
	1,384,515	410,777	(151,057)	(90,264)	143,192
\$	<u>(36,778,359)</u>	<u>(6,295,569)</u>	<u>(485,339,336)</u>	<u>(529,755,606)</u>	<u>222,881,841</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund				
Nonspendable	\$ 1,533,697	\$ 1,533,815	\$ 1,159,891	\$ 982,570
Restricted	17,249,094	15,932,358	15,839,341	15,756,129
Committed	2,000,000	2,000,000	2,000,000	2,000,000
Assigned	12,700,000	13,300,000	13,860,000	11,500,000
Planned 2017 one-time expenses	-	-	-	-
Planned 2021 one-time expenses	-	-	-	-
Unassigned	45,977,675	21,994,915	3,195,321	19,727,866
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 79,460,466</u>	<u>\$ 54,761,088</u>	<u>\$ 36,054,553</u>	<u>\$ 49,966,565</u>
All other governmental funds				
Nonspendable	\$ 377,613	\$ 410,265	\$ 895,860	\$ 1,058,751
Restricted	107,254,805	108,862,085	106,895,470	169,532,657
Committed	-	-	-	20,833,322
Assigned	9,024,564	9,760,257	9,426,449	9,344,242
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Total all other governmental funds	<u>\$ 116,656,982</u>	<u>\$ 119,032,607</u>	<u>\$ 117,217,779</u>	<u>\$ 200,768,972</u>

