



**School District 27J**

*"Every Child, Every Day"*

**SCHOOL DISTRICT 27J  
COLORADO**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**for the Fiscal Year Ended June 30, 2014**

**School District 27J**

**18551 E. 160th Avenue | Brighton, CO 80601**

**SCHOOL DISTRICT 27J  
ADAMS, WELD AND BROOMFIELD COUNTIES  
BRIGHTON, COLORADO**

---

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

Prepared by:  
Finance Office

**School District 27J, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2014**

**TABLE OF CONTENTS**

**Introductory Section**

Governing Board of Education – Function and Composition.....	1
Executive Administrative Staff .....	1
Organizational Chart .....	2
GFOA Certificate of Achievement.....	3
Letter of Transmittal .....	5

**Financial Section**

<b>Independent Auditors’ Report .....</b>	<b>11</b>
---	-----------

<b>Management’s Discussion and Analysis .....</b>	<b>15</b>
---	-----------

**Basic Financial Statements**

**Government-Wide Financial Statements**

Statement of Net Position .....	28
Statement of Activities .....	29

**Fund Financial Statements**

**Governmental Funds**

Balance Sheet .....	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	31
Statement of Revenues, Expenditures and Changes in Fund Balances .....	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	33

**Proprietary Funds**

Statement of Net Position.....	34
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	35
Statement of Cash Flows .....	36

**Fiduciary Funds**

Statement of Fiduciary Net Position.....	37
Statement of Changes in Fiduciary Net Position.....	38

<b>Notes to the Basic Financial Statements.....</b>	<b>39</b>
---	-----------

**Required Supplementary Information**

Budgetary Comparison Schedule – <i>General Fund</i> .....	81
Budgetary Comparison Schedule – <i>Government Designated Grants Fund</i> .....	82
Notes to Required Supplementary Information.....	83

**School District 27J, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2014**

**Supplementary Information**

**Combining and Individual Fund Financial Statements and Schedules:**

**Governmental Funds**

***Nonmajor Special Revenue Funds***

Combining Balance Sheet .....	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	87
<i>Growth Impact Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual .....	88
<i>Pupil Activity Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual .....	89
<i>Transportation Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual .....	90
<i>Other Special Programs Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual .....	91

***Major Capital Projects Fund***

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual .....	92
---	----

***Major Debt Service Fund***

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual .....	93
---	----

**Proprietary Funds**

**Enterprise Fund**

Enterprise Combining Balance Sheet .....	95
Enterprise Combining Statement of Revenues .....	96
Enterprise Combining Statement of Cash Flows .....	97
<i>Food Service Fund</i>	
Budgetary Comparison Schedule .....	98
<i>Child Care / Extended Day Kindergarten Fund</i>	
Budgetary Comparison Schedule .....	99

**Internal Service Fund**

Internal Service Combining Balance Sheet .....	100
Internal Service Combining Statement of Revenues .....	101
Internal Service Combining Statement of Cash Flows .....	102
<i>Print Shop Fund</i>	
Budgetary Comparison Schedule .....	103
<i>Risk Management Fund</i>	
Budgetary Comparison Schedule .....	104

**Fiduciary Fund**

Private Purpose Trust Fund	
<i>Student Scholarship Fund</i>	
Schedule of Changes in Net Position – Budget to Actual .....	105

**School District 27J, Colorado**  
***Comprehensive Annual Financial Report***  
***For The Year Ended June 30, 2014***

**Component Units**

Combining Statement of Net Position .....	108
Combining Statement of Activities.....	109

**Statistical Section**

Statistical Reports.....	111
--------------------------	-----

**Compliance Section**

**Single Audit**

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 <i>Government Auditing Standards</i> .....	
Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 .....	
Schedule of Findings and Questioned Costs .....	
Summary of Prior Audit Findings .....	
Schedule of Expenditures of Federal Awards .....	
Notes to Schedule of Expenditures of Federal Awards.....	

**State Compliance**

Auditors Electronic Financial Data Integrity Check Figures .....	
--	--



## **Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014**

# **Introductory** **S**ection



## **SCHOOL DISTRICT 27J**

### **List of Elected and Appointed Officials June 30, 2014**

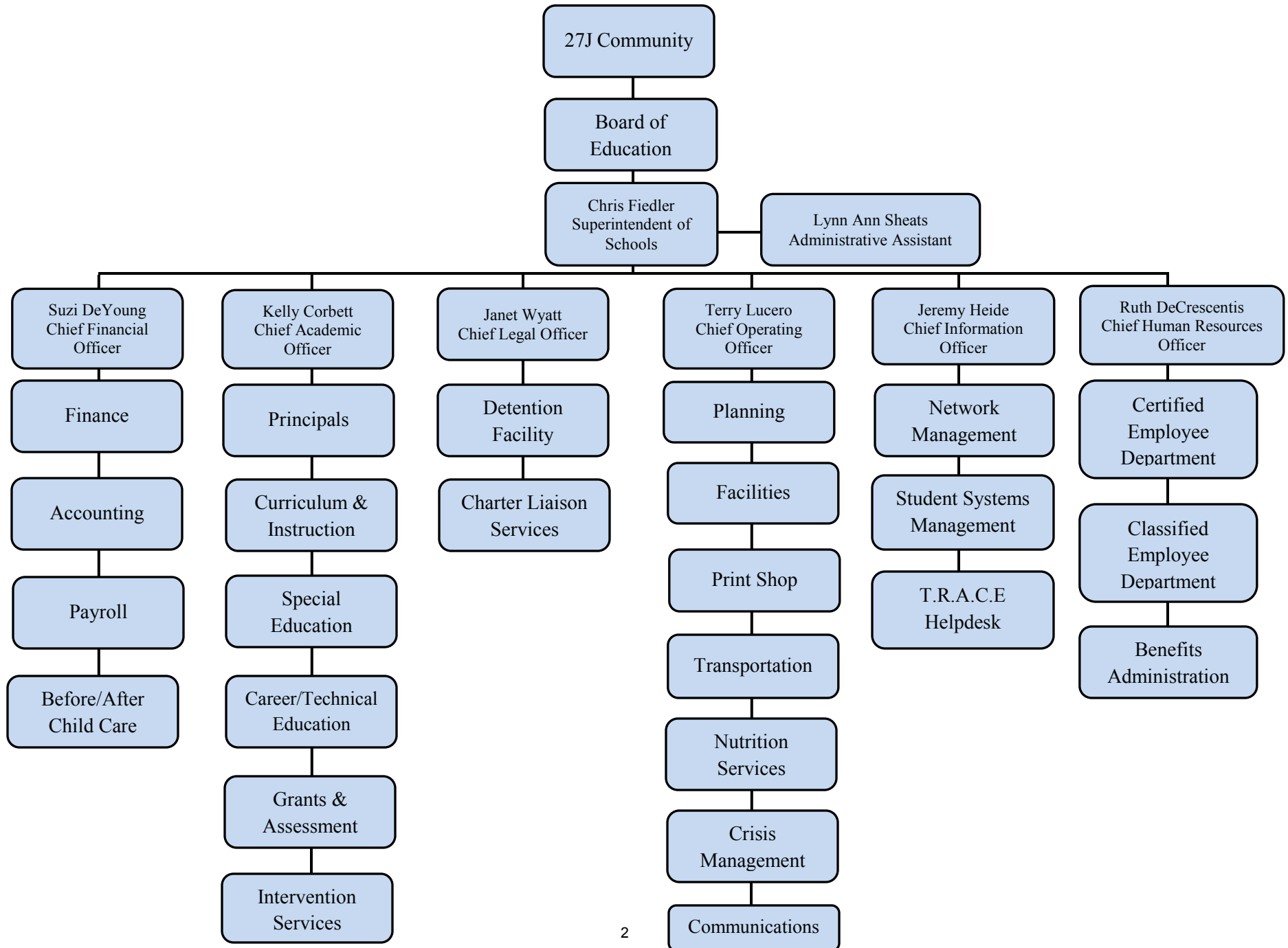
#### **Board of Education**

<u>Name</u>	<u>Office</u>	<u>Length of Service</u>	<u>Term Expires</u>
Patrick Day	President	5 yrs.	2017
Roberta Thimmig	Vice-President	3 yrs.	2015
Donna Petrocco	Director	3 yrs.	2015
Gregory Piotraschke	Director	1 yr.	2015
Teresa Gallegos	Director	2 yrs.	2015
Rick Doucet	Director	1 yr.	2017
Michael Landwehr	Director	1 yr.	2017

#### **Executive Administrative Staff**

Chris Fiedler	Superintendent
Suzi DeYoung	Chief Financial Officer
Kelly Corbett	Chief Academic Officer
Janet Wyatt	Chief Legal Officer
Terry Lucero	Chief Operations Officer
Ruth DeCrescentis	Chief Human Resources Officer
Jeremy Heide	Chief Information Officer

# School District 27J 2013-2014 Organizational Chart







Government Finance Officers Association

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

Presented to

**School District 27J  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**



Executive Director/CEO

**THIS PAGE INTENTIONALLY LEFT BLANK**

November 19, 2014

Members of the Board of Education  
School District 27J  
Brighton, CO 80601

The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements and publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This Comprehensive Annual Financial Report (CAFR) is published to fulfill that requirement for the fiscal year ended June 30, 2014.

The District management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal control that it has established for this purpose. The District's financial services department prepared this report which contains management's representations concerning the finances of the District. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects, reported in a manner to present fairly the financial position and results of operations of the District's funds. As the cost of internal controls should not outweigh the benefits, the outcome is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

The CAFR is presented in three sections: Introductory, Financial, and Statistical.

- The introductory section includes this letter of transmittal, the District's organizational chart, a list of principal officials and a reproduction of the 2013 GFOA Certificate of Achievement.
- The financial section includes the report of the independent auditor, management's discussion and analysis (MD&A), basic financial statements, required supplementary information and notes, combining statements, and individual fund statements and schedules.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the School District 27J's financial statements for the year ended June 30, 2014. The independent auditors' report is located at the front of the financial section of this report.

MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of School District 27J**

Counties of Adams and Weld School District 27J, commonly referred to as School District 27J, formed in 1959 upon the reorganization and consolidation of several former school districts. School District 27J is located northeast of the Denver, Colorado metropolitan area and encompasses approximately 212.4 square miles in northwest Adams County, northeast Broomfield County and southwest Weld County and serves a population of

89,302. The District is the only school district serving the City of Brighton and also serves segments of the cities of Thornton and Commerce City, in addition to the surrounding unincorporated and generally rural areas.

The District is a legally separate, primary government entity that operates under a publicly elected seven-member Board of Education. The Board of Education members are elected to alternating four-year terms with elections held every two years. Board members represent a specific area of the District, but are elected at-large. The School District 27J Board of Education voted January 26, 2009 to adopt the Policy Governance model of board governance. The Board of Education adopts the budget, employs all personnel required to maintain the operations, determines the educational programs provided by the district, and is primarily accountable for fiscal matters.

The District provides a full range of educational programs and services authorized by Colorado State Statutes to approximately 17,000 enrolled students. Included are basic kindergarten through twelfth-grade (K-12) education as well as preschool, special, vocational, gifted and talented, bilingual education and numerous services and programs. The District's K-12 curriculum is delivered in its neighborhood school system of 11 elementary schools, 4 middle schools, 3 high schools (2 comprehensive and 1 alternative), 1 blended learning school, and 5 charter schools.

School District 27J is financially accountable for five charter schools and one capital foundation that are legally separate entities; all financial activity of the six component units is discretely presented in the District's financial statements for the year ended June 30, 2014. The District's six component units, are Belle Creek Charter School, Bromley East Charter School, Eagle Ridge Academy, Foundations Academy and Landmark Academy (charter schools operated by National Heritage Academies), and the School District 27J Capital Facility Fee Foundation (CFFF). Additional information on all of these legally separate entities can be found in the notes to the financial statements (see note 1-A).

Colorado State Statutes require that the District adopt the budget by June 30 prior to the beginning of the subsequent fiscal year. Budget revisions may be adopted prior to January 31 of the current fiscal year. The District maintains extensive budgetary controls, to ensure compliance with legal requirements, Board of Education policies and District administrative guidelines. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. Staffing levels are authorized for each site and are tracked monthly to insure usage within budgeted limits. Monthly reports are provided to each site's administrative staff, to allow monitoring of their discretionary budgets. As demonstrated by the statements and schedules included in the financials section of this report, the District continues to meet its responsibility for sound financial management.

### **Local economy**

School District 27J provides educational services in the Metro Denver area inclusive of the cities of Brighton, Thornton and Commerce City. The District has a significant economic presence, employing in total more than 1,800 teachers, professionals and support staff.

Overall, Colorado's economy performed better than the U.S. economy in 2013. The Colorado economy will continue to strengthen further in 2014 and 2015, as the state's diversified economy supports job growth and higher wages. The state's residential real estate market will continue to outperform the national market, and the real estate market in the metro Denver region is one of the strongest in the nation.

Strong growth throughout Metro Denver's economy has helped to highlight the region as a leading area in which to live and do business. Forbes recently ranked Denver as the fourth-best place for business due to its diverse economy and significant outdoor recreational options that attract educated, young professionals. The region is on target to add 46,000 new jobs in 2014.

The housing market in Metro Denver has improved at a faster pace than many other parts of the country. Home sales activity sizzled in Metro Denver in 2013, with an 18.6 percent increase in the number of existing homes trading hands compared with 2012. The number of single-family housing permits issued in Brighton in 2013 remained steady at 114 compared to 111 in 2012, Thornton issued 314 and Commerce City issued 380 single-family housing permits in 2013. Thornton is one of the few remaining areas in Metro Denver with large amounts of developable land. Population in Brighton increased 3.6% from 2012 to 2013, which is higher than the

Colorado average of 3.1%, the population for Thornton increased by 1,432 residents from the previous year for a total of 122,643 in 2013 and Commerce City population grew 2.8% from 2012 to 2013.

According to the Colorado Department of Labor and Employment the unemployment rate for Adams County dropped from 9% at the end of 2012 to 7.5% at the end of 2013. Brighton City Council has continued its commitment to expanding both the employment base and range of retail opportunities by funding and working in cooperation with the Brighton Economic Development Corporation, Brighton Urban Renewal Authority, and Adams County Economic Development and Upstate Colorado Economic Development.

The District maintains a credit rating for schools of "A+" with a stable outlook. Credit ratings, provided by independent third parties, serve as an indicator of an organization's financial stability—as well as the safety and security of the debt sold by that organization. The most recent report from Standard and Poor referenced the District's access to, and participation in, the large and diverse Denver economy, coupled with very strong per capita wealth levels and good to very strong income indicators; which include continued growth in enrollment, the primary influence on the District's operating revenues; and consecutive years of positive operations with strong available general fund balances. In general, higher credit ratings often result in lower borrowing costs for the District because our interest rates are lower and there is a wider market of buyers.

### **Long-term financial planning and major initiative**

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 11.51 percent of the total general fund revenues.

Student enrollment continues to increase annually and is expected to do so steadily over the next several years. This growth in student population has allowed the District to maintain an overall revenue increase as calculated by the Colorado School Finance Act, despite the inclusion of the negative factor which has limited growth on a per pupil basis.

During the fiscal year 2014-2015 state budgeting process there was an increase to K-12 education funding with a reduction of the negative factor in the Colorado School Finance Act, as well as increased funding for targeted educational programs. Increased funding for education initiatives in Colorado still lies in the hands of local, not statewide, electorates. This is especially challenging because School District 27J has experienced limited success in the passage of mill levy tax increase efforts. The District's one mill levy override was passed in 2000 for a flat amount of \$750,000.

The continued enrollment provides an additional challenge in regards to space and capacity issues in our school buildings. Recent successes for the passage of construction bonds have been limited to:

School construction bond – 2000

School construction bond – 2004

School construction bond – 2006

In an effort to improve the District's opportunity for success in the 2014 bond election, we launched the **Quality Schools Initiative**. This is a group of about 40 community members including parents, senior citizens, city leaders and various other community members, brought together to study the District's needs. The 40 member committee recommended the District seek a \$150 million construction bond, but unfortunately the voters did not approve the debt.

The initial cohort of **Engage 27J** completed their term in May 2014 and the District recruited new members for the community engagement group. Engage 27J is based on the belief that true parental involvement comes from empowering parents with information. Parents are selected on an application basis and attend monthly meetings throughout the course of a school year that educate them on how the school District functions. Topics include school finance, District leadership and a variety of other topics. The goal of Engage 27J is to give parents personal, face-to-face interaction with District leaders and is based on two premises: Know How and Know Who. Parents gather knowledge of how School District 27J functions and who makes decisions.

School District 27J's student achievement initiatives are all aligned to support the 27J Unified Improvement Plan as required by the Colorado Accountability Act. The Accredited with Improvement category issued by the Colorado Department of Education for 27J is based upon four performance indicators key to achieving the desired outcome of graduating students ready for postsecondary learning and enter the workforce. These indicators include:

- Academic Achievement
- Academic Growth
- Academic Growth Gaps
- Postsecondary and Workforce Readiness

The Unified Improvement Plan for School District 27J focuses on the following priority performance challenges:

#### **Achievement**

- Students in 27J are not scoring proficient or advanced on the Transitional Colorado Assessment Program (TCAP) as compared with the state. Students in 27J are also not meeting the state average on Colorado Measures of Academic Success (CMAS).
- Students in 27J are scoring below the state average in nearly every assessment.
- These proficiency gaps widen as students approach graduation.
- There is a significant gap in performance with ELA students, Hispanic students, and free and reduced lunch students within 27J.