Fiscal Year

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 942,951	\$ 1,023,267	\$ 964,265	\$ 1,059,474	\$ 1,003,870	\$ 1,053,960
16,494,681	17,041,991	17,756,207	17,457,866	18,633,897	20,727,895
2,000,000	220,000	220,000	283,080	283,080	301,868
9,600,000	10,000,000	14,500,000	22,500,000	24,000,000	19,564,000
-	-	15,822,072	-	-	-
-	-	-	-	-	11,582,763
32,260,251	43,475,863	76,419,654	76,545,047	73,093,329	87,836,722
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 141,067,208</u>
\$ 909,314	\$ 1,000,168	\$ 953,103	\$ 972,780	\$ 2,591,430	\$ 2,217,828
147,439,129	98,783,448	81,337,848	70,760,836	75,080,753	429,423,609
16,731,273	36,503,429	66,893,007	44,869,122	42,003,525	33,426,270
9,620,670	9,458,866	10,400,102	10,612,889	10,105,412	11,004,435
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 476,072,142</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues				
Taxes	\$ 374,594,521	\$ 375,134,147	\$ 360,296,394	\$ 374,687,742
Intergovernmental	385,147,930	365,766,889	345,156,765	340,256,614
Interest	3,045,377	841,952	1,156,276	37,569
Other	39,671,470	41,292,003	42,070,227	44,315,203
Total revenues	<u>802,459,298</u>	<u>783,034,991</u>	<u>748,679,662</u>	<u>759,297,128</u>
Expenditures				
School administration	-	-	47,311,834	46,137,612
General instruction	-	-	354,467,295	356,803,464
Special education instruction	-	-	65,517,724	68,713,508
Instructional support	-	-	68,187,899	64,140,368
Operation and maintenance	-	-	66,662,982	64,358,499
Food service operation *	-	-	-	-
Direct instruction	435,488,836	431,750,029	-	-
Indirect instruction	139,563,450	142,607,586	-	-
Transportation	20,801,433	20,483,317	20,812,436	21,786,813
Custodial services	27,170,968	26,426,741	-	-
Field services	19,400,040	16,980,978	-	-
Telecommunications, networking and utilities	20,786,072	21,461,102	-	-
Support services	22,814,261	19,468,562	-	-
General administration	4,119,005	3,828,233	28,525,989	28,427,746
Districtwide	827,863	785,525	-	-
Capital outlay	50,355,185	29,121,654	27,359,625	34,662,226
Debt service				
Principal	51,600,000	52,285,000	51,505,000	52,955,000
Interest	30,498,774	28,832,069	25,778,672	24,156,542
Total expenditures	<u>823,425,887</u>	<u>794,030,796</u>	<u>756,129,456</u>	<u>762,141,778</u>
Excess of revenues over (under) expenditures	(20,966,589)	(10,995,805)	(7,449,794)	(2,844,650)
Other financing sources (uses)				
Certificates of participation proceeds	-	-	-	-
Certificate of Participation issuance	-	-	-	-
Payments to refunded certificates of participation escrow agent	-	-	-	-
Premium from COP issuance	-	-	-	-
Free Horizon Montessori site acquisition	-	-	-	-
General obligation Issuance	233,400,000	-	-	168,540,000
Payment to refunded escrow agent	(278,158,016)	-	-	(83,415,163)
Premium from GO Issuance	35,855,493	-	-	31,296,785
Transfers out	(43,179,718)	(37,165,333)	(46,468,984)	(51,448,042)
Transfers in	29,709,800	23,837,385	33,397,415	35,334,275
Total other financing sources (uses)	<u>(22,372,441)</u>	<u>(13,327,948)</u>	<u>(13,071,569)</u>	<u>100,307,855</u>
Special Item: Supplemental Retirement Contribution	-	2,000,000	-	-
Net change in fund balances	<u>\$ (43,339,030)</u>	<u>\$ (22,323,753)</u>	<u>\$ (20,521,363)</u>	<u>\$ 97,463,205</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 378,048,173	\$ 380,599,789	\$ 404,560,724	\$ 398,504,536	\$ 427,326,631	\$ 486,207,355
358,175,604	372,350,762	361,029,972	354,649,323	336,455,979	392,857,120
776,697	478,408	733,117	928,828	2,087,839	9,336,859
48,291,123	47,781,409	54,214,629	54,269,793	82,144,791	72,482,620
<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>	<u>960,883,954</u>
47,722,016	47,559,947	50,360,162	53,526,362	55,972,307	64,060,854
360,680,650	355,751,698	359,332,908	371,727,896	368,598,809	397,919,493
70,387,243	68,085,954	68,966,033	71,418,326	72,632,209	79,906,420
68,286,176	84,015,992	84,890,534	89,265,076	102,032,375	113,808,597
73,348,304	73,709,330	68,842,837	71,126,138	71,672,920	80,432,452
-	-	-	-	25,643,286	24,130,817
-	-	-	-	-	-
-	-	-	-	-	-
22,286,274	24,282,575	24,914,870	26,885,845	26,025,233	26,932,111
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,420,652	23,813,835	25,479,589	28,610,164	29,212,511	32,602,733
-	-	-	-	-	-
55,002,104	73,515,424	51,509,990	68,922,126	40,075,141	82,718,228
28,395,000	29,495,000	32,265,000	33,425,000	28,435,000	31,375,000
24,704,907	22,788,423	19,851,183	18,762,960	20,158,118	26,643,859
<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>	<u>960,530,564</u>
5,058,271	(1,807,810)	34,125,336	(25,317,413)	7,557,331	353,390
-	29,180,000	-	-	-	-
-	-	45,450,000	-	-	-
-	(30,485,732)	-	-	-	-
-	-	2,971,858	-	-	-
-	-	-	-	-	5,585,000
-	40,345,000	-	-	70,395,000	326,490,000
-	(40,937,195)	-	-	(81,052,400)	-
-	-	-	-	11,114,303	50,165,349
(55,823,437)	(69,854,455)	(38,228,726)	(71,032,634)	(68,097,143)	(56,886,292)
36,027,898	55,068,955	23,440,758	56,144,883	55,279,437	42,993,884
<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>368,347,941</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>	<u>\$ 368,701,331</u>
7.3%	7.2%	7.1%	6.8%	6.1%	6.5%

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)
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
2019	6,002,474	2,892,005	288,188	11,342	6,417	374,375

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>
7,405,609	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
9,574,801	49.42	93,592,739	10.23

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		Jefferson County	Broomfield County
		Service Fund	Total		
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
2019	42.03	7.38	49.42	23.74	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	2018			2009		
	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	\$ 252,316,000	1	2.64 %	\$ 119,142,700	2	1.61 %
MillerCoors LLC/Coors Brewing Company	123,917,288	2	1.29	137,324,340	1	1.85
Lockheed Martin Corporation	52,913,600	3	0.55			
Qwest Corp	44,934,000	4	0.47	66,243,000	3	0.89
Belmar Commercial Owner LP	42,206,556	5	0.44	21,913,680	10	0.30
Martin Marietta Corporation	40,666,290	6	0.42	32,045,000	6	0.43
Colorado Mills Mall Limited Partnership	29,621,714	7	0.31	33,350,000	5	0.45
Ball Metal Beverage Container Corp	28,673,046	8	0.30	24,928,290	9	0.34
Wal Mart Real Estate Business Trust	27,007,208	9	0.28			
Coorstek Inc	25,477,132	10	0.27			
Plains End LLC				34,351,500	4	0.46
SP4 Westmoor LP				28,332,920	7	0.38
Denver West Office				26,571,470	8	0.36
Total	<u>\$ 667,732,834</u>		<u>6.97 %</u>	<u>\$ 524,202,900</u>		<u>7.07 %</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
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
2019	466,776,335	459,062,691	98.3	1,216,768	460,279,459	98.6

Notes: (1) Includes General and Debt Service Funds

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

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

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

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

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

Fiscal Year	Governmental Activities			Total Primary Government
	General Obligation Bonds	Certificates of Participation	Capital Leases	
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
2019	730,629,404	71,671,039	-	802,300,443

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>
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
8.38%	1,384	579,631	2.1

1

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General bonded debt outstanding				
General obligation debt	\$553,715,000	\$502,790,000	\$452,710,000	\$500,785,000
Percentage of estimated property value (a)	0.88%	0.80%	0.74%	0.82%
Per capita (b)	1,011	941	842	916
Less: Amounts set aside to repay general debt	<u>(68,230,744)</u>	<u>(72,341,627)</u>	<u>(76,032,525)</u>	<u>(53,644,274)</u>
Total net debt applicable to debt limit	485,484,256	430,448,373	376,677,475	447,140,726
Legal debt limit (c)	1,470,834,296	1,461,910,139	1,408,606,084	1,389,895,624
Legal debt margin (d)	<u>\$985,350,040</u>	<u>\$1,031,461,766</u>	<u>\$1,031,928,609</u>	<u>\$942,754,898</u>
Legal debt margin as a percentage of the debt limit	66.99%	70.56%	73.26%	67.83%

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$473,965,000	\$447,370,000	\$457,333,066	\$421,157,155	387,711,708	730,629,404
0.78%	0.73%	0.62%	0.56%	0.42%	0.78%
862	800	809	737	670	1,261
<u>(54,882,086)</u>	<u>(59,372,593)</u>	<u>(62,973,258)</u>	<u>(61,217,378)</u>	<u>(60,776,013)</u>	<u>(78,455,899)</u>
419,082,914	387,997,407	394,359,808	359,939,777	326,935,695	652,173,505
1,402,508,676	1,412,333,992	1,625,735,787	1,641,653,338	1,883,067,622	1,889,170,854
<u>\$984,412,410</u>	<u>1,023,660,242</u>	<u>1,272,250,462</u>	<u>1,317,311,485</u>	<u>1,586,056,654</u>	<u>1,311,373,222</u>
70.19%	72.48%	78.26%	80.24%	84.23%	69.42%

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
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
2018	579,631	37,370,270	64,473	42	84,631	3.0