#### **Growth**

- Students in 27J are not making enough yearly growth.

#### **Gaps**

- Proficient or advanced 27J students are not "keeping up" with their proficiency at the same rate that other Colorado students are, nor are the proficient students "moving up" toward an advanced score.
- "Students with Disabilities" received a "Does Not Meet" rating in Reading, Math, and Writing at the elementary and middle school levels. They also received a "Does Not Meet" rating for Graduation rate.

The three major improvement strategies outlined in the 27J Unified Improvement Plan are:

Thinking Classrooms provide a framework for outlining the structures for 27J leaders. The Thinking Classroom is a classroom that transfers the definition of learning from the teacher delivering knowledge to the teacher being a driver of focused intentional learning, and students moving from a passive receiver of facts to a thinker using information.

All students will have access to the same goal derived from the adopted 27J standards which are based on Colorado Academic Standards and the Common Core Standards.

The Thinking Classroom will have student evidence that is thoughtfully considered for each goal and assessed against the desired learning. Adjustments will be made in the instruction, and accommodations are offered to ensure the goal attainment based on the evidence.

The Thinking Classroom will provide student with opportunities to interact with their learning in meaningful ways. The learning experience will be planned so that students have ownership of their own learning.

The second focus is the use of the 27J Evaluation System. The 27J Evaluation System is aligned with the Educator Effectiveness rules, but maintains the evaluation values and beliefs of School District 27J. Those evaluation values include:

- Having a growth mindset
- Learning goals are valued above performance goals
- Reflective practices
- Focusing on specific areas of improvement rather than a long list
- Data is useful in evaluation
- Standards provide clear targets for evaluation

- Frequent visits provide more specific feedback than long occasional visits

The third area is in supporting the Educational Options and Services to students. After a large meeting of multiple stakeholders, 27J staffs, parents and community representatives, several targets were established to improve the educational options for our 27J students. These include: the access for all students to the quality of instruction outlined in the Thinking Classroom framework, expanding the positive connections to adults, providing additional mental health support and improving school climate and culture. Several work groups have been established to continue to refine the strategies and structures in order to move towards the groups' vision for this work – We believe that multiple educational environments and supports are essential to maximize our kids' learning and growth.

### **Relevant financial policies**

The District's accounting system is designed to provide reasonable assurance that its assets are adequately safeguarded and that transactions are accurately recorded and have proper authorization. The District's budgetary and accounting controls provide reasonable assurance that errors or irregularities of a material nature are prevented or are detected in a reasonable period of time. The District is required by state law to adopt an annual budget that represents a complete financial plan for the ensuing fiscal year. A detailed programmatic budget is used as a guideline for expenditures, and monthly financial variance reports are prepared and distributed to the Superintendent and District leadership. The monthly reports contain information for all funds regarding revenue and expenditures as compared to the approved budget and prior fiscal year. While minor deviations from budget at the line-item level are allowed, control of expenditures is maintained at the fund level to ensure that all budget areas stay within their total budgeted appropriations. School principals and department managers use the reports to monitor budgetary variances and significant differences are discussed with the appropriate supervisory staff as they occur. The Board of Education also receives monitoring reports throughout the fiscal year providing further detailed financial information on all funds as well as charter school operational and financial activity.

The financial accounting and budgetary system is automated and includes edits and balancing routines to ensure the integrity of the data entered. An evaluation of internal controls conducted by our auditors is included as part of this annual financial audit. The auditors' findings are presented to the Board of Education in the Single Audit report in the Compliance Section.

### **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 School District 27J for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This is the twenty-fifth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

This preparation of this report would not have been possible without the skill, effort, and dedication of the entire Finance Office staff. Each and every member of the Finance Office staff provides input into this report. We commend the Board of Education for their interest and unfailing support related to the planning and management of the District's finances in a responsible and progressive manner. Additionally, we would like to express our appreciation to the cities of Brighton, Commerce City, Thornton, Adams and Weld Counties, and other public entities which provided meaningful information in the preparation of this report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Chris Fiedler".

Dr. Chris Fiedler  
Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Suzanne DeYoung".

Suzanne DeYoung  
Chief Financial Officer





## **Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014**

# **Financial Section**



**THIS PAGE INTENTIONALLY LEFT BLANK**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of School District 27J, counties of Adams, Weld and Broomfield, Colorado (the School District), we offer readers of the School District's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-10 of this report, and the School District's financial statements, which follow this section.

### **Financial Highlights**

- The assets and deferred outflows of resources of the School District exceeded its liabilities at June 30, 2014, by \$88.7 million (net position). Of this amount, \$16.4 million represents unrestricted net position, which may be used to meet the School District's ongoing responsibility for its educational program for students.
- The School District's total net position increased \$3.5 million. This increase in net position on a government-wide basis compares to decrease in fund balance on a governmental fund basis. The reconciliation between the two methods is found on page 33.
- At the close of the current fiscal year, the School District's governmental funds reported combined fund balances of \$33.6 million, a decrease of \$0.8 million in comparison with the prior year. Approximately 16.7% of this amount (\$5.6 million) is available for spending at the School District's discretion (unassigned fund balance).
- The School District's governmental funds liabilities and deferred inflows of resources increased by \$1.6 million to \$16.2 million.
- The School District's general fund balance decreased \$8 million.

### **Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### ***Government-wide Financial Statements***

The government-wide financial statements are designed to provide the reader of the School District's Comprehensive Annual Financial Report a broad overview of the School District's finances 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 financial information on all of the School District's assets, deferred outflows or resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District as a whole is improving or deteriorating. Evaluation of the overall health of the School District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of School District infrastructure, in addition to the financial information provided in this report.

The statement of activities presents information showing how the School District's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods. The purpose of the statement of activities is to show the financial reliance of the School District's activities or functions on revenues provided by the School District's taxpayers.

In the government-wide financial statements, the School District's activities are divided into two categories:

- **Governmental activities:** Most of the School District's basic services are included here, such as instruction and support services that are principally supported by property taxes and state funding.
- **Business-type activities:** The food service program is intended to recover all or a significant portion of its costs through user fees and charges, and governmental reimbursements.

The government-wide financial statements include not only financial data for the School District itself (known as the primary government), but also the legally separate Capital Facility Fee Foundation and five legally separate charter schools for which the School District is financially accountable. Financial information for these component units is presented separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28-29 of this report.

### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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

The School District maintains eight individual governmental funds. The major funds are the general fund, the capital projects fund, the debt service fund and the government designated purpose 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 School District adopts an annual appropriated budget for each of the governmental funds. Budgetary comparison statements for eleven funds are included in the supplementary information to demonstrate compliance with the amended budget.

The basic governmental fund financial statements can be found on pages 30-33 of this report.

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

The School District uses enterprise funds to account for its nutrition services fund, which is listed individually and is considered a major fund. The School District uses internal service funds to account for the risk management/dental insurance fund.

The basic proprietary fund financial statements can be found on pages 34-36 of this report.

***Fiduciary Funds:*** Fiduciary funds are used to account for resources held for the benefit of parties outside of the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The School District has two fiduciary funds, the Private Purpose Trust Fund, which is primarily used for scholarship activity, and the Pupil Activities Agency Fund, which is for student clubs.

The fiduciary fund financial statements can be found on pages 37-38 of this report.

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39-77 of this report.

#### ***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the School District's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and the government designated purpose grant fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the School District's adopted budget. You will find the required supplementary information beginning on page 81 of this report.

As discussed, the School District reports major funds in the basic financial statements. Combining and individual fund statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 84.

#### **Government-wide Overall Financial Analysis**

##### ***Government-wide Net Position***

As noted earlier, net position may serve as a useful indicator of a government's financial position. The School District's assets and deferred outflows of resources exceeded liabilities by \$88.7 million at the close of the current fiscal year. The beginning net position has been restated with the implementation of GASB statement 65 which required the write off of debt related issuance costs.

The assets of the School District are classified as current assets, capital assets, net of depreciation and other noncurrent assets. Cash, investments, deposit with insurance pool, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. Cash and investments account for 87.5% percent of the current assets. Receivables are due in large part as a result of the property tax collection process. The School District receives close to ninety-three percent of the annual property tax assessment between March and June. The School District reports deferred outflows of resources related to the loss on refunding.

Current and noncurrent liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, early retirement payable, compensated absences payable, estimates for claims and premiums, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2014-2015. Noncurrent liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2014-2015.

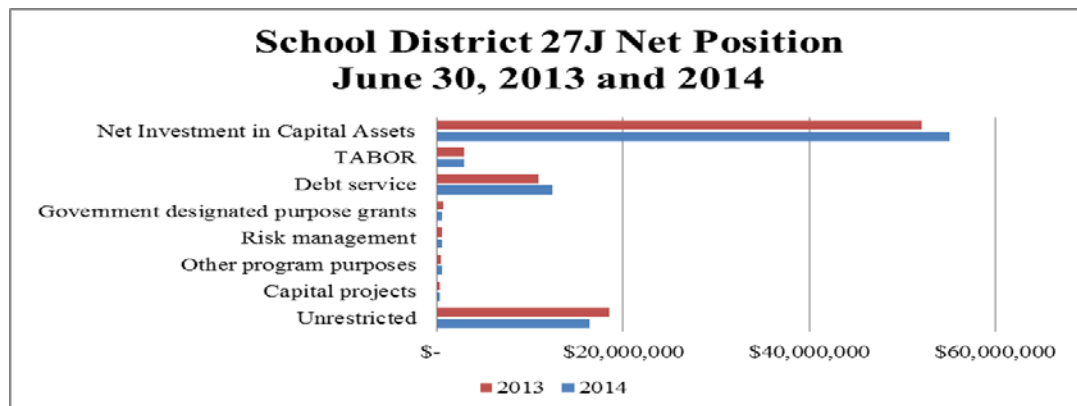
The largest portion of the School District's net position (62.07%) reflects its investment in capital assets net of accumulated depreciation and any related outstanding debt that was used to acquire those assets. The School District uses these capital assets to provide educational services to its students. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the School District's net position (19.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$16.4 million is unrestricted and may be used to meet the School District's ongoing obligations.

<b>Comparative Summary of Net Position</b> <b>As of June 30, 2014</b>							
	Governmental Activities		Business-Type Activities		Total		Total % Change
	2014	2013	2014	2013	2014	2013	2013-2014
<u><b>Assets:</b></u>							
Total current assets	\$ 45,018,164	\$ 45,634,946	\$ 1,773,958	\$ 1,199,963	\$ 46,792,122	\$ 46,834,909	-0.1%
Capital assets net of depreciation	205,087,411	210,016,823	127,249	153,740	205,214,660	210,170,563	-2.4%
Other non-current assets	4,655,057	1,391,125	-	-	4,655,057	1,391,125	234.6%
Total Assets	254,760,632	257,042,894	1,901,207	1,353,703	256,661,839	258,396,597	-0.7%
<u><b>Liabilities:</b></u>							
Total current	19,687,310	20,919,334	189,800	179,033	19,877,110	21,098,367	-5.8%
Total non-current	148,006,350	150,867,301	37,249	37,249	148,043,599	150,904,550	-1.9%
Total Liabilities	167,693,660	171,786,635	227,049	216,282	167,920,709	172,002,917	-2.4%
<u><b>Net Position:</b></u>							
Net Investment in Capital Assets	54,911,193	51,929,200	127,249	153,740	55,038,442	52,082,940	5.7%
Restricted for:							
TABOR	2,931,124	2,900,960	-	-	2,931,124	2,900,960	1.0%
Debt service	13,575,545	10,943,553	-	-	13,575,545	10,943,553	24.1%
Government designated purpose	623,264	639,549	-	-	623,264	639,549	-2.5%
Risk management	551,196	554,066	-	-	551,196	554,066	-0.5%
Other program purposes	521,232	492,551	-	-	521,232	492,551	5.8%
Capital projects	264,051	264,000	-	-	264,051	264,000	0.0%
Unrestricted	13,689,367	17,532,380	1,546,913	983,681	15,236,280	18,516,061	-17.7%
Total Net Position	\$ 87,066,972	\$ 85,256,259	\$ 1,674,162	\$ 1,137,421	\$ 88,741,134	\$ 86,393,680	2.7%

At the end of the current fiscal year, the School District is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

The School District's overall net position increased \$3 million from the prior fiscal year. Further detail for this overall increase is provided in the following sections for governmental activities and business-type activities. Prior years totals are not restated when comparing to current year.



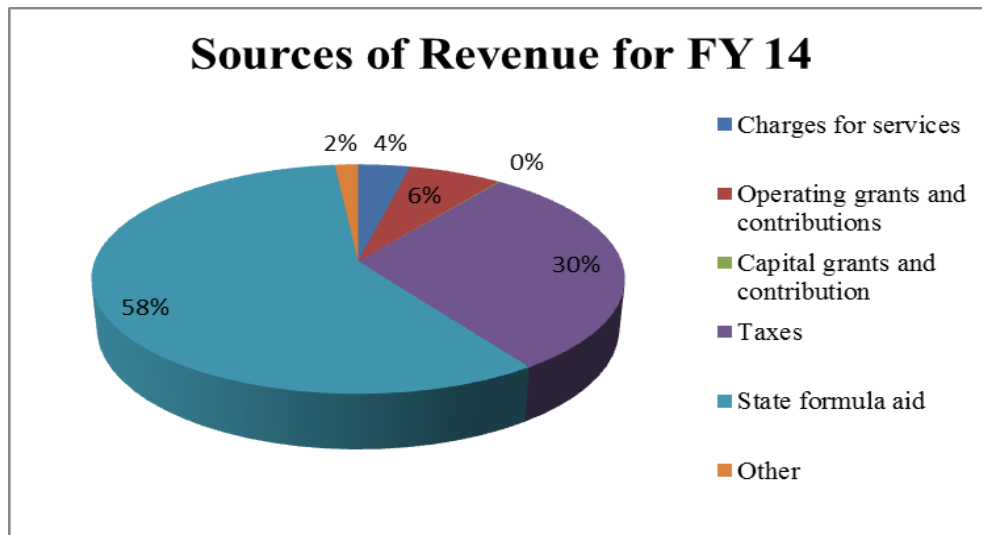
***Governmental Activities***

During the current fiscal year, net position for the governmental activities increased by \$1.5 million. While the continued loss in funding due to the inclusion of the negative factor in the Colorado Public School Finance Act (SFA) has certainly had an impact on the School District, management has been able to limit expenses to minimize the impact on governmental activities over the long term. The following schedules, charts and analysis focus on the change in net position.