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	6,200	1	1.87	5,500	2	2.60	%
St. Anthony Hospital	2,400	2	0.73				
Terumo BCT	2,400	3	0.73				
Lutheran Medical Center	2,300	4	0.70	2,540	3	1.20	
MillerCoors Brewing Company	2,080	5	0.63	1,950	4	0.92	
National Renewable Energy Laboratory	1,750	6	0.53	1,100	9	0.52	
Ball Corporation	1,700	7	0.52	1,000	10	0.47	
FirstBank Holding Co. of Colorado	1,480	8	0.45				
CoorsTek	1,300	9	0.39	1,200	8	0.57	
HomeAdvisor	1,130	10	0.34				
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 with Hourly FTE's
 Last Nine Fiscal Years

Employee Category	As of June 30			
	2010	2011	2012	2013
Administrative services				
Superintendent	1	1	1	1
Chief Academic Officer	1	1	1	1
Chief Operating Officer	2	1	1	1
Chief Information Officer	1	1	1	1
Chief Technology Officer	0	1	1	1
Chief Financial Officer	1	1	1	1
Chief Officer	0	0	0	0
Executive Director	19	19	18	19
Principal	135	142	140	143
Director/Assistant Director	56	57	49	46
Assistant Principal	138	128	129	124
Community Superintendent	4	4	4	4
Manager/Supervisor	44	47	48	52
Technical Specialist	83	88	87	84
Resource Specialist	0	0	0	0
Coordinator - Administrative	11	11	14	12
Administrator	7	7	9	15
Food Service Coordinator	7	7	7	8
Administrative Assistant	10	10	9	9
Investigator	2	2	2	2
Total administrative services	522	528	522	524
Licensed services				
Dean	0	0	0	0
Teacher	4,439	4,442	4,360	4,401
Counselor	142	143	142	143
Teacher Librarian	129	135	119	118
Coordinator	27	27	23	22
Resource Teachers	92	113	87	70
Instructional Coach	141	140	129	130
Physical Therapists	14	12	11	12
Occupational Therapists	33	32	31	29
Nurse	35	40	40	41
Psychologist	69	70	70	67
Social Worker	60	57	59	64
Audiologist	4	4	4	5
Speech Therapist	116	117	118	120
Certificated - Hourly	26	15	18	17
Total licensed services	5,327	5,347	5,211	5,239
Support services				
Director/Assistant Director - Preschool	42	45	47	44
Supervisor	0	0	0	0
Technical Specialist/Coordinator Classified	5	7	7	9
Accountant	3	2	2	2
Accounts Receivable	0	0	0	0
Specialist/Technicians - Classified	344	344	332	321
Buyer/Buyer Assistant	6	6	5	5
Transportation Trainer	5	5	5	5
Group Leader	17	16	15	18
School Secretary	348	336	329	328
Secretary/Clerk	35	33	26	28
Paraprofessional/Para-Educator	1,106	1,053	1,087	1,125
Special Interpreter/Tutor	82	56	62	67
Clinic Aides	84	80	80	84
Trade Technician	184	174	167	166
Food Equipment Repair Assistant	2	2	2	2
Bus Driver	225	218	221	235
Printing Equipment Operator	3	2	2	2
Custodian	491	450	442	452
Campus Supervisor	67	63	64	66
Security Officer/Alarm Monitors	18	18	18	19
Food Service/Satellite Manager	126	121	118	117
Food Service Hourly Worker	185	160	165	167
Warehouse Worker	14	15	14	14
Classified/Certificated Hourly	200	202	182	172
Total Support Services	3,592	3,408	3,392	3,448
Grand total	9,441	9,284	9,125	9,211

Source: Jefferson County Schools employee management analysis.

Note: Staffing information prior to 2010 is not available at this level of detail.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
0	1	1	1	1	1
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1	0	0	0	0	0
0	0	0	0	0	0
5	8	9	10	10	11
18	11	11	14	12	15
142	142	138	140	137	137
63	69	74	73	79	81
131	131	129	152	152	155
0	0	0	0	0	0
63	62	63	68	72	80
95	111	112	122	122	134
1	1	1	1	2	1
10	14	17	22	30	43
11	14	16	13	18	14
8	8	7	5	4	4
9	13	14	12	13	14
2	2	2	2	2	2
559	587	594	635	654	692
0	2	12	13	17	35
4,372	4,341	4,316	4,329	4,308	4,338
143	154	154	187	187	215
116	114	111	113	114	111
17	18	14	15	13	14
72	87	125	107	92	91
129	130	126	126	131	140
12	12	12	13	12	12
29	26	29	29	30	30
48	49	48	45	52	58
60	48	52	51	52	51
70	75	80	88	93	98
5	5	5	5	5	4
117	115	119	118	117	120
19	18	22	27	43	18
5,209	5,194	5,225	5,265	5,266	5,335
49	50	52	59	48	38
1	1	1	1	1	0
8	8	10	6	6	8
2	1	1	1	1	1
0	1	0	2	0	0
309	312	329	338	334	325
5	4	5	5	4	4
5	5	5	5	5	5
14	15	15	14	12	14
331	329	329	339	343	346
32	30	36	31	32	36
1,098	1,127	1,136	1,127	1,132	1,101
64	62	72	77	77	79
79	83	82	114	112	112
163	167	174	168	167	171
2	2	2	2	2	3
234	219	225	230	225	214
2	2	2	2	2	2
456	453	446	456	445	440
66	67	70	66	71	72
17	20	19	25	27	29
123	119	117	117	124	125
157	150	146	144	142	152
14	15	14	15	15	14
181	164	192	202	199	188
3,412	3,406	3,480	3,544	3,526	3,479
9,180	9,187	9,299	9,444	9,446	9,506

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)
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%	4,308	17.73	85.3
2019	758,562,376	75,579	10,037	8.72%	4,338	17.42	*

(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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary/Pre-K campuses	103	101	101	99	99	99	100	99	99	98
Total square feet	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	4,775,087
Total program capacity	51,047	50,711	48,670	43,088	43,408	43,408	43,013	44,600	45,507	45,194
Enrollment	40,947	40,874	40,274	40,774	40,670	40,652	40,017	39,371	38,837	35,463
Middle school campuses	19	19	19	19	19	19	17	17	17	17
Total square feet	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	1,856,465
Total program capacity	16,410	16,410	15,943	15,786	15,786	15,786	15,786	14,199	14,199	15,039
Enrollment	10,770	10,755	10,686	10,720	10,757	10,745	10,060	10,052	9,986	12,224
High school campuses	17	17	17	17	17	17	17	17	17	17
Total square feet	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	3,724,309
Total program capacity	30,063	30,063	30,019	29,764	29,764	29,764	29,835	29,835	29,835	29,835
Enrollment	23,939	23,384	23,219	22,958	22,959	22,935	23,589	23,388	23,496	23,062
Option schools/Innovation	15	15	15	15	15	15	17	17	17	18
Total square feet	900,062	900,062	923,062	928,709	930,932	907,020	956,482	956,481	952,978	1,006,690
Total program capacity		5,711	5,817	5,868	5,868	5,868	6,344	6,344	6,277	6,862
Enrollment	4,094	4,054	4,031	3,801	4,031	4,160	4,033	4,086	4,048	4,830
Charter schools	13	14	14	15	16	16	17	18	18	17
Enrollment	5,198	5,551	6,119	7,008	7,592	8,082	9,032	9,464	9,763	9,052
Support facilities										
Total square feet	468,413	534,434	491,806	485,210	493,488	493,488	493,488	525,595	527,123	559,068