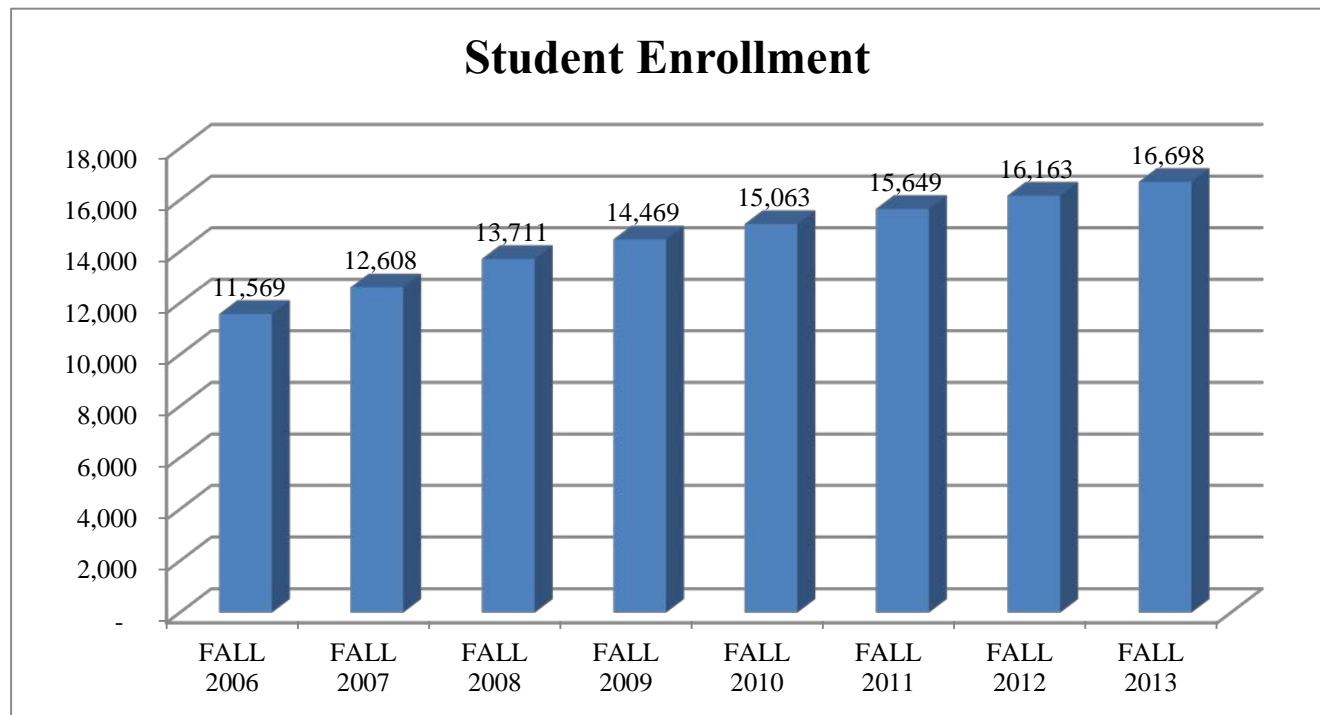
<b>Comparative Schedule of Changes in Net Position For the Year Ended June 30, 2014</b>							
	Governmental Activities		Business-Type Activities		Total		Total % Change
	2014	2013	2014	2013	2014	2013	2013-2014
<b><u>Program Revenues:</u></b>							
Charges for services	\$ 4,963,154	\$ 5,867,785	\$ 2,613,055	\$ 1,593,635	\$ 7,576,209	\$ 7,461,420	1.5%
Operating grants and contributions	8,933,511	9,430,620	3,263,944	3,118,990	12,197,455	12,549,610	-2.8%
Capital grants and contribution	123,881	340,039	-	-	123,881	340,039	-63.6%
<b><u>General Revenues:</u></b>							
Local Property Taxes	37,810,721	37,153,396	-	-	37,810,721	37,153,396	1.8%
Specific Ownership Taxes	3,013,326	2,675,368	-	-	3,013,326	2,675,368	
Equalization	78,593,963	72,854,971	-	-	78,593,963	72,854,971	7.9%
Other	2,214,259	2,014,557	-	-	2,214,259	2,014,557	9.9%
Total Revenues	135,652,815	130,336,736	5,876,999	4,712,625	141,529,814	135,049,361	4.8%
<b><u>Expenses:</u></b>							
Instruction	58,078,995	56,208,639	-	-	58,078,995	56,208,639	3.3%
Supporting services							
Pupil services	6,040,052	5,695,910	-	-	6,040,052	5,695,910	6.0%
Instructional staff	3,188,517	2,702,021	-	-	3,188,517	2,702,021	18.0%
General administration	1,247,085	1,118,942	-	-	1,247,085	1,118,942	11.5%
School administration	7,529,507	6,729,792	-	-	7,529,507	6,729,792	11.9%
Operations and maintenance	9,358,202	8,608,872	-	-	9,358,202	8,608,872	8.7%
Pupil transportation	5,436,870	4,783,685	-	-	5,436,870	4,783,685	13.7%
Business supporting services	1,463,254	1,684,170	-	-	1,463,254	1,684,170	-13.1%
Central supporting services	5,389,693	3,985,709	-	-	5,389,693	3,985,709	35.2%
Community Services	1,919,695	2,802,651	-	-	1,919,695	2,802,651	-31.5%
Pupil Activities	3,604,522	3,146,673	-	-	3,604,522	3,146,673	14.6%
Charter Schools	21,654,836	20,339,699	-	-	21,654,836	20,339,699	6.5%
Debt Service - interest	7,696,768	6,871,192	-	-	7,696,768	6,871,192	12.0%
Day Care	-	-	822,977	-	-	-	0.0%
Food Service	-	-	4,624,622	4,778,745	4,624,622	4,778,745	-3.2%
Total Expenses	132,607,996	124,677,955	5,447,599	4,778,745	138,055,595	129,456,700	6.6%
Change in net position before transfers	3,044,819	5,658,781	429,400	(66,120)	3,474,219	5,592,661	37.9%
Transfers	-	-	-	-	-	-	0.0%
Change in net position	3,044,819	5,658,781	429,400	(66,120)	3,474,219	5,592,661	-37.9%
Beginning net position*	84,022,153	79,597,478	1,244,762	1,203,541	85,266,915	80,801,019	5.5%
Ending net position	\$ 87,066,972	\$ 85,256,259	\$ 1,674,162	\$ 1,137,421	\$ 88,741,134	\$ 86,393,680	2.7%

\* 2014 balance shows restatement due to implementation of GASB 65

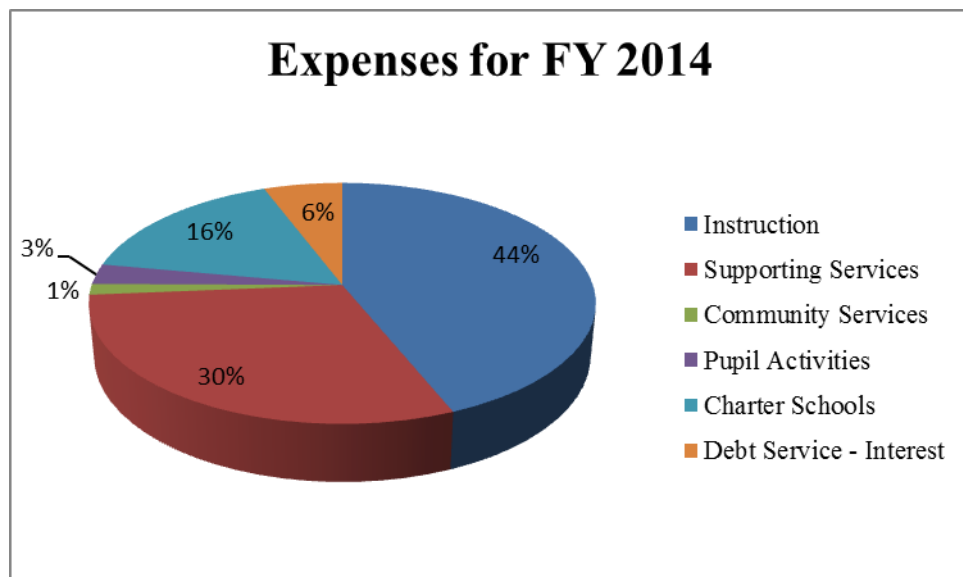
The Colorado Public School Finance Act (SFA) provides for the majority of the funding of local school districts based on a funded pupil count formula and a maximum property tax mill levy determined for each school district. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. State equalization provided 58% of the School District's total governmental revenues, which is an increase of 3% over the prior fiscal year. Local taxes provided 30% of governmental revenue. The \$1.0 million increase in local property taxes is associated with a 2.0% increase in assessed valuation. The School District levies 26.262 mills annually for the SFA. The \$5.7 million increase in equalization is due to the increase in enrollment and reduction of the negative factor in the SFA. The program revenue funds 14.5% of the total expenses, which means that the taxpayers through either state, local taxes, or other general revenues fund 85.5% of the governmental activities. For school districts, in general, self-generated revenue is a relatively small percentage of total revenues.







Direct governmental instructional expenses make up 44% of the total governmental expenses. This category includes direct instruction to students. The \$1.5 million increase is primarily due to increased salary and benefits expenses to support the increase in student enrollment. Support services, which includes but is not limited to operations and maintenance, transportation, pupil services, and other general support services is 30% of the total governmental expenses. Charter schools' governmental expenses constitute 16% of the total governmental expenses in fiscal year 2014. The remaining 10% of the total governmental expenses include community services, pupil activities, and debt service interest payments.



### ***Business-Type Activities***

The School District has two business-type activities, the before and after care and the nutrition services program. The School District operates 19 breakfast and lunch programs providing over 1.6 million breakfast and lunch meals annually to students. Charges for meals cover approximately 35.8% of total revenue. Non-operating federal aid revenue and the USDA commodity food program cover the balance of food service program costs. School District resources do not subsidize the food service program.

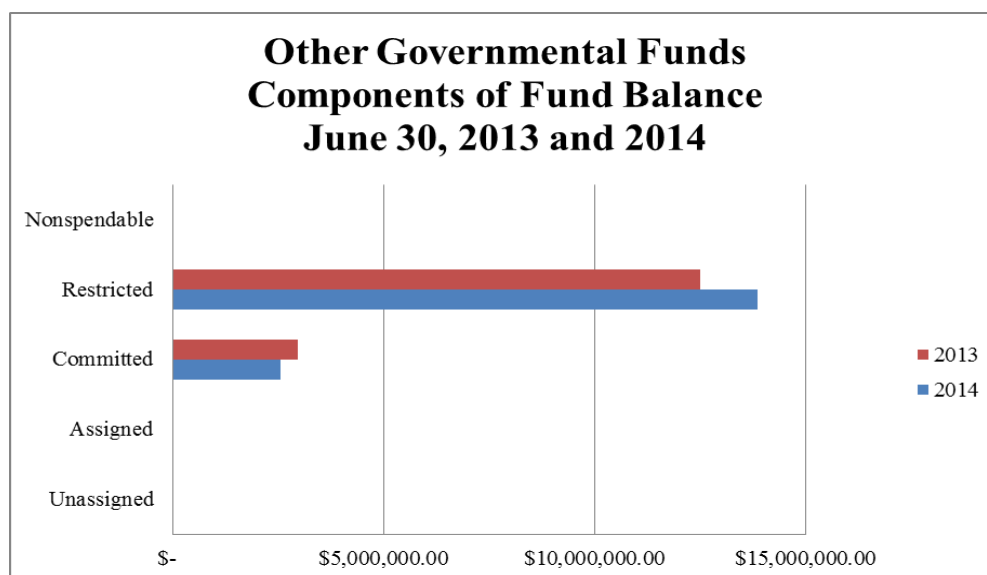
### **Financial Analysis of Governmental Funds**

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations.

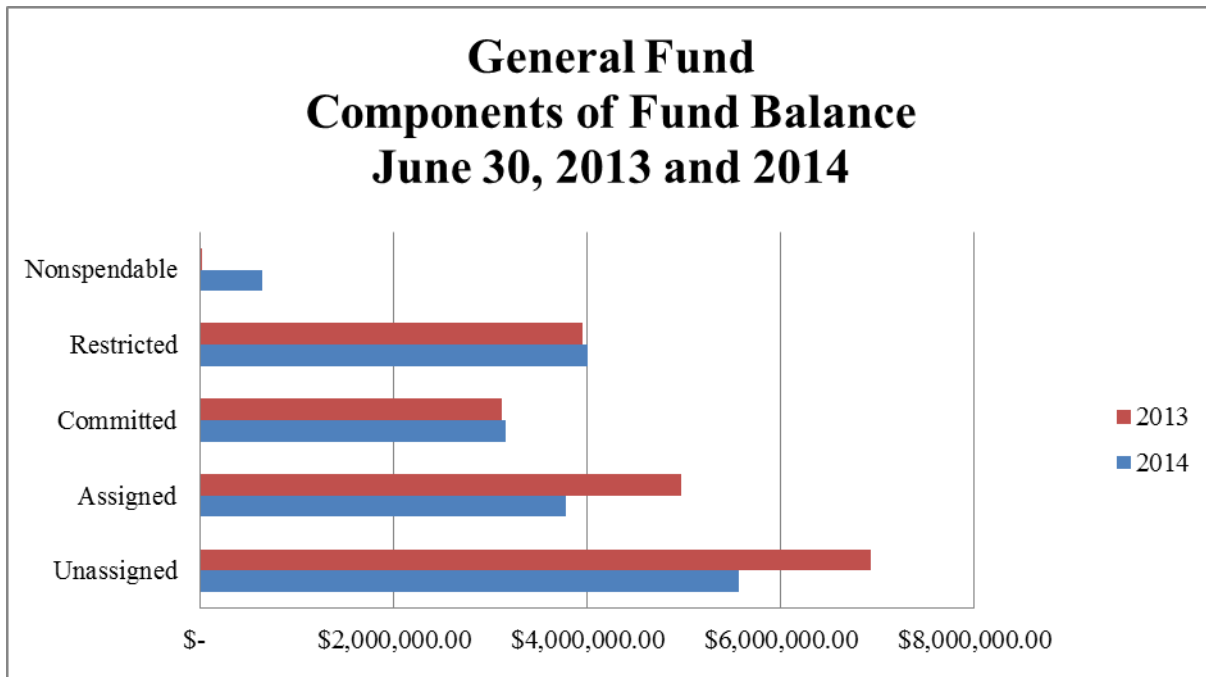
### ***Governmental Funds***

The focus of the School District's governmental funds is to provide information on near-term inflows, outflow, and balances of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the School District, or a group or individual that has been delegated authority to assign resources for use for a particular purposes School District's Board of Education.

At June 30, 2014 the School District's governmental funds reported combined fund balances of \$33.6 million. This is a decrease of \$0.8 million over fiscal year 2013. This is due to the use of the restricted capital projects funds for the purchase of school buses and computer software and equipment. Of this year-end total, \$5.6 million is unassigned, indicating availability for continuing School District service requirements. Legally restricted fund balances include \$13.6 million for debt service, \$0.3 million for capital projects, \$6 million for risk management insurance, \$0.4 million for program purposes, \$2.9 million restricted pursuant to the TABOR Amendment and \$0.8 million for government-designated purpose grants. Article X 20(5) of the Colorado State Constitution (TABOR Amendment), requires that an amount equal to 3% or more of its fiscal year spending excluding debt service be set aside. Included in the \$2.9 million TABOR reserve is \$65,565 for Eagle Ridge Academy due to the charter school's negative fund balance. Further financial information for this component unit can be found on pages 108-109. Committed fund balances include \$1.9 million for special revenue funds, \$2.8 million for Board contingencies, and \$.4 million for contracted services. \$1.4 million is assigned for capital reserve projects.



The General Fund is the School District's primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, unassigned fund balance in the general fund was \$5.6 million, while total fund balance declined \$1.9 million to \$17.1 million. 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 general fund expenditures. Unassigned fund balance represents approximately 5.0 percent of total general fund expenditures net of intergovernmental – charter schools, while total fund balance represents approximately 15.4 percent of that same amount.



#### ***Proprietary Funds***

The School District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In fiscal year 2014 the District accounted for the child care/extended day kindergarten and print shop funds as part of the Proprietary Funds.

Unrestricted net position of the food service operations and child care at the end of the year was \$1.5 million and for the School District's self-insured dental plan and print shop it was \$0.5 million. Total net position increased to \$1.7 million for enterprise funds, with food service accounting for 84.4 percent of the total and increased to \$0.5 for the internal service funds, with the School District's self-insured dental plan accounting for 80 percent of the total.

#### **General Fund Budgetary Highlights**

**Revenue** - Actual revenues were \$1.6 million more than the final approved budget. This is primarily due to higher than planned collection rates for property taxes, and timing of the approval for the supplemental funding request submitted by the Office of State Planning and Budget to the General Assembly for the Total Program increase in the amount of \$18.5 million. The School District's final budget was approved in January 2014 and the supplemental funding approved in House Bill 14-1251 was not known until March 2014.

General Fund Revenue	Budgeted Amount	Actual Amount	Difference
Taxes	\$24,921,888	\$25,641,398	\$719,510
Intergovernmental revenue	80,688,523	81,814,352	\$1,125,829
Investment Earnings	17,448	22,134	\$4,686
Miscellaneous	1,380,373	1,169,212	(\$211,161)
Total	\$107,008,232	\$108,647,095	\$1,638,863

**Expenditures** – General fund expenditures were \$2.3 million less than budgeted. Cost-cutting measures enacted in January 2010 continued and both the TABOR and Board of Education contingency reserves were fully budgeted in the general fund. Examples of reductions in spending include, but are not limited to, restricted out of state travel, created a food policy that restricted the purchase of food at meetings, reduced overtime, and reduced materials and supplies. In addition, the School District recognized greater vacancy savings than budgeted as well as higher than anticipated unspent school supply funds.