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
2010	18	2,446	3,210	33,616 to 94,562	59,000
2011	17	2,263	3,289	33,616 to 94,562	60,100
2012	17	2,030	3,269	32,608 to 91,725	58,500
2013	16	1,986	3,318	32,934 to 92,642	58,100
2014	17	2,109	3,173	33,616 to 94,562	57,900
2015	16	1,417	3,877	38,000 to 91,787	57,800
2016	16	1,518	3,834	38,000 to 91,819	57,400
2017	16	1,291	4,058	38,000 to 91,819	58,000
2018	19	1,514	3,855	38,000 to 90,862	58,800
2019	20	1,384	4,058	40,989 to 93,271	60,800

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, 2019

Table of Contents

	<u>Page</u>
Schedule of Expenditures of Federal Awards.....	154
Notes to Schedule of Expenditures of Federal Awards	155
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	157
Independent Auditors' Report on Compliance for each major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....	159
Summary of Findings and Questioned Costs.....	161



**Schedule of Expenditures
of Federal Awards**

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Expenditures of Federal Awards
Expenditures July 1, 2018 through June 30, 2019

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:			
<i>Child Nutrition CLUSTER</i>			
Donated commodities: June 30, 2019	10.555	51 2008008000 4010	\$ 1,515,257
Passed through Colorado Department of Education:			
<i>Child Nutrition CLUSTER</i>			
National school breakfast program June 30, 2019	10.553	4553	1,590,872
National school lunch program June 30, 2019	10.555	4555	8,008,679
Summer food service program for children June 30, 2019	10.559	4559	163,514
<i>Child nutrition cluster subtotal</i>			<u>11,278,322</u>
Child Nutrition Discretionary Grants	10.579	4579	-
Fresh Fruit and Vegetable Program	10.582	4582	265,895
Agency subtotal			<u>11,544,217</u>
<u>U. S. Department of Education</u>			
Direct:			
Title VII - Indian education-formula grants to LEA and tribal schools	84.060a	4060	<u>104,191</u>
Total direct			104,191
Passed through Colorado Department of Education:			
<i>Special Education CLUSTER</i>			
Individuals with disabilities education act-part B/Increasing Achievement	84.027	4027/5027	14,913,928
Individuals with disabilities education act-preschool services	84.173	4173	303,021
<i>Special education cluster subtotal</i>			<u>15,216,949</u>
Adult education-state administered basic grant program	84.002	5002/6002	178,301
Title I grants to local education agencies	84.010	4010/5010/7010	10,940,757
Twenty-First century community learning	84.287	5287	1,001,230
McKinney Homeless - education for children and youth	84.196	5196	1,975
Public charter schools start-up	84.282	5282	205,214
Title III - English language learners	84.365	4365	469,696
Title II - A - Teacher Quality	84.367	4367	1,391,363
Title IV-A - Student Support and Academic Enrichment	84.424	4424	567,886
Passed through Colorado Community College and Occupational: Educational			
Vocational and applied technology education-basic state grants	84.048a	4048	372,911
Agency subtotal			<u>30,450,473</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Jefferson County Human Services			
<i>TANF CLUSTER</i>			
Temporary Assistance for Needy Families (TANF)	93.558	8558	109,573
<i>TANF cluster subtotal</i>			<u>109,573</u>
Refugee and Entrant Assistance State Programs	93.566	8566	11,015
Agency subtotal			<u>120,588</u>
Total expenditures of federal awards			<u>\$ 42,115,278</u>

*See Notes to Schedule of Federal Awards (SEFA)

Notes to Schedule of Expenditures of Federal Awards

June 30, 2019

(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 of expenditures of federal awards is presented in accordance with the requirements of 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

(3) Noncash Programs

Commodities donated to the District by the U. S. Department of Agriculture (USDA) of \$1,515,257 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) Sub-recipients

During the year ended June 30, 2019 the District did not pass through any federal funds to sub-recipients.

(6) 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, 2019.