### Capital Assets and Debt Administration

#### Capital assets

The School District's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2014, was \$205 million and \$127,249 respectively. The overall decrease in this net investment was \$5.0 million of which governmental activities decreased \$4.9 million and business-type activities decreased \$26,491. Additions to capital assets for the year ended June 30, 2014, included two school buses and technology equipment for data disaster recovery site at Prairie View High School. See Note 2-D on page 53 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity:

The District's Capital Asset As of June 30, 2014						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Non-depreciable assets:						
Land	\$ 9,218,212	\$ 9,218,212	\$ -	\$ -	\$ 9,218,212	\$ 9,218,212
Water Shares	1,496,673	1,496,673	-	-	1,496,673	1,496,673
Construction in progress	-	-	-	-	-	-
Total non-depreciable	10,714,885	10,714,885	-	-	10,714,885	10,714,885
Depreciable assets:						
Buildings	237,506,575	237,506,575	-	-	237,506,575	237,506,575
Equipment	14,677,861	13,988,561	447,596	447,596	15,125,457	14,436,157
Total depreciable assets	252,184,436	251,495,136	447,596	447,596	252,632,032	251,942,732
Less accumulated depreciation	57,811,910	52,193,198	320,347	293,856	58,132,257	52,487,054
Book Value - depreciable assets	194,372,526	199,301,938	127,249	153,740	194,499,775	199,455,678
Percentage depreciated	22.9%	20.8%	71.6%	65.7%	23.0%	20.8%
Book Value - all assets	\$ 205,087,411	\$ 210,016,823	\$ 127,249	\$ 153,740	\$ 205,214,660	\$ 210,170,563

***Long-term debt***

At the end of the fiscal year, the School District had total bonded debt outstanding of \$153.5 million net of premiums and loss on refunding. This is a reduction of \$8.4 million from fiscal year ended June 30, 2012 and primarily associated to the scheduled principal payments. This debt is backed by the full faith and credit of the School District (general obligation bonds) with debt service fully funded by voter-approved property taxes. The School District had Certificates of Participation with an outstanding balance of \$2.6 million, net of the discount as of the fiscal year end. At the end of the fiscal year, capital lease obligations had an outstanding balance of \$1.2 million. The School District has incurred liabilities for early retirement obligations and compensated absences earned by employees. The following chart provides summary information on the School District's long-term debt:

<b>The District's Long Term Debt As of June 30, 2014</b>							
	Governmental Activities		Business-Type Activities		Total		Total % Change
	2014	2013	2014	2013	2014	2013	2013-2014
<u>Type of Debt:</u>							
General obligation bonds	\$ 141,665,000	\$ 148,825,000	\$ -	\$ -	\$ 141,665,000	\$ 148,825,000	-4.8%
Promissory Note	333,417	416,771	-	-	333,417	416,771	-20.0%
Certificates of participation	2,600,000	2,765,000	-	-	2,600,000	2,765,000	-6.0%
Capital lease obligations	1,157,729	1,410,087	-	-	1,157,729	1,410,087	-17.9%
Bond premium	8,826,767	9,630,248	-	-	8,826,767	9,630,248	-8.3%
Deferred amount on refunding	(4,390,392)	(4,941,822)	-	-	(4,390,392)	(4,941,822)	-11.2%
Certificates of participation discount	(16,303)	(17,661)	-	-	(16,303)	(17,661)	-7.7%
Total	<u>\$ 150,176,218</u>	<u>\$ 158,087,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,176,218</u>	<u>\$ 158,087,623</u>	-5.0%
Early retirement of obligation	\$ 1,015,331	\$ 1,092,095	\$ -	\$ -	\$ 1,015,331	\$ 1,092,095	-7.0%
Compensated absences	2,058,782	1,943,923	124,718	93,122	2,183,500	2,037,045	7.2%
Total	\$ 3,074,113	\$ 3,036,018	\$ 124,718	\$ 93,122	\$ 3,198,831	\$ 3,129,140	2.2%

The School District maintains an "A+" rating from Standard & Poor's and an "Aa3" from Moody's Investors Service for general obligation debt.

State statute limits the amount of general obligation debt the School District may issue to twenty-five percent of the latest valuation for assessment of the taxable property in such district, as certified by the county assessor. The current debt limitation for the School District is \$216.3 million, which is \$74.6 million in excess of the School District's outstanding general obligation debt as of June 30, 2014.

Additional information on the School District's long-term debt can be found in Note 2-G on pages 56-72 of this report.

**Economic Factors and Budget Highlights**

The School District is highly dependent upon the State of Colorado for operating revenue. Amendment 10 of the Colorado Constitution, TABOR, restricts the School District's ability to raise property taxes without a vote of the electorate. The School District has seen lower than expected funding from the state for five consecutive years, beginning with the 2008-2009 fiscal year. The state legislature approved new school finance legislation, House Bill 14-1298 and House Bill 14-1292. The Student Success Act (HB 14-1292) included a reduction to the negative factor as well as increased funding for students with limited English proficiency and early literacy. In the current fiscal year, the negative factor in the Colorado Public School Finance Act reduced the School District's funding by \$16.7 million. As student enrollment growth continues without additional funding for both building and operating expenses, the School District will be forced to look towards adding more modulars, increasing student teacher ratios, year round education, extended day at secondary levels, and other options to educate our students.

The Board of Education established a course of action for 2014-2015 planning and budgeting. The direction from the Board is "Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's Goals priorities, risk financial jeopardy, or fail to be derived from a multi-year plan." The Board's Global Goals are:

- The graduation/completer rate will increase by 2% per year until 95% is attained at which it will not drop lower.
- The district's average composite ACT score will increase by .5 points per year until the score reaches 22 at which it will not drop lower.
- Students with continuous enrollment during an academic year will achieve at least one year's academic growth grades 1-10 in reading, writing, math and science. The core content areas of social studies and world language will have this same academic growth expectations beginning one year after the state's assessment for these areas have been developed.

The key principles of the budget development process are:

- Maximize resources in direct and indirect instruction of students
- Increase parent involvement and communications
- Focus on enrollment growth and seat capacity where needed
- Maintain fiscal stability by keeping expenditures (of which employee compensation is the largest component) in-line with revenue expectations
- Continued support of current technology in schools
- Investment in asset protection and maintenance of facilities
- Maintenance of strategic long range financial plan

#### **Contacting the School District's Financial Management**

The intent of this financial report is to provide a general overview of the School District's finances, comply with finance-related laws and regulations, and demonstrate the School District's commitment to public accountability. If there are questions about this report or you would like to request additional information, contact the School District's Finance Office at the Educational Services Center located at 18551 E. 160<sup>th</sup> Avenue in Brighton, CO 80601. You can also visit the School District's website at [www.sd27j.org](http://www.sd27j.org) for additional information about it schools, departments, and finances.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**School District 27J, Colorado**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Primary Government</b>			<b>Component</b>
	<b>Governmental</b>	<b>Non-Major</b>	<b>Total</b>	<b>Units</b>
	<b>Activities</b>	<b>Activities</b>		
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Investments	\$ 40,335,419	\$ 987,179	\$ 41,322,598	\$ 4,678,274
Deposit with insurance pool	551,196	-	551,196	-
Receivables:				
Accounts	96,775	32,965	129,740	166,367
Notes	317,824	-	317,824	-
Property taxes	2,086,612	-	2,086,612	-
Intergovernmental	1,312,230	285,992	1,598,222	-
Internal balances	(341,795)	341,795	-	-
Interest on Investments	87	-	87	-
Inventory	-	124,771	124,771	997
Deposits and prepaids	659,816	1,260	661,076	250,822
Interest on Investments	-	-	-	2,780
<b>Total Current Assets</b>	<b>45,018,164</b>	<b>1,773,962</b>	<b>46,792,126</b>	<b>5,099,240</b>
<b>Noncurrent Assets</b>				
<b>Capital Assets:</b>				
Nondepreciable capital assets	10,714,885	-	10,714,885	196,568
Depreciable capital assets, net	194,372,526	127,249	194,499,775	20,763,804
<b>Other Assets:</b>				
Restricted Cash and Investments	264,665	-	264,665	3,365,068
<b>Total Noncurrent Assets</b>	<b>205,352,076</b>	<b>127,249</b>	<b>205,479,325</b>	<b>24,325,440</b>
<b>Total Assets</b>	<b>250,370,240</b>	<b>1,901,211</b>	<b>252,271,451</b>	<b>29,424,680</b>
<b>Deferred Outflows of Resources</b>				
Loss on refunding	4,390,392	-	4,390,392	3,074,015
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	2,255,057	5,794	2,260,851	366,522
Accrued salary and benefits	7,052,956	96,537	7,149,493	565,873
Accrued interest payable	449,100	-	449,100	375,349
Loan payable	-	-	-	819,802
Arbitrage payable	264,000	-	264,000	-
Unearned revenue	-	-	-	46,306
Compensated absences payable	1,235,269	87,469	1,322,738	-
Claims payable	-	-	-	129,089
Capital leases obligations	690,750	-	690,750	-
COPS	170,000	-	170,000	-
General obligation bonds payable	7,455,000	-	7,455,000	-
Promissory Note	83,354	-	83,354	-
Deposits	31,824	-	31,824	-
<b>Total Current Liabilities</b>	<b>19,687,310</b>	<b>189,800</b>	<b>19,877,110</b>	<b>2,302,941</b>
<b>Noncurrent Liabilities:</b>				
Compensated absences payable (net of current portion)	823,513	37,249	860,762	-
Early retirement payable (net of current portion)	1,015,331	-	1,015,331	-
Loan Payable (net of current portion)	-	-	-	29,363,664
Capital lease obligations (net of current portion)	466,979	-	466,979	-
COPS (net of current portion)	2,413,697	-	2,413,697	-
General obligation bonds payable (net of current portion)	143,036,767	-	143,036,767	-
Promissory note (net of current portion)	250,063	-	250,063	-
<b>Total Noncurrent Liabilities</b>	<b>148,006,350</b>	<b>37,249</b>	<b>148,043,599</b>	<b>29,363,664</b>
<b>Total Liabilities</b>	<b>167,693,660</b>	<b>227,049</b>	<b>167,920,709</b>	<b>31,666,605</b>
<b>Net Position</b>				
Net investment in capital assets	54,911,193	127,249	55,038,442	(3,826,675)
Restricted for:				
TABOR	2,931,124	-	2,931,124	748,907
Debt service	13,575,545	-	13,575,545	1,327,059
Government designated purpose grants	623,264	-	623,264	-
Risk management	551,196	-	551,196	-
Other program purposes	521,232	-	521,232	92,000
Capital projects	264,051	-	264,051	581,503
Unrestricted	13,689,367	1,546,913	15,236,280	1,909,296
<b>Total Net Position</b>	<b>\$ 87,066,972</b>	<b>\$ 1,674,162</b>	<b>\$ 88,741,134</b>	<b>\$ 832,090</b>

See accompanying notes to the basic financial statements



School District 27J, Colorado  
Statement of Activities  
For the Year Ended June 30, 2014

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				Component Units
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government		Total		
					Governmental Activities	Business-Type Activities			
Primary Government									
Governmental Activities:									
Instructional services	\$ 58,078,995	\$ -	\$ 7,707,759	\$ 123,881	\$ (50,247,355)	\$ -	\$ (50,247,355)	\$ -	
Supporting services									
Pupil services	6,040,052	-	-	-	(6,040,052)	-	(6,040,052)	-	
Instructional staff	3,188,517	-	-	-	(3,188,517)	-	(3,188,517)	-	
General administration	1,247,085	-	-	-	(1,247,085)	-	(1,247,085)	-	
School administration	7,529,507	-	-	-	(7,529,507)	-	(7,529,507)	-	
Operations and maintenance	9,358,202	-	-	-	(9,358,202)	-	(9,358,202)	-	
Pupil transportation	5,436,870	379,260	1,225,752	-	(3,831,858)	-	(3,831,858)	-	
Business supporting services	1,463,254	-	-	-	(1,463,254)	-	(1,463,254)	-	
Central supporting services	5,389,693	-	-	-	(5,389,693)	-	(5,389,693)	-	
Community services	1,919,695	1,508,692	-	-	(411,003)	-	(411,003)	-	
Pupil activities	3,604,522	3,075,202	-	-	(529,320)	-	(529,320)	-	
Charter school funding	21,654,836	-	-	-	(21,654,836)	-	(21,654,836)	-	
Interest on long-term debt	7,696,768	-	-	-	(7,696,768)	-	(7,696,768)	-	
Total Governmental Activities	132,607,996	4,963,154	8,933,511	123,881	(118,587,450)	-	(118,587,450)	-	
Business-Type Activities:									
Day Care	822,977	957,757	-	-	-	134,780	134,780	-	
Food Service	4,624,622	1,655,298	3,263,944	-	-	294,620	294,620	-	
Total Business Type Activities	5,447,599	2,613,055	3,263,944	-	-	429,400	429,400	-	
Total - Primary Government	\$ 138,055,595	\$ 7,576,209	\$ 12,197,455	\$ 123,881	\$ (118,587,450)	\$ 429,400	\$ (118,158,050)	\$ -	
Component Units									
Eagle Ridge Academy	2,782,192	191,615	63,616	38,720	-	-	-		(2,488,241)
Bromley East Charter School	6,526,539	328,099	363,968	84,406	-	-	-		(5,750,066)
Belle Creek Charter School	4,624,475	14,061	187,947	-	-	-	-		(4,422,467)
Foundations Academy Charter School	5,069,667	109,688	783,518	-	-	-	-		(4,176,461)
Landmark Academy Charter School	5,228,101	102,674	773,840	-	-	-	-		(4,351,587)
Capital Facility Fee Foundation	267,057	328,442	251,566	-	-	-	-		312,951
Total - Component Units	\$ 24,498,031	\$ 1,074,579	\$ 2,424,455	\$ 123,126	-	-	-	\$	(20,875,871)
General Revenues									
Taxes:									
Local property taxes					37,810,721	-	37,810,721	-	
Specific ownership taxes					3,013,326	-	3,013,326	-	
Equalization					78,593,963	-	78,593,963	-	
Equalization - Charter Schools					-	-	-		20,515,108
Mill levy override					-	-	-		132,909
Capital construction					-	-	-		62,228
to specific programs					-	-	-		9,560
Investment earnings					22,949	-	22,949		72,040
Other					2,191,310	-	2,191,310		536,802
Total General Revenues					121,632,269	-	121,632,269		21,328,647
Change in Net Position Before Transfers					3,044,819	429,400	3,474,219		452,776
Transfers					-	-	-		-
Change in Net Position					3,044,819	429,400	3,474,219		452,776
Net Position Beginning of Year					85,256,259	1,137,421	86,393,680		956,424
* Prior Period Adjustment					(1,234,106)	107,341	(1,126,765)		(577,110)
** Net Position Beginning of Year Restated					84,022,153	1,244,762	85,266,915		379,314
Net Position End of Year					\$ 87,066,972	\$ 1,674,162	\$ 88,741,134	\$	832,090

See accompanying notes to the basic financial statements

\* Beginning net position for Government Activities see note 3-D

\*\* Beginning net position for Component Units Activities see note 3-D

School District 27J, Colorado  
Balance Sheet  
Governmental Funds  
June 30, 2014

	General	Capital Projects	Government Designated Purpose Grants	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Investments	\$ 25,859,771	\$ 264,665	\$ -	\$ 13,217,027	\$ 1,240,999	\$ 40,582,462
Deposit with insurance pool	551,196	-	-	-	-	551,196
Receivables:						
Accounts	105,322	-	-	-	11,178	116,500
Notes	317,824	-	-	-	-	317,824
Property taxes	1,247,413	-	-	839,198	-	2,086,611
Intergovernmental	-	-	1,312,230	-	-	1,312,230
Interfund receivable	2,398,287	263,386	127,069	80,808	1,268,532	4,138,082
Interest on investment	-	-	-	87	-	87
Prepaid items	633,455	-	-	-	26,361	659,816
<b>Total Assets</b>	<b>\$ 31,113,268</b>	<b>\$ 528,051</b>	<b>\$ 1,439,299</b>	<b>\$ 14,137,120</b>	<b>\$ 2,547,070</b>	<b>\$ 49,764,808</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts and other current payables	2,057,123	-	132,403	-	46,806	2,236,332
Accrued salary and benefits	6,397,256	-	247,679	-	407,552	7,052,487
Interfund payable	4,399,148	-	435,953	-	141,662	4,976,763
Arbitrage payable	-	264,000	-	-	-	264,000
Deposits	31,824	-	-	-	-	31,824
<b>Total Liabilities</b>	<b>12,885,351</b>	<b>264,000</b>	<b>816,035</b>	<b>-</b>	<b>596,020</b>	<b>14,561,406</b>
<b>Deferred Inflows of Resources</b>						
Unavailable property tax revenue	767,867	-	-	561,575	-	1,329,442
Unavailable note receivable	317,824	-	-	-	-	317,824
<b>Total Deferred Inflows of Resources</b>	<b>1,085,691</b>	<b>-</b>	<b>-</b>	<b>561,575</b>	<b>-</b>	<b>1,647,266</b>
<b>Fund Balances</b>						
Nonspendable Prepaid Items	633,455	-	-	-	26,361	659,816
Restricted for Debt service	-	-	-	13,575,545	-	13,575,545
Restricted for Capital Projects	-	264,051	-	-	-	264,051
Restricted for TABOR	2,931,124	-	-	-	-	2,931,124
Restricted for Cash-in-Lieu of Land	166,857	-	-	-	-	166,857
Restricted for Risk Management Insurance	551,196	-	-	-	-	551,196
Restricted for Program Purposes	354,375	-	-	-	-	354,375
Restricted for Government Designated Purpose Grants	-	-	623,264	-	-	623,264
Committed, Reported in Special Revenue Funds	-	-	-	-	1,924,689	1,924,689
Committed for Board Contingencies	2,757,684	-	-	-	-	2,757,684
Committed for Contracted Services	398,910	-	-	-	-	398,910
Assigned for Capital Reserve Projects	1,413,853	-	-	-	-	1,413,853
Assigned for School Carry Forward	661,916	-	-	-	-	661,916
Assigned Operating Adopted Budget	1,705,828	-	-	-	-	1,705,828
Unassigned, Reported in General Fund	5,567,028	-	-	-	-	5,567,028
<b>Total Fund Balances</b>	<b>17,142,226</b>	<b>264,051</b>	<b>623,264</b>	<b>13,575,545</b>	<b>1,951,050</b>	<b>33,556,136</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 31,113,268</b>	<b>\$ 528,051</b>	<b>\$ 1,439,299</b>	<b>\$ 14,137,120</b>	<b>\$ 2,547,070</b>	<b>\$ 49,764,808</b>

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2014**

<b>Total Governmental Fund Balances</b>	\$	33,556,136
---	----	------------

**Amounts Reported for Governmental Activities in the  
Statement of Activities Are Different Because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds but are reported on the statement of activities:

Cost	\$	262,899,320	
Less accumulated depreciation		(57,811,910)	205,087,410

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds:

Property taxes	1,329,442
----------------	-----------

An internal service fund is used by management to charge the costs of dental insurance premiums to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

475,591

Accrued interest on long-term debt is not reported at the fund financial reporting level, but is reported on the statement of net position.

(449,100)

Liabilities not due and payable in the current period are not reported in the funds but are reported in the statement of net position:

COPS payable	\$	(2,600,000)	
Bonds payable		(141,665,000)	
Capital lease		(1,157,729)	
Compensated absences payable		(2,058,782)	
Early retirement payable		(1,015,331)	
Promissory Note		(333,417)	(148,830,259)

Premiums, discounts and refunding difference are reported as expenditures on the governmental fund type operating statement but capitalized on the statement of net position:

Premiums/Discounts	\$	(8,810,464)	
Deferred Inflow: Loss on Refunding		4,390,392	(4,420,072)

Notes receivable due from a discretely presented are deferred inflows at the fund level but recognized as revenue at the government wide statement of activities as it was earned.

317,824

**Net position of Governmental Activities**

**\$ 87,066,972**

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	General	Capital Projects	Designated Purpose Grants	Debt Service	Governmental Funds	Governmental Funds
<b>Revenues</b>						
Taxes	\$ 25,641,398	\$ -	\$ -	\$ 15,188,829	\$ -	\$ 40,830,227
Intergovernmental revenue:						
Vocational education	621,111	-	-	-	-	621,111
Special education	2,599,278	-	-	-	-	2,599,278
Transportation	-	-	-	-	1,225,752	1,225,752
Federal grants	-	-	4,488,857	-	-	4,488,857
State grants	-	-	1,274,289	-	-	1,274,289
Equalization	78,593,963	-	-	-	-	78,593,963
Local grants	-	-	123,881	-	-	123,881
Pupil activities	33,923	-	-	-	3,041,279	3,075,202
Charges for services	553,225	-	-	-	1,629,780	2,183,005
Investment earnings	22,134	51	-	764	-	22,949
Miscellaneous	582,064	-	-	-	38,418	620,482
<b>Total Revenues</b>	<b>108,647,096</b>	<b>51</b>	<b>5,887,027</b>	<b>15,189,593</b>	<b>5,935,229</b>	<b>135,658,996</b>
<b>Expenditures</b>						
<b>Current:</b>						
Instructional services	51,881,251	-	3,504,449	-	-	55,385,700
Supporting services						
Pupil services	4,345,172	-	1,182,833	-	-	5,528,005
Instructional staff	2,607,793	-	514,107	-	-	3,121,900
General administration	1,131,969	-	50,571	-	-	1,182,540
School administration	6,932,945	-	108,810	-	-	7,041,755
Operations and maintenance	9,115,166	-	6,195	-	-	9,121,361
Pupil transportation	257,931	-	55,519	-	4,659,333	4,972,783
Business supporting services	1,082,988	-	115,736	-	179,796	1,378,520
Central supporting services	5,060,916	-	116,991	-	-	5,177,907
Community services	229,123	-	69,976	-	1,620,596	1,919,695
Pupil Activities	-	-	-	-	3,604,522	3,604,522
<b>Capital Outlay</b>	1,526,497	-	178,125	-	96,479	1,801,101
<b>Intergovernmental - Charter Schools</b>	21,654,836	-	-	-	-	21,654,836
<b>Debt Service:</b>						
Principal retirement	972,392	-	-	7,160,000	-	8,132,392
Interest	140,638	-	-	6,671,470	-	6,812,108
Fiscal charges	1,650	-	-	4,084	-	5,734
<b>Total Expenditures</b>	<b>106,941,267</b>	<b>-</b>	<b>5,903,312</b>	<b>13,835,554</b>	<b>10,160,726</b>	<b>136,840,859</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,705,829</b>	<b>51</b>	<b>(16,285)</b>	<b>1,354,039</b>	<b>(4,225,497)</b>	<b>(1,181,863)</b>
<b>Other Financing Sources (Uses)</b>						
Capital Lease Proceeds	471,680	-	-	-	-	471,680
Transfers Out	(4,004,177)	-	-	-	-	(4,004,177)
Transfers In	-	-	-	-	3,928,521	3,928,521
<b>Total Other Financing Sources (Uses)</b>	<b>(3,532,497)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,928,521</b>	<b>396,024</b>
<b>Net Change in Fund Balances</b>	<b>(1,826,668)</b>	<b>51</b>	<b>(16,285)</b>	<b>1,354,039</b>	<b>(296,976)</b>	<b>(785,839)</b>
Fund Balances Beginning of Year	18,968,894	264,000	639,549	12,221,506	2,317,270	34,411,219
Prior period Adjustment	-	-	-	-	(69,244)	(69,244)
<b>Restated Fund Balance (Restated, see Note 3-D)</b>	<b>18,968,894</b>	<b>264,000</b>	<b>639,549</b>	<b>12,221,506</b>	<b>2,248,026</b>	<b>34,341,975</b>
<b>Fund Balances End of Year</b>	<b>\$ 17,142,226</b>	<b>\$ 264,051</b>	<b>\$ 623,264</b>	<b>\$ 13,575,545</b>	<b>\$ 1,951,050</b>	<b>\$ 33,556,136</b>

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2014**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		\$ (785,839)
<p>Amounts reported for governmental activities in the statement of activities are different because 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 as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation and loss on disposal of capital assets in the current period.</p>		
	Depreciation expense	\$ (5,687,690)
	Net book value of disposed assets	(13,275)
	Capital outlay	<u>771,553</u> (4,929,412)
Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(30,755)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		8,132,392
<p>Premiums and bond refunding deferrals are expensed in governmental funds but capitalized/deferred and amortized in the statement of net position.</p>		
	Amortization:	
	Premiums/Discounts	\$ 802,123
	Bond Refunding	<u>(551,430)</u> 250,693
<p>Leases are recorded at the government fund level and capitalized in the statement of net position.</p>		
	Capital Lease	<u>(471,680)</u> (471,680)
<p>Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The change in the current years expenses are as follows:</p>		
Compensated Absences		
	Liability 2013	\$ 1,943,923
	Liability 2014	<u>(2,058,782)</u> (114,859)
Accrued interest		
	Liability 2013	\$ 1,277,953
	Liability 2014	<u>(449,100)</u> 828,853
Early Retirement		
	Liability 2013	\$ 1,092,095
	Liability 2014	<u>(1,015,331)</u> 76,764
Internal service fund activity related to third parties is not reported in governmental funds but is reported as governmental activities in the statement of activities.		64,089
Revenue that does not provide current financial resources are deferred inflows but recognized in the statement of activities as revenue earned.		<u>24,573</u>
<b>Change In Net Position Of Governmental Activities</b>		<u><u>\$ 3,044,819</u></u>

See accompanying notes to the basic financial statements

School District 27J, Colorado  
*Statement of Net Position*  
*Proprietary Funds*  
*June 30, 2014*

	Non-Major Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 987,179	\$ 17,621
Receivables:		
Accounts	11,492	1,745
Intergovernmental	285,992	-
Interfund receivable	363,268	475,591
Inventory	124,771	-
Prepaid	1,260	-
<b>Total Current Assets</b>	1,773,962	494,957
<b>Noncurrent Assets:</b>		
Capital Assets:		
Depreciable capital assets, net	127,249	-
<b>Total Assets</b>	1,901,211	494,957
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	5,794	1,099
Accrued salary and benefits	96,537	468
Interfund payable	-	178
Compensated absence	87,469	-
Claims payable	-	17,621
<b>Total Current Liabilities</b>	189,800	19,366
<b>Noncurrent Liabilities</b>		
Compensated absences payable (net of current portion)	37,249	-
<b>Total Liabilities</b>	227,049	19,366
<b>Net Position</b>		
Net investment in capital assets	127,249	-
Unrestricted	1,546,913	475,591
<b>Total Net Position</b>	\$ 1,674,162	\$ 475,591

See accompanying notes to the basic financial statements

School District 27J, Colorado  
*Statement of Revenues,  
Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2014*

	Non-Major Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Operating Revenues</b>		
Student lunches	\$ 1,655,298	\$ -
Daycare	957,757	-
Dental insurance premiums	-	741,905
Print Shop	-	153,609
<b>Total Operating Revenues</b>	<u>2,613,055</u>	<u>895,514</u>
<b>Operating Expenses</b>		
Salaries and benefits	2,761,598	107,878
Purchased services	141,967	29,548
Materials and supplies	2,549,978	47,825
Indirect Costs	(54,729)	5,917
Depreciation	26,491	-
Risk management dental	-	715,914
<b>Total Operating Expenses</b>	<u>5,425,305</u>	<u>907,082</u>
<b>Income (Loss) from Operations</b>	<u>(2,812,250)</u>	<u>(11,568)</u>
<b>Non-Operating Revenues (Expenses)</b>		
School breakfast and lunch program	2,789,425	-
USDA commodity food program	313,663	-
Summer food service program	68,426	-
Fresh fruits and vegetables program	15,871	-
State match	75,772	-
Interest on investment	787	-
Small equipment expense	(22,294)	-
<b>Total Non-operating revenues (expenses)</b>	<u>3,241,650</u>	<u>-</u>
<b>Income (Loss) before Other Financing Sources (Uses)</b>	429,400	(11,568)
<b>Transfers in (out)</b>	<u>-</u>	<u>75,656</u>
<b>Change in Net Position</b>	429,400	64,088
Net Position Beginning of Year	1,137,421	449,600
Prior Period Adjustment	107,341	(38,097)
<b>Net Position Beginning of Year Restated</b>	<u>1,244,762</u>	<u>411,502</u>
<b>Net Position End of Year</b>	<u>\$ 1,674,162</u>	<u>\$ 475,591</u>

See accompanying notes to the basic financial statements

School District 27J, Colorado  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2014

	Non-Major Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows From (Used for) Operating Activities</b>		
Cash received from customers	\$ 2,603,193	\$ 893,946
Cash payments for personnel services	(2,711,426)	(107,409)
Cash payments for goods and services	(2,238,087)	(82,192)
Cash payments for insurance premiums and expenses	-	(729,992)
	<u>(2,346,320)</u>	<u>(25,647)</u>
<b>Net Cash From (Used for) Operating Activities</b>		
<b>Cash Flows From (Used for) Noncapital Financing Activities</b>		
Grants received	2,953,354	-
Interfund receivable activity	(328,086)	(64,088)
Transfers	-	75,656
	<u>2,625,268</u>	<u>11,568</u>
<b>Net Cash from (Used for) Noncapital Financing Activities</b>		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	278,948	(14,079)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>708,231</u>	<u>31,700</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 987,179</u></u>	<u><u>\$ 17,621</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash From (Used for) Operating Activities</b>		
<b>Operating Income (Loss)</b>	\$ (2,812,249)	\$ (11,567)
<b>Adjustments:</b>		
Depreciation	26,491	-
Donated food	313,663	-
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	(8,597)	(1,745)
Interfund Receivable	20,816	(28,158)
Inventory	74,215	-
<b>Increase (Decrease) in Liabilities:</b>		
Interfund payable	-	178
Accounts payable	(10,825)	1,099
Accrued salary and benefits	18,569	468
Compensated absences payable	31,597	-
Claims payable	-	14,078
	<u>(2,346,320)</u>	<u>(25,647)</u>
<b>Net Cash From (Used for) Operating Activities</b>		
<b>Non-cash Non-capital Financing Activities</b>		
Donated commodities	<u><u>\$ 313,663</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements



**School District 27J, Colorado**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<b>Private Purpose Trust - Fiduciary Fund</b>	<b>Pupil Activities - Agency Fund</b>
<b>Assets</b>		
Cash and Investments	\$ 48,987	\$ 218,759
Accounts receivable	-	243
<b>Total Assets</b>	<u>48,987</u>	<u>219,002</u>
<b>Liabilities</b>		
Due to other groups	-	219,002
<b>Net Position</b>		
Held in Trust for Scholarships	<u>48,987</u>	<u>-</u>
<b>Total Net Position</b>	<u><u>\$ 48,987</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2014**

	<b>Private Purpose Trust - Fiduciary Fund</b>
<b>Additions</b>	
Investment earnings	\$ 59
<b>Deductions</b>	
Support services	6,000
<b>Change in Net Position</b>	(5,941)
<b>Net Position Beginning of Year</b>	54,928
<b>Net Position End of Year</b>	\$ 48,987

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Index**

<b>Summary of Significant Accounting Policies .....</b>	<b>1</b>
Reporting Entity .....	1-A
Basis of Presentation .....	1-B
Measurement Focus .....	1-C
Basis of Accounting.....	1-D
Assets, Liabilities and Fund Balance/Net Position .....	1-E
Cash, Cash Equivalents and Investments.....	1-E-1
Receivables.....	1-E-2
Interfund Balances .....	1-E-3
Consumable Inventories.....	1-E-4
Prepaid Items.....	1-E-5
Capital Assets.....	1-E-6
Compensated Absences.....	1-E-7
Accrued Liabilities and Long-term Obligations.....	1-E-8
Bond Premiums, Discounts and Issuance Costs.....	1-E-9
Fund Balance/Net Position.....	1-E-10
Operating Revenues and Expenses.....	1-E-11
Contributions of Capital.....	1-E-12
Interfund Activity.....	1-E-13
Estimates .....	1-E-14
Budgets.....	1-E-15
 <b>Detailed Notes on All Funds.....</b>	 <b>2</b>
Cash and Investments.....	2-A
Receivables .....	2-B
Property Taxes .....	2-C
Capital Assets.....	2-D
Interfund Receivables, Payables and Transfers.....	2-E
Compensated Absences.....	2-F
Long-Term Debt.....	2-G
Defined Benefit Pension Plan.....	2-H
Postemployment Healthcare Benefits.....	2-I
Defined Contribution Pension Plan.....	2-J
Net Position.....	2-K
 <b>Other Notes .....</b>	 <b>3</b>
Risk Management.....	3-A
Tax, Spending and Debt Limitations.....	3-B
Designated For Cash-in-Lieu of Land Dedication .....	3-C
Contingent Liabilities .....	3-D
New Pronouncements.....	3-E

**School District 27J, Colorado**  
***Notes to the Basic Financial Statements***  
***For The Year Ended June 30, 2014***

Counties of Adams, Weld and Broomfield School District 27J, Colorado (the School District) is a school district located northeast of Denver, Colorado. The School District provides preschool through 12th grade public education.

***Note 1 - Summary of Significant Accounting Policies***

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for government accounting and financial reporting. The most significant of the School District's accounting policies are described below.

***1-A. Reporting Entity***

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this reporting entity includes the legal entity, School District 27J, Colorado and six discretely presented component units.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organizations; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the School District in that the School District approves the budget, levies their taxes or issues their debt. Finally, the School District may include separate legal entities that do not meet the above criterion; however, the School District would consider the financial statements to be misleading if omitted.

The component unit columns included on the government-wide financial statements identify the financial data of the School District's discretely presented component units. They are reported separately to emphasize that they are legally separate from the School District.

Significant transactions between the School District and its component unit Charter Schools consist of monthly payments to each Charter School for their share of mill levy override and state equalization money and charges from the School District to each Charter School for contracted purchased services. Brief descriptions of the discretely presented component units follow:

The Bromley East Charter School was established by contract with the School District during fiscal year 2000. The School is a legally separate entity. The contract between the Bromley East Charter School and the School District was executed on April 26, 2000, for the purpose of establishing and clarifying the relationship between the Bromley East Charter School and the School District. The Bromley East Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding the Bromley East Charter School would result in misleading financial reporting. Financial activity of the Bromley East Charter School is included within the School District's financial statements for the year ended June 30, 2014.

The Belle Creek Charter School was established by contract with the School District during fiscal year 2002. The School is a legally separate entity. The contract between the Belle Creek Charter School and the School District was executed on June 25, 2002, for the purpose of establishing and clarifying the relationship between the Belle Creek Charter School and the School District. The Belle Creek Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding the Belle Creek Charter School would result in misleading financial reporting. Financial activity of the Belle Creek Charter School is included within the School District's financial statements for the year ended June 30, 2014.

**School District 27J, Colorado**  
***Notes to the Basic Financial Statements***  
***For The Year Ended June 30, 2014***

The Landmark Academy Charter School was established by contract with the School District during fiscal year 2008. The School is a legally separate entity. The contract between the Landmark Academy Charter School and the School District was executed on January 23, 2007 for the purpose of establishing and clarifying the relationship between the Landmark Academy Charter School and the School District, but the school did not open until fiscal year 2008. Landmark Academy Charter School has entered into a management agreement with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Landmark Academy Charter School operates. Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Landmark Academy Charter School from all revenue sources. The Landmark Academy Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding the Landmark Academy Charter School would result in misleading financial reporting. Financial activity of the Landmark Academy Charter School is included within the School District's financial statements for the year ended June 30, 2014.

The Foundations Academy Charter School was established by contract with the School District during fiscal year 2011. The Foundations Academy Charter School is a legally separate entity. The contract between the Foundations Academy Charter School and the School District was executed on October 19, 2008, for the purpose of establishing and clarifying the relationship between the Foundations Academy Charter School and the School District, but the school did not open until fiscal year 2011. Foundations Academy Charter School has entered into a management agreement with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Foundations Academy Charter School operates. Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Foundations Academy Charter School from all revenue sources. The Foundations Academy Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding the Foundations Academy Charter School would result in misleading financial reporting. Financial activity of the Foundations Academy Charter School is included within the School District's financial statements for the year ended June 30, 2014.

The Eagle Ridge Academy Charter School was established by contract with the School District and is a legally separate entity. A contract between the Eagle Ridge Academy Charter School and the School District was executed in July 2010 for the purpose of establishing and clarifying the relationship between this Eagle Ridge Academy Charter School and the School District. The Eagle Ridge Academy Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding Eagle Ridge Academy Charter School would result in misleading financial reporting. Financial activity of the Eagle Ridge Academy Charter School is included within the School District's financial statements for the year ended June 30, 2014.

The School District 27J Capital Facility Fee Foundation (Foundation) was established during fiscal year 2001 in response to rapid growth with the onset of the development of the Denver International Airport. The School District wanted to be proactive about the growth rather than reactive and began discussion in the late 1990's with the primary municipalities within the School District. This included Brighton, Commerce City and Thornton as well as a group of developers with projects within the School District. At the time, the primarily rural School District would not have had the financial capacity to raise enough capital through the sale of voter-approved bonds to meet the needs for new schools in a timely manner.

A small group of builders and developers and School District representatives formed a working group to find solutions to address the shortfall needs. A program of voluntary financial contributions was implemented. The Foundation is a 501(c)(3) organization whose purpose is to promote and assist in the development, financing, and acquisition of educational facilities and capital improvements in the School District. The Foundation consists of a nine-member board of directors and includes three representatives of contributing builders or developers, three School District representatives, and one city council representative of each city. Voluntary contributions are accepted by the Foundation and kept in foundation-managed accounts. The Board of Education makes requests for the release of Foundation funds for school construction purposes as needed. The Foundation Board determines if the request meets the requirements for disbursement of the funds.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

The Capital Facility Fee Foundation is deemed to be a component unit of the School District because the Foundation may only distribute funds to the School District and only at the request of the School District. Because of this restricted use of Foundation Funds, The Foundation is a discretely presented component unit. Complete financial statements for each of the individual component units may be obtained at each entity's administrative offices.

Eagle Ridge Academy  
3551 Southern Street  
Brighton, CO 80601

Belle Creek Charter School  
9290 E 107<sup>th</sup> Ave  
Henderson, CO 80640

Landmark Academy Charter School  
% National Heritage Academies, Inc.  
3850 Broadmoor SE, Suite 201  
Grand Rapids, MI 49512

Bromley East Charter School  
% Bart A. Skidmore, CPA  
356 Longspur Drive  
Brighton, CO 80601

School District 27J  
Capital Facility Fee Foundation  
18551 East 160<sup>th</sup> Avenue  
Brighton, CO 80601

Foundations Academy  
% National Heritage Academies, Inc.  
3850 Broadmoor SE, Suite 201  
Grand Rapids, MI 49512

**Related Organization** - The Brighton Education Foundation provides opportunities for individuals and/or groups beyond what the School District can offer. Their mission is to preserve, support and improve the educational opportunities within the community by developing a community partnership among schools, businesses and individuals. Through this partnership, this Foundation encourages a wide variety of educational experiences through grants awarded to individuals and organizations. The Foundation is governed by a twelve-member board consisting of community members and education members. The School District Board does not appoint members of the Brighton Education Foundation, nor is this Foundation fiscally dependent on the School District and therefore, this Foundation is not considered a component unit and is not included in the School District's financial statements.

**1-B. Basis of Presentation**

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the School District as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by grants and governmental general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Fiduciary activities are excluded from the government-wide financial statements because the School District holds these assets in a purely custodial capacity and cannot use these resources for School District programs.

The statement of net position presents the financial position of the governmental and business-type activities of the School District's discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School District activities and for each identifiable activity of the business-type activities of the School District. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The School District does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the School District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment earnings; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. When identifying which function program revenue pertains to, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is for which function the revenues are *restricted*.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

Other revenue sources not properly included with program revenues are reported as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns.

**Fund Accounting** - The School District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The School District uses three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds** - School District funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The School District reports the difference between governmental fund assets, liabilities, and deferred inflows of resources as fund balance. The following are the School District's major governmental funds:

**General Fund** - The general fund accounts for all financial resources except those required to be accounted for in another fund.

**Capital Projects Fund** - This fund accounts for bond proceeds and other revenues used for the construction and acquisition of major capital facilities other than those related to the food service fund.

**Governmental Designated-Purpose Grants Fund** - This fund accounts for grants received for designated programs funded by federal, state or local governments.

**Debt Service Fund** - This fund accounts for the accumulated resources (normally property taxes) used to retire principal and interest on general long-term debt.

The School District also has four non-major governmental funds that account for financial resources specific to each funds purpose.

Additionally, the School District reports the following fund types:

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The School District's proprietary funds are classified as an enterprise fund and an internal service fund.

**Enterprise Funds** - The Enterprise funds include the food service fund accounting for all financial activity associated with the School District's food service program and the day care fund which accounts for all financial activity associated with the School District's day care program.

**Internal Service Funds** - The internal service funds account for the School District's self-insured dental plan and the School District's print shop.

**Fiduciary Funds** - The School District's fiduciary funds account for assets held in a trustee capacity or as an agent for individuals or private organizations. The key distinction between trust funds and agency funds is that the trust funds normally are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held. An agency fund does not involve a formal trust agreement and the government's role is purely custodial.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

The School District's fiduciary funds are classified as a private purpose trust fund and an agency fund.

**Fiduciary (Private Purpose Trust)** - The School District's fiduciary fund provides scholarships to students.

**Agency Fund** – The pupil activity agency fund records financial transactions related to school-sponsored pupil organizations and activities.

**1-C. Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows/inflows of resources and liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities reports revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this general rule are charges between the School 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.

**Fund Financial Statements** - The governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. The School District's fiduciary funds are accounted for on an economic resources measurement focus.

**1-D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. The fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, the phrase "available for exchange transactions" means expected to be received within sixty days of year-end.

**Revenues – Non-exchange Transactions** - Non-exchange transactions in which the School District receives value without directly giving equal value in return, include grants, taxes and donations. Revenue from property taxes and specific ownership taxes is recognized in the fiscal year for which the taxes are levied (Note 2-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include: timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified



**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected by the School District within 60 days except for specific ownership taxes which use a 30 day available period, and grant revenues which use a 180 day available period) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, specific ownership taxes, interest and federal and state grants.

**Unearned Revenue** - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue at both reporting levels.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

***1-E. Assets, Liabilities and Fund Balance/Net Position***

***1-E-1 Cash, Cash Equivalents, and Investments***

The School District utilizes the pooled cash concept whereby cash balances of each of the School District's funds are pooled and invested by the School District in short-term certificates of deposit, repurchase agreements, money market deposit accounts, government pools, and U.S. Treasury obligations.

For the purposes of the statement of cash flows, cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the School District to be cash equivalents. Investments are stated at fair value based on quoted market prices.

Generally, the School District invests in governmental securities, local government investment pools, and collateralized certificates of deposits in Colorado banks and repurchase agreements.

***1-E-2 Receivables***

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

***1-E-3 Interfund Balances***

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/ interfund payables". Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances".

***1-E-4 Consumable Inventories***

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements all inventories are stated at cost. For all fund level reporting, cost is determined on a first-in, first-out basis. Inventories of the proprietary funds are expensed when consumed. Donated surplus commodities received are valued based upon the cost furnished by the Federal Government.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**1-E-5 Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is nonspendable in the governmental fund types as this amount is not available for general appropriation.

**1-E-6 Capital Assets**

Capital assets from governmental activities are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The School District reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the government-wide statement of net position and in the enterprise fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized, if applicable. All reported capital assets are depreciated except for land, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. The adjustment for removal of salvage value is shown in the Capital Assets Note 2-D. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives	Component Units Estimated Lives
Buildings	25 – 50 years	----	50 Years
Equipment	5 – 20 years	5 – 15 years	5 – 20 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

**1-E-7 Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Temporary leave (sick leave, personal and bereavement) benefits are accrued as a liability using the termination payment method. An accrual for earned temporary leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

In fiscal year 2014, the District offered Early Separation Plans and Long Term Service Benefits to its employees. Only those employees who have completed fifteen or more years of service in the District as of July 1, 2009 are eligible after completing twenty years of service. These plans ended on June 30, 2014. Classified employees may receive 90% of their current year's salary at either July 31<sup>st</sup> or January 31<sup>st</sup> of the year following their retirement. Eligible Certified employees who voluntarily resign or retire shall receive a payout that equals the difference between the certified employee's actual salary for the 2008-2009 school year and the \$45,129 average salary of full-time teachers hired by the District during that school year. Administrators may receive the average paid out to certified employees during the year of their retirement. Two employees received their early separation plan/long term service payments at a total cost of \$76,74 in fiscal year 2014. As of June 30, 2014, there were 22 Certified employees and one Administrator who was eligible for future payments at a total remaining cost of \$527,036.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only “*when due*.”

**1-E-8 Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds are recognized as a liability in the governmental fund financial statements when due.

**1-E-9 Bond Premiums, Discounts and Issuance Costs**

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as an expense in the year they are charged. On the government-wide and proprietary fund type statement of activities, gains/losses on refunding are recognized as deferred inflows/outflows and amortized over the life of the bonds using the effective interest method, bond premiums and discounts are recognized as liabilities.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an “expenditure.”

**1-E-10 Fund Balance/Net Position**

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

**Fund Balance** – Generally, fund balance represents the difference between the current assets and current liabilities. The School District restricts those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

Assignments are management’s intent to set aside these resources for specific services. For fiscal year ending 2014, the School District follows GASB 54, *Fund Balance Reporting and Government Fund Type Definition*, and record fund balances in the following classifications depicting the relative strength of the spending constraints placed on the purposed for which resources can be used:

Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts that can be used only for specific purposes determined by a formal action of the Board of Education, the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Education.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board of Education’s adopted policy, only the Superintendent or his/her designee may assign amounts for specific purposes.

**School District 27J, Colorado**  
***Notes to the Basic Financial Statements***  
***For The Year Ended June 30, 2014***

Unassigned fund balance – amounts that are available for any purpose; these amounts are reported only in the general fund.

The District's order of fund balance spending policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. The District reserves the right to selectively spend unassigned fund balance.

***Net Position*** - Net position represent the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation and related debt. Net position are reported as restricted when there are limitations imposed on their use either through an election of the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

***1-E-11 Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Proprietary funds distinguish operating revenues and expenses from non-operating items. For the School District, these operating revenues are sales of meals in the food service program. Operating expenses are necessary costs incurred to provide the sale of meals, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

***1-E-12 Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

***1-E-13 Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. The effect of interfund activity has been eliminated from the government-wide financial statements. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated.

Since the internal service fund revenues are employee payments for dental insurance, they are not eliminated (i.e., they do not relate to other funds, rather they relate to third parties).

***1-E-14 Estimates***

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***1-E-15 Budgets***

A budget was adopted for all Government Funds, Proprietary Funds, Internal Funds and Fiduciary Funds for fiscal year 2014, on a basis consistent with generally accepted accounting principles.

A proposed budget is submitted to the Board of Directors for the fiscal year commencing the following July 1. The budget is adopted by the board prior to June 30.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board. The budget includes proposed expenditures and the means of financing them.

**Note 2 - Detailed Notes on All Funds**

**2-A. Cash and Investments**

At June 30, 2014, the School District had the following cash and investments:

	District	Component Units
Cash on Hand	\$ 2,050	\$ 1,000
Deposits	564,549	2,083,653
Investments	41,288,414	5,958,689
	<hr/>	<hr/>
Total	\$ 41,855,013	\$ 8,043,342
	<hr/> <hr/>	<hr/> <hr/>
Governmental Activities	\$ 40,335,418	\$ 4,678,274
Business-Type Activities	987,184	-
Fiduciary Activities	267,746	-
Restricted Cash and Investments	264,665	3,365,068
	<hr/>	<hr/>
Total	\$ 41,855,013	\$ 8,043,342
	<hr/> <hr/>	<hr/> <hr/>

**Restricted Cash and Investments** – As of June 30, 2014, the School District has restricted cash and investments of \$264,665 recorded in the District’s Capital Projects fund for that purpose.

**Cash Held in Trust** – As of June 30, 2014, the School District has \$194,298 held in trust. Adams County and Weld County collected property taxes for the School District and holds the funds in trust until sent to the School District on a monthly basis. Cash held in trust is grouped in deposits in the Cash and Investments Note 2-A.

**Deposits** – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2014, the State regulatory commissioners had indicated that all financial institutions holding deposits for the School District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure the School District’s deposits may not be returned to it. The School District and the discretely presented component units do not have a deposit policy for custodial credit risk. At June 30, 2014 the School District had no deposits exposed to custodial credit risk.

The School District maintains a zero-balance clearing account for their outstanding accounts payable checks. Outstanding checks totaled \$544,469 were reclassified to Payables as of June 30, 2014. An automatic cash transfer from the School District’s checking account automatically cleared the zero-balance account to zero on July 1, 2014. The clearing account total is grouped in deposits in the Cash and Investments Note 2-A.

The School District deposits total \$564,548 and includes General Fund checking and clearing accounts totaling \$476,698 cash with fiscal agent, the bond redemption fund totaling \$70,229, and internal service fund dental checking totaling \$17,621. These amounts are grouped in deposits in the cash and investments note 2-A.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Investments** – Colorado statutes specify investment instruments meeting defined rating maturity and concentration risk criteria. The School District has adopted an investment policy which is more restrictive and limits investments to the following:

- Obligations of the United States and certain U.S. Agency securities
- Written repurchase agreements collateralized by certain authorized securities
- Certain time certificates of deposit of savings accounts in state or national banks
- Certain time certificates of deposit of savings accounts in state or federally chartered savings and loans
- Certain money market mutual funds
- Local government investment pools

Local Government Investment Pool - The School District has invested in the Colorado Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE). At June 30, 2014, the School District had \$26,936,524 invested in COLOTRUST and \$1,205,092 invested in CSAFE. These are investment trusts established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. These pools operate similarly to a money market fund and each share is equal in value to \$1. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by pools in connection with the direct investment and withdrawal functions of the pools. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial banks. The custodian's internal records identify the investments owned by the School District. Due to their high liquidity, these funds are classified as cash equivalents for reporting purposes. The Trusts are rated AAAM by Standard and Poor's.

Interest Rate Risk – The School District and the component units do not have formal investment policies that limit investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado Revised Statute 24-75-601 limits investment maturities to five years or less without governing board approval. Based on the current rate environment, the School District and the component units assume that investments will be held to maturity. As of June 30, 2014, no coupon and discount securities had investment maturities greater than five years. The weighted average maturity of the local government entity investment pools investments shall not exceed 60 days for COLOTRUST and CSAFE at June 30, 2014.

Credit Risk – State statute limit investments in U.S. Government Agency securities to the highest rating issued by nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk – State statutes do not limit the amount the School District may invest in one issuer. The School District has adopted a policy which is more restrictive and limits investments to: not more than 25% of the School District's portfolio invested in the securities in any "one" government agency with the exception of United States Treasury securities; not more than 25% of the School District's portfolio invested in deposit accounts; money market mutual funds shall be diversified so that no fund shall hold more than 50% of the School District's portfolio; combined fund investments not to exceed 75% of the total portfolio and not exceeding 25% of the School District's total portfolio in repurchase agreements.

As of June 30, 2014, the School District had the following investments. Deposits and investments are internally pooled to maximize investment safety, liquidity and interest yield.

Type of Security	Fair Value	Concentration	S&P Rating	Maturity			
				12 Months or Less	12 - 24 Months	24 - 36 Months	36 - 60 Months
ColoTrust (external investment pool)	\$ 26,936,524	65.24%	AAAm	\$ 26,936,524	\$ -	\$ -	\$ -
CSAFE (external investment pool)	1,205,092	2.92%	AAAm	1,205,092	-	-	-
Wells Fargo Advantage government money market fund	13,146,798	31.84%	AAAm	13,146,798	-	-	-
	<u>\$ 41,288,414</u>	<u>100.0%</u>		<u>\$ 41,288,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

At June 30, 2014, the School District's discretely presented component units' investments are as follows:

Eagle Ridge Academy	
CSAFE	\$ 571,050
	<hr/>
Bromley East Charter School	
COLO TRUST and CSAFE	\$ 1,084,510
U.S. Agency Securities	1,396,829
Money Market Fund	597,826
Total	\$ 3,079,165
	<hr/>
Belle Creek Charter School	
CSAFE	\$ 1,545,327
Colotrust	763,147
Total	\$ 2,308,474
	<hr/>
Total Charter Schools	\$ 5,958,689
	<hr/>

All of the Charter schools and the Capital Facility Fee Foundation have adopted an investment policy that does not vary significantly from Colorado State Statutes.

Belle Creek Charter CSAFE investment was rated AAAM by Standard & Poor's. Cash and investments of \$763,147 are unspent debt proceeds and are restricted in the Education Center for future debt service. In addition, the Charter School has restricted cash and investments of \$82,032 for building repairs, as required by the building lease agreement.

Bromley East Charter had invested \$1,084,510 in COLOTRUST and CSAFE investments at June 30, 2014. The COLOTRUST pool is rated AAAM by Standard and Poor's and CSAFE is rated AAAM by Standard and Poor's. Cash in the amount of \$1,948,839 is restricted for debt service.

Eagle Ridge Academy had \$571,050 invested in CSAFE at June 30, 2014. The pool is rated AAAM by Standard and Poor's. Cash and investments of \$531,050 have been restricted by the Brighton Charter School Building Corporation for future debt service. The restricted cash and investments are reported in the financial statements.

Foundation Academy Charter School, Landmark Academy Charter School and Capital Facility Fee Foundation did not have investments in marketable securities or COLOTRUST and CSAFE investment pools at June 30, 2014.

## **2-B. Receivables**

Receivables at June 30, 2014, consisted of taxes, interest, accounts (billings for user charges) and School District receivables arising from grants.

Receivables and payables are recorded on the governmental financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

The School District has a note receivable with Eagle Ridge Academy, a discretely presented component unit of the School District, in the amount of \$179,209 for grant expenditures that had to be paid back to the Colorado Department of Education. The School District has a second note receivable in the amount of \$138,615 with Eagle Ridge Academy related to central administrative overhead costs and direct costs, with the exception of Charter School liaison services. Both note receivables are recorded as notes receivables in the governmental funds and the Statement of Net Position. At the governmental fund level, these notes receivable are deferred inflows as they do not provide current financial resources to the School District. See Note 2-G for discussion of these promissory notes for Eagle Ridge Academy.

**School District 27J, Colorado**  
***Notes to the Basic Financial Statements***  
***For The Year Ended June 30, 2014***

***2-C. Property Taxes***

The Board of Education levies property taxes. The levy is based on assessed valuations determined by the County Assessors' offices generally as of January 1<sup>st</sup> of each year. The levy is set by December 15<sup>th</sup> by certification to the County Commissioners to put the tax lien on the individual properties as of December of each year. The County Treasurers' offices collect the determined taxes during the ensuing calendar year. The taxes are payable by April 30<sup>th</sup> or, if in equal installments, at the taxpayer's election on February 28<sup>th</sup> and June 15<sup>th</sup>. Delinquent taxpayers are notified in August and tax sales of the liens on delinquent properties are held in November. The County Treasurers' offices remit the taxes collected to the School District on the 10<sup>th</sup> of each month and on March 25<sup>th</sup>, May 25 and June 25<sup>th</sup>.



**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**2-D. Capital Assets** – Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance 07/01/2013	Additions	Deductions	Transfers	Balance 6/30/2014
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 9,218,212	\$ -	\$ -	\$ -	\$ 9,218,212
Water Shares	1,496,673	-	-	-	1,496,673
Total capital assets not being depreciated	10,714,885	-	-	-	10,714,885
Other capital assets being depreciated:					
Buildings	237,506,575	-	-	-	237,506,575
Equipment	13,988,561	771,553	82,253	-	14,677,861
Total other capital assets	251,495,136	771,553	82,253	-	252,184,436
Total capital assets	262,210,021	771,553	82,253	-	262,899,321
Accumulated depreciation:					
Buildings	45,563,093	4,786,906	-	-	50,349,999
Equipment	6,630,105	900,784	68,978	-	7,461,911
Total accumulated depreciation	52,193,198	5,687,690	68,978	-	57,811,910
Book value - depreciable capital assets	199,301,938	(4,916,137)	13,275	-	194,372,526
Governmental activities capital assets, net	<u>\$ 210,016,823</u>	<u>\$ (4,916,137)</u>	<u>\$ 13,275</u>	<u>\$ -</u>	<u>\$ 205,087,411</u>

**Governmental Activities Depreciation Expense**

Instructional services	\$ 4,115,235
Pupil services	512,047
Instructional staff support services	16,953
General administration	6,670
School administration	206,189
Business supporting services	84,734
Operation and maintenance	69,989
Pupil Transportation	464,087
Central supporting services	211,786
Total governmental activities depreciation expense	<u>\$ 5,687,690</u>

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
Business-type activities:				
Other capital assets:				
Machinery and equipment	\$ 447,596	\$ -	\$ -	\$ 447,596
Accumulated depreciation:				
Machinery and equipment	293,856	26,491	-	320,347
Business-type activities capital assets, net	<u>\$ 153,740</u>	<u>\$ (26,491)</u>	<u>\$ -</u>	<u>\$ 127,249</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

Component Units Capital Assets	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
<b>Eagle Ridge Academy</b>				
Capital assets not being depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Capital assets being depreciated:				
Buildings and Improvements	9,031,412	-	-	9,031,412
Less accumulated depreciation	1,024,470	180,628	-	1,205,098
Net Eagle Ridge Academy	<u>\$ 8,056,942</u>	<u>\$ (180,628)</u>	<u>\$ -</u>	<u>\$ 7,876,314</u>
<b>Bromley East Charter School:</b>				
Capital assets not being depreciated:				
Land	\$ 144,120	\$ -	\$ -	\$ 144,120
Construction in Progress	4,000	2,448	4,000	2,448
Total capital assets not being depreciated	<u>148,120</u>	<u>2,448</u>	<u>4,000</u>	<u>146,568</u>
Capital assets being depreciated:				
Buildings	9,375,323	-	-	9,375,323
Vehicles and equipment	177,615	16,579	-	194,194
Building improvements	184,289	73,839	-	258,128
Total capital assets being depreciated	9,737,227	90,418	-	9,827,645
Less accumulated depreciation	2,296,869	211,659	-	2,508,528
Net Bromley East Charter School	<u>\$ 7,440,358</u>	<u>\$ (118,793)</u>	<u>\$ -</u>	<u>\$ 7,465,685</u>
<b>Belle Creek Charter School:</b>				
Capital assets being depreciated:				
Buildings and Improvements	\$ 7,419,195	\$ -	\$ -	\$ 7,419,195
Vehicles	123,871	-	-	123,871
Total capital assets being depreciated	7,543,066	-	-	7,543,066
Less accumulated depreciation	1,981,993	187,719	206,715	1,962,997
Net Belle Creek Charter School	<u>\$ 5,561,073</u>	<u>\$ (187,719)</u>	<u>\$ (206,715)</u>	<u>\$ 5,580,069</u>
<b>Foundations Academy Charter School:</b>				
Capital assets being depreciated:				
Equipment	\$ 92,196	\$ 46,098	\$ -	\$ 138,294
Less accumulated depreciation	6,368	7,794	-	14,162
Net Foundations Academy Charter School	<u>\$ 85,828</u>	<u>\$ 38,304</u>	<u>\$ -</u>	<u>\$ 124,132</u>
Total component unit capital assets, net	<u>\$ 21,144,201</u>	<u>\$ (448,836)</u>	<u>\$ (206,715)</u>	<u>\$ 21,046,200</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**2-E. Interfund Receivables, Payables and Transfers**

Interfund receivable and payable balances at June 30, 2014, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The School District expects to repay all interfund balances within one year.

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Government Designated Purpose Grant Fund	\$ 127,069	Government Designated Purpose Grant Fund	\$ 435,953
Nonmajor Governmental Funds	1,268,532	Nonmajor Governmental Funds	141,662
General Funds	2,398,287	General Fund	4,399,148
Capital Projects Fund	263,386	Capital Projects Fund	-
Internal Service Fund	475,591	Internal Service Fund	178
Debt Service Fund	80,808	Debt Service Fund	-
Non-Major Enterprise Fund	363,268	Non-Major Enterprise Fund	-
Total	<u><u>\$ 4,976,941</u></u>		<u><u>\$ 4,976,941</u></u>

Interfund transfers for the year ended June 30, 2014, consisted of the following:

	<u>Transfers In</u>			
	<u>Nonmajor Funds</u>		<u>Internal Service</u>	
	<u>Pupil</u>	<u>Transportation</u>	<u>Special</u>	<u>Print Shop</u>
	<u>Activity</u>	<u>Fund</u>	<u>Programs</u>	<u>Fund</u>
<u>Transfers Out</u>				
General Fund	<u><u>\$ 413,660</u></u>	<u><u>\$ 3,425,861</u></u>	<u><u>\$ 89,000</u></u>	<u><u>\$ 75,656</u></u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations.

All School District transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

**2-F. Compensated Absences-**

School District policy limits the accumulation of earned employee vacation to the equivalent of 2 years earned vacation. Also, the School District grants temporary (sick, personal & bereavement, etc.) leave to all classes of employees. Unused leave balances are paid at termination. Upon termination, all certified personnel are paid at a rate of \$70.74 per day for all accumulated temporary leave days. Classified personnel are paid at a rate of \$5.86 per hour for the first 75 days; after 75 days they are paid \$6.97 per hour. Employees with more than 75 days of accrued temporary leave have the option of being paid for the excess days each June. In addition, eligible employees may elect to contract with the School District for early retirement upon terms and conditions specified by School District policy. Eligible employees may contract for early retirement benefits after twenty years of service to the School District.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**2-G. Long-Term Debt**

Periodically, the School District issues bonds to finance the construction of its various facilities.

**General Obligation Bond Series 2004** – General Obligation Bonds, series 2004, were issued in denominations of \$5,000, dated December 15, 2004, total issue of \$49,900,000. The bonds were issued for the purpose of constructing a new high school and making improvements to the School District's schools.

Interest at a rate of 2.5 – 5.0% is payable at each June 1 and December 1. Principal is payable on December 1, 2005 and each calendar year thereafter to 2014. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

The bonds maturing on or before December 1, 2014 are not subject to redemption prior to their respective maturity dates. Annual debt service requirements to maturity for the General Obligation Bonds, Series 2004, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	<u>\$ 1,990,000</u>	<u>\$ 39,175</u>	<u>\$ 2,029,175</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Certificates of Participation Series 2005**– Certificate of Participation, series 2005, were issued with denominations of \$5,000, dated December 15, 2005, total issue of \$3,775,000. The proceeds from the sale of the Certificates were used to provide funds to acquire approximately 8.61 acres of land and the buildings thereon for use by the School District as an administration building and other educational purposes. The buildings and the land constitute leased property and will be leased to the Trustee (lessee) by the School District (lessor).

Interest on the Certificates at a rate of 3.5 – 4.25% is payable at each June 15 and December 15. Principal payments are payable on December 15, 2006 and each calendar year thereafter to 2025. The Certificates are payable solely from annually appropriated base rentals and any purchase option price paid by the School District under the lease.

The Certificates may be called for redemption, in whole, from either proceeds of general obligation bonds or other debt of the School District or moneys made available to the School District from a lease-purchase financing or refinancing with respect to the leased property, at the option of the School District, on or after December 15, 2015 at the redemption price of 100%, plus accrued interest to the redemption date.

The Certificates are subject to mandatory sinking fund redemption, prior to maturity, in part, by lot in such manner as the trustee shall determine and at a price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the date of redemption, on the following dates and in the following amounts:

Sinking Fund Redemption Date (December 15)	Principal Amount
2020	\$ 220,000
2021	230,000
2022	235,000
2023	245,000
2024	260,000
2025	270,000

\* Maturity

Annual debt service requirements to maturity for the Certificates of Participation, Series 2005, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 170,000	\$ 106,594	\$ 276,594
2016	180,000	99,594	279,594
2017	185,000	92,294	277,294
2018	195,000	84,572	279,572
2019	200,000	76,425	276,425
2020	210,000	67,838	277,838
2021	220,000	58,700	278,700
2022	230,000	49,137	279,137
2023	235,000	39,256	274,256
2024	245,000	29,056	274,056
2025	260,000	18,000	278,000
2026	270,000	6,075	276,075
Total	\$ 2,600,000	\$ 727,541	\$ 3,327,541

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**General Obligation Refunding Bonds Series 2006A** – General obligation refunding bonds, series 2006A, were issued in denominations of \$5,000, dated February 16, 2006, total issue of \$26,500,000. The bonds were issued to refund a portion of the School District's outstanding General Obligation Bonds, Series 2001, originally issued in the aggregate principal amount of \$28,500,000. The Refunded Bonds will be called for redemption on December 1, 2011 at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Interest at a rate of 3.5 – 5.25% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2006 and each calendar year thereafter to 2024. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

The bonds maturing on or before December 1, 2016 are not subject to redemption prior to their respective maturity dates. The bonds maturing on or after December 1, 2017 are subject to redemption prior to maturity at the option of the School District, in whole or in part, and if in part in such order of maturity as the School District shall determine and by lot within any maturity in such manner as the Paying Agent shall determine, on December 1, 2016 and on any date thereafter, at the redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date. Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2006A, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 305,000	\$ 1,189,619	\$ 1,494,619
2016	315,000	1,176,825	1,491,825
2017	330,000	1,163,119	1,493,119
2018	345,000	1,149,206	1,494,206
2019	3,380,000	1,070,481	4,450,481
2020	3,525,000	923,422	4,448,422
2021	3,670,000	751,850	4,421,850
2022	3,865,000	563,719	4,428,719
2023	4,050,000	375,738	4,425,738
2024	4,240,000	168,249	4,408,249
2025	1,340,000	28,475	1,368,475
Total	<u>\$ 25,365,000</u>	<u>\$ 8,560,703</u>	<u>\$ 33,925,703</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**General Obligation Bonds Series 2006C** – General obligation bonds, series 2006C, were issued in denominations of \$5,000, dated December 12, 2006, issued December 20, 2006, total issue of \$74,000,000. The bonds were issued for the purpose of constructing a new elementary school, two new middle schools and to make improvements to existing School District's schools. The bond proceeds realized an original issue net premium of \$5,180,905.

Interest at a rate of 3.75 – 5.5% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2008 and each calendar year thereafter to 2026. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

The bonds maturing on or before December 1, 2016 are not subject to redemption prior to their respective maturity dates. The bonds maturing on or after December 1, 2017 are subject to redemption prior to maturity at the option of the School District, in whole or in part, and if in part in such order of maturity as the School District shall determine and by lot within any maturity in such manner as the Paying Agent shall determine, on December 1, 2016 and on any date thereafter, at the redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date. Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2006C, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 2,545,000	\$ 2,901,650	\$ 5,446,650
2016	2,695,000	2,777,763	5,472,763
2017	2,800,000	2,667,863	5,467,863
2018	2,910,000	2,553,663	5,463,663
2019	3,025,000	2,419,837	5,444,837
2020	3,175,000	2,264,837	5,439,837
2021	3,340,000	2,114,487	5,454,487
2022	3,480,000	1,965,212	5,445,212
2023	3,635,000	1,796,037	5,431,037
2024	3,820,000	1,609,662	5,429,662
2025	4,005,000	1,434,063	5,439,063
2026	12,265,000	1,024,341	13,289,341
2027	12,925,000	347,360	13,272,360
Total	<u>\$ 60,620,000</u>	<u>\$ 25,876,775</u>	<u>\$ 86,496,775</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**General Obligation Building and Refunding Bonds Series 2008** – General obligation bonds, series 2008, were issued in denominations of \$5,000, dated and issued April 2, 2008, total issue of \$18,700,000. A portion of the bonds constitutes the remaining \$15,000,000 of authorization to incur general obligation indebtedness approved at the November 7, 2006 election, and the proceeds of such bonds were used to complete the construction of two new elementary schools, two new middle schools, and making improvements to existing School District's schools that was begun with proceeds of the Series 2006C Bonds. A portion of the proceeds of the Bonds were used to refund, in advance of maturity, \$3,555,000 in aggregate principal amount of the School District's General Obligation Building and Refunding Bonds, Series 1998 and paying costs of issuance of the Bonds.

Interest at a rate of 3.25 – 4% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2008 and each calendar year thereafter to 2027. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

The bonds maturing on or before December 1, 2018 are not subject to redemption prior to their respective maturity dates. The bonds maturing on or after December 1, 2019 are subject to redemption prior to maturity at the option of the School District, in whole or in part, and if in part in such order of maturity as the School District shall determine and by lot within any maturity in such manner as the Paying Agent shall determine, on December 1, 2018 and on any date thereafter, at the redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date. Annual debt service requirements to maturity for the General Obligation Building and Refunding Bonds, Series 2008, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 275,000	\$ 848,290	\$ 1,123,290
2016	275,000	839,009	1,114,009
2017	285,000	828,853	1,113,853
2018	2,055,000	782,409	2,837,409
2019	45,000	740,409	785,409
2020	50,000	738,509	788,509
2021	50,000	736,446	786,446
2022	55,000	734,201	789,201
2023	55,000	731,816	786,816
2024	60,000	729,262	789,262
2025	60,000	726,525	786,525
2026	65,000	723,594	788,594
2027	70,000	720,387	790,387
2028	13,690,000	359,362	14,049,362
Total	<u>\$ 17,090,000</u>	<u>\$ 10,239,072</u>	<u>\$ 27,329,072</u>



**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**General Obligation Refunding Bonds – Series 2011** General obligation bonds, Series 2011, were dated and issued November 03, 2011, total issue of \$1,515,000. The bonds were issued to refinance a portion of the School District's general obligation debt for the purpose of reducing debt service requirements. The obligation refunded consisted of the School District's General Obligation Bonds, Series 1998, originally issued in the principal aggregate amount of \$9,420,000.

Interest, at a rate of 2.10% is payable each June 1 and December 1. Principal is payable on December 1, 2011, and each calendar year thereafter to 2017. The Bonds are general obligations of the School District, and shall be payable from general ad valorem taxes required to be levied, without limitation as to rate and in amounts sufficient to pay the principal of and interest on both the Bonds and Registered Coupons, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2011, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 100,000	\$ 24,255	\$ 124,255
2016	105,000	22,102	127,102
2017	110,000	19,845	129,845
2018	890,000	9,345	899,345
Total	<u>\$ 1,205,000</u>	<u>\$ 75,547</u>	<u>\$ 1,280,547</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**General Obligation Refunding Bonds Series 2012A** – General obligation refunding bonds, series 2012A, were dated and issued April 24, 2012, total issue of \$31,340,000. The bonds were issued to refund a portion of the School District's outstanding general obligation debt for the purpose of reducing debt service requirements. The obligation refunded consisted of the School District's General Obligation Bonds, Callable Series 2004, originally issued in the principal aggregate amount of \$49,900,000.

Interest at a rate of 2.00% –5.00% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2012 and each calendar year thereafter to 2024. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2012A, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ -	\$ 1,366,150	\$ 1,366,150
2016	2,065,000	1,326,600	3,391,600
2017	4,620,000	1,194,650	5,814,650
2018	2,270,000	1,069,550	3,339,550
2019	2,340,000	990,050	3,330,050
2020	2,430,000	887,875	3,317,875
2021	2,540,000	779,250	3,319,250
2022	2,650,000	660,125	3,310,125
2023	2,780,000	524,750	3,304,750
2024	2,915,000	382,375	3,297,375
2025	6,190,000	154,750	6,344,750
Total	<u>\$ 30,800,000</u>	<u>\$ 9,336,125</u>	<u>\$ 40,136,125</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**General Obligation Refunding Bonds Series 2012B** – General obligation refunding bonds, series 2012B, were dated and issued November 1, 2012, total issue of \$6,730,000. The bonds were issued to refund a portion of the School District's outstanding general obligation debt for the purpose of reducing debt service requirements. The obligation refunded consisted of the School District's General Obligation Bonds, Callable Series 2002, originally issued in the principal aggregate amount of \$10,475,000.

Interest at a rate of 1.49% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2013 and each calendar year thereafter to 2015. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

On November 1, 2012, the School District current refunded a portion of the School District's Series 2002 general obligation bonds with an average interest rate of 5.0% with the proceeds from the issuance of Series 2012B general obligation bonds dated November 1, 2012, with an average interest rate of 1.49%. Total debt service on the 2012B refunding bonds will be \$4,664,788 through December 2016. The economic gain for the School District (difference between the present values of the debt service payments on the old and new debt) was minimal due to the short-term nature of the Series 2012B refunding bonds. This refunding decreased total debt service over the next three years and resulted in a debt service savings of \$471,810 in fiscal year 2013.

The Bonds are subject to mandatory sinking fund redemption at a price equal to the principal amount plus accrued interest to the redemption date, selected by lot in such a manner as the Registrar shall determine, on the following dates and in the following amounts:

Sinking Fund Redemption Date (December 1)	Principal Amount
2014	\$ 2,240,000

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2012B, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 2,240,000	\$ 52,125	\$ 2,292,125
2016	2,355,000	17,663	2,372,663
Total	\$ 4,595,000	\$ 69,788	\$ 4,664,788

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Promissory Note** - On October 2, 2012, The School District entered into a \$416,771 promissory note with the City of Brighton, Colorado for water augmentation/water rights. Interest at the rate of 2.5% is payable on July 1 and each calendar year thereafter to 2017. Annual debt service requirements to maturity for the Promissory Note are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 83,354	\$ 2,084	\$ 85,438
2016	83,354	2,084	85,438
2017	83,354	2,084	85,438
2018	83,355	2,083	85,438
Total	<u>\$ 333,417</u>	<u>\$ 8,335</u>	<u>\$ 341,752</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Capital Leases** - The School District's obligation to make annual payments under the leases is subject to annual appropriation authority as made by the Board of Education.

**Sun Trust Capital Computer Software Lease** – Lease terms are for 35 months with an annual percentage rate of 1.95%. Annual payments begin on July 25, 2012 and end on May 25, 2015.

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 36,283	\$ 355	\$ 36,638

**Sun Trust Student Computer Lease** - Lease terms are for 37 months with an annual percentage rate of 1.95%. Monthly payments begin on May 25, 2012 and end on June 1, 2015.

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 76,015	\$ 805	\$ 76,820

**JP Morgan Chase Capital Bus Lease** – Lease terms are for 48 months with an annual percentage rate of 1.84%. Annual payments begin on July 15, 2012 and end on July 15, 2015, at which time title to the buses passes to the School District.

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 338,081	\$ 6,210	\$ 344,291
2016	309,688	468	310,156
Total	\$ 647,769	\$ 6,678	\$ 654,447

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**JP Morgan Chase Capital Bus and Computer Lease** – Lease terms are for 36 months with an annual percentage rate of 1.70%. Annual payments begin on July 8, 2013 and end on July 8, 2015 at which time title to the buses passes to the School District.

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 154,545	\$ 5,299	\$ 159,844
2016	157,291	2,553	159,844
Total	\$ 311,836	\$ 7,852	\$ 319,689

**Valley Bank Teacher Computer Lease** - Lease terms are for 36 months with an annual percentage rate of 2.00%. Annual payments begin on July 18, 2012 and end on July 1, 2014.

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 85,826	\$ 141	\$ 85,967

Assets under capital leases net book value totaled \$2,239,530 at June 30, 2014 as follows:

Equipment	\$ 2,477,723
Accumulated Depreciation	(238,193)
Total	\$ 2,239,530

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

A summary of the above bonds, certificates, capital lease, and promissory note outstanding at June 30, 2014 follows:

<u>Bond Issuance</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2004 general obligation bonds	\$ 1,990,000	\$ 39,175	\$ 2,029,175
Series 2005 certificates of participation	2,600,000	727,541	3,327,541
Series 2006A general obligation refunding bonds	25,365,000	8,560,703	33,925,703
Series 2006C general obligation bonds	60,620,000	25,876,775	86,496,775
Series 2008 general obligation refunding bonds	17,090,000	10,239,072	27,329,072
Series 2011 general obligation refunding bonds	1,205,000	75,547	1,280,547
Series 2012A general obligation refunding bonds	30,800,000	9,336,125	40,136,125
Series 2012B general obligation refunding bonds	4,595,000	69,788	4,664,788
Capital lease obligations	1,157,609	15,950	1,173,559
Promissory note	333,417	8,335	341,752
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 145,756,026</u>	<u>\$ 54,949,011</u>	<u>\$ 200,705,037</u>

**Defeased Debt** – The School District defeased certain bonds by placing the proceeds of refunding bond issues in irrevocable escrow accounts to provide for all future debt service payments on the defeased bonds. As a result, the refunded portions of those bonds are not reported at the government-wide financial reporting level. Outstanding defeased debt at June 30, 2014:

<u>General Obligation Bonds</u>	<u>Outstanding Principal Balance</u>
General Obligation Bonds - Series 2004	<u>\$ 32,005,000</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Component Unit Long-Term Debt**

**Belle Creek Charter School:** On June 14, 2007, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$9,200,000 Charter School Revenue Refunding Bonds, Series 2007A, and \$100,000 Taxable Charter School Revenue Bonds, Series 2007B, to advance refund CECFA's outstanding Series 2002 Bonds. Proceeds from the Series 2002 Bonds were loaned to the Education Center under a lease agreement to construct the Charter school's building. Belle Creek Charter School is obligated under a lease agreement to make monthly lease payments to the Education Center for use of the building. The Education Center is required to make equal loan payments to the Trustee, for payment of the Series 2007 bonds. Monthly principal and interest payments are due under the agreements, with interest accruing at rates ranging from 4.00% - 5.42%. The bonds mature in March, 2037. Future debt service requirements are as follows for Belle Creek Charter School Refunding Bonds, Series 2007:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 210,000	\$ 360,421	\$ 570,421
2016	220,000	352,021	572,021
2017	225,000	343,221	568,221
2018	235,000	334,221	569,221
2019	245,000	324,586	569,586
2020-2024	1,395,000	1,454,106	2,849,106
2025-2029	1,750,000	1,109,679	2,859,679
2030-2034	2,175,000	672,305	2,847,305
2035-2037	1,565,000	146,845	1,711,845
Total	<u>\$ 8,020,000</u>	<u>\$ 5,097,405</u>	<u>\$ 13,117,405</u>



**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Eagle Ridge Academy:** In December, 2006, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$10,195,000 Charter School Revenue Bonds, Series 2006. Proceeds of the bonds were loaned to the Brighton Charter School Building Corporation under a mortgage and loan agreement to construct a new educational facility. The facility was previously used by another school prior to the Academy being formed in July of 2010. Eagle Ridge Academy is obligated under a lease agreement to make monthly lease payments to the Brighton Charter School Building Corporation for use of the educational facilities. The Brighton Charter School Building Corporation is required to make equal loan payments to UMB Bank ("the Trustee") for payment of the bonds. Monthly principal and interest payments are due under the agreements, with interest accruing at 6%. The bonds mature in November, 2036.

Brighton Collegiate Charter School and Corporation terminated the lease agreement effective June 30, 2010, and the Brighton Collegiate Charter School was released from all responsibility for future lease obligations and covenants. On July 1, 2010, the Brighton Charter School Building Corporation entered into a lease agreement with the successor school, Eagle Ridge Academy, whereby Eagle Ridge Academy agreed to lease the facilities under terms mentioned in the above paragraph.

**Notes Payable:** In fiscal year 2013, Eagle Ridge Academy entered into a Promissory Note with the District. In fiscal year 2012, the District repaid \$224,011 of grant expenditures on behalf of Eagle Ridge Academy back to the Colorado Department of Education (CDE). This repayment related to improper grant expenditures incurred by Eagle Ridge Academy during fiscal years 2011 and 2012 out of a federal grant, passed through CDE to the District then to Eagle Ridge Academy. These funds were required to be paid back to CDE during fiscal year 2013. The District repaid these funds directly to CDE due to Eagle Ridge Academy's cash flow issues. Starting on July 1, 2013 and continuing until the principal balance of the Note has been repaid in full, Eagle Ridge Academy is to pay \$3,734 per month for a term of 60 months. The promissory note bears no interest. As of June 30, 2014 \$44,802 is due in fiscal year 2015 and the remaining balance of \$134,407 is recorded as long term. This note payable is record as debt at the government-wide level only and not in Eagle Ridge Academy's General Fund as there was no impact at the fund level as expenditures related to this grant were previously recognized by Eagle Ridge Academy in prior years and no proceeds were received as these were paid directly by the District to CDE.

In Fiscal year 2013, Eagle Ridge Academy entered into another Promissory Note with the District. Under the agreement, for fiscal years 2013-2015, the District waives collection of amounts due from Eagle Ridge Academy related to central administrative overhead costs and direct costs, with the exception of Charter School liaison services. For fiscal years 2016 and 2017, Eagle Ridge Academy is to submit payment to the District for one-half of total amounts accumulated during fiscal years 2013-2015 for central administrative overhead costs and direct costs, as well as all current payments due for these costs. Beginning in fiscal year 2018, Eagle Ridge Academy will resume the submission of current payments due for central administrative costs and direct costs, as well as any other currently due costs. During fiscal year 2014, \$46,512 in central administrative costs and \$22,864 in direct costs were incurred by the District and waived by the District relating to this agreement. As of June 30, 2014, a long term liability of \$138,615 is reported in Eagle Ridge Academy's financial statements. Future debt service requirements are as follows:

Ending June 30	Principal	Interest	Total
2015	\$ 224,802	\$ 574,800	\$ 799,602
2016	304,110	563,550	867,660
2017	319,110	550,475	869,585
2018	259,802	538,725	798,527
2019	230,000	514,200	744,200
2020-2024	1,355,000	2,474,700	3,829,700
2025-2029	1,815,000	2,022,225	3,837,225
2030-2034	2,430,000	1,417,650	3,847,650
2035-2037	3,095,000	506,100	3,601,100
Total	<u>\$ 10,032,824</u>	<u>\$ 9,162,425</u>	<u>\$ 19,195,249</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Bromley East Charter School:** In June, 2005, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$14,370,000 Charter School Revenue Bonds Series 2005. Proceeds of the bonds were used to refund the CECFA Charter School Revenue Bonds, Series 2000. Proceeds from the bonds were loaned to CEC under a lease agreement to purchase the Charter School's building by refunding existing debt, and to make improvements to the building. The Charter School is obligated to make monthly lease payments to CEC for use of the building. CEC is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrued at rates ranging from 3% to 5.25%. The lease matures in September 2032. Future debt service requirements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 385,000	\$ 586,669	\$ 971,669
2016	400,000	572,932	972,932
2017	415,000	555,297	970,297
2018	435,000	533,515	968,515
2019	460,000	510,580	970,580
2020-2022	2,680,000	2,184,170	4,864,170
2023-2027	3,445,000	1,379,792	4,824,792
2028-2033	3,470,000	375,900	3,845,900
Total	<u>\$ 11,690,000</u>	<u>\$ 6,698,855</u>	<u>\$ 18,388,855</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Changes in Long-term Debt** - Changes in the School District's long-term obligations consisted of the following for the year ended June 30, 2014:

<b>Governmental Activities:</b>	Outstanding 7/1/2013	Additions	Reductions	Outstanding 6/30/2014	Amounts Due in One Year
General obligation bonds	\$ 148,825,000	\$ -	\$ 7,160,000	\$ 141,665,000	\$ 7,455,000
Promissory Note	416,771	-	83,354	333,417	83,354
Certificates of participation	2,765,000	-	165,000	2,600,000	170,000
Capital lease obligations	1,410,087	471,680	724,038	1,157,729	690,750
Bond Premium	9,630,248	-	803,481	8,826,767	-
Certificates of Participation					
Discount	(17,661)	-	1,358	(16,303)	-
Total	<u>\$ 163,029,445</u>	<u>\$ 471,680</u>	<u>\$ 8,937,231</u>	<u>\$ 154,566,610</u>	<u>\$ 8,399,104</u>
Deferred Outflow of Resources	<u>\$ (4,941,822)</u>	<u>\$ -</u>	<u>\$ 551,430</u>	<u>\$ (4,390,392)</u>	<u>\$ -</u>
Early retirement obligation	\$ 1,092,095	\$ -	\$ 76,764	\$ 1,015,331	\$ 1,015,331
Compensated absences	1,943,923	1,377,966	1,263,107	2,058,782	1,235,269
Total	<u>\$ 3,036,018</u>	<u>\$ 1,377,966</u>	<u>\$ 1,339,871</u>	<u>\$ 3,074,113</u>	<u>\$ 2,250,600</u>
<b>Business-Type Activities:</b>					
Compensated absences	<u>\$ 93,122</u>	<u>\$ 77,131</u>	<u>\$ 45,535</u>	<u>\$ 124,718</u>	<u>\$ 74,831</u>

Changes in the Component Units' long-term obligations consisted of the following for the year ended June 30, 2014:

<b>Governmental Activities:</b>	Outstanding 7/1/2013	Additions	Reductions	Outstanding 6/30/2014	Amounts Due in One Year
Loans Payable	\$ 9,885,000	\$ -	\$ 170,000	\$ 9,715,000	\$ 180,000
Note Payable	293,250	69,376	44,802	317,824	44,802
Building Loan	12,065,000	-	375,000	11,690,000	385,000
Premium	558,605	-	29,587	529,018	-
Total	<u>\$ 22,801,855</u>	<u>\$ 69,376</u>	<u>\$ 619,389</u>	<u>\$ 22,251,842</u>	<u>\$ 609,802</u>
<b>Business-Type Activities:</b>					
Building Loan	\$ 8,220,000	-	\$ 200,000	\$ 8,020,000	\$ 210,000
Discount	(93,282)	-	(4,909)	(88,373)	-
Total Business-Type Activities	<u>\$ 8,126,718</u>	<u>-</u>	<u>\$ 195,091</u>	<u>\$