Reconciliation of Expenditures

Schedule of Expenditures of Federal Awards

Total federal expenditures	\$ 42,115,278
Less: USDA *	<u>(11,544,217)</u>
	<u>\$ 30,571,061</u>

Grants Fund

Total expenditures from basic financial statements	\$ 43,135,090
Less: Nonfederal grants expenditures	<u>(12,564,029)</u>
	<u>\$ 30,571,061</u>

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





**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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated .

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

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*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 results 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
October 24, 2019



**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, 2019. 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, 2019.

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.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 24, 2019

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? x yes _____ 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)

84.027
84.173

Name of Federal Program or Cluster

IDEA Part B
IDEA Preschool

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

\$ 1,263,458

Auditee qualified as low-risk auditee?

 x yes _____ no

Section II – Financial Statement Findings

2019 – 001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting, other matter

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with the accounting principles general accepted in the United States of America (U.S. GAAP). The District should have controls in place to properly record prepaid expense related activity as a means to prevent material misstatements in the financial statements.

Criteria or specific requirement: The District should have a process and control structure in place to ensure the proper recording of prepaid expenses.

Context: During testing over expenditures, it was noted subscription services were not properly recorded as prepaid expenses. This resulted in prepaid expenses being understated while expenditures were overstated by \$721,137. We recommend the District review its internal controls for internal service prepaid expenses to help ensure proper recording of these items.

Effect: Prepaid expenses being understated while expenditures were overstated.

Cause: The District did not record prepaid expenses related to the subscription services.

Repeat Finding: No

Recommendation: We recommend the District review its internal controls for internal service prepaid expenses to help ensure proper recording of these items.

Views of responsible officials and planned corrective actions: The District agrees with the finding and has corrected the financial statements in the current year. On June 1st 2019 the business administrative department within Information Technology was restructured and duties reallocated. Instead of a single analyst responsible for the business needs within the technology fund two billing analysts were hired to help better focus on the business processes taking place within Information Technology. The structure was changed to increase bandwidth in our fund while at the same time creating redundancy to ensure that the absence of personal would not affect process.

These two positions underwent stringent training on district accounting practices with their direct supervisor as well as members of the districts central budget and accounting teams. Monetary limits were covered as well as the usage of proper accounts such as prepaid liability. The approval process was also reformed to include a review of training within Information Technology for approvers on accounting practices, including monetary, fiscal year and time markers as well as proper accounts.

A 'cheat sheet' was developed for all employees within Information Technology to utilize when entering accounting information. This sheet quickly speaks to all the different accounts within Information Technology, laying out the criteria for use, monetary, and how to account for multiyear contracts. We believe these changes are comprehensive for future treatment.

Responsible Official: Brett Miller, CIO

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).



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 2018-19

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	117,975,219	724,768,072	701,676,084	141,067,208
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	117,975,219	724,768,072	701,676,084	141,067,208
11 Charter School Fund	30,377,437	104,438,395	105,668,530	29,147,302
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Func	0	0	0	0
21 Food Service Spec Revenue Fund	5,622,784	23,545,744	24,130,817	5,037,712
22 Govt Designated-Purpose Grants Fund	8,776,869	43,169,251	43,135,091	8,811,029
23 Pupil Activity Special Revenue Fund	11,450,333	27,711,225	27,040,847	12,120,711
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	636,261	26,840,895	26,818,641	658,514
31 Bond Redemption Fund	61,264,032	69,872,575	51,649,239	79,487,368
39 Certificate of Participation (COP) Debt Serv	0	0	0	0
41 Building Fund	0	367,799,702	31,356,801	336,442,901
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	42,712,521	31,980,046	41,178,659	33,513,908
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	278,051,260	1,420,125,905	1,051,890,512	646,286,653
Proprietary				
50 Other Enterprise Funds	10,999,523	17,757,495	17,614,302	11,142,716
64 (63) Risk-Related Activity Fund	6,379,811	12,651,693	12,639,170	6,392,334
60,65-69 Other Internal Service Funds	25,812,234	10,408,807	10,648,301	25,572,740
Totals	43,191,569	40,817,995	40,901,774	43,107,790
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

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

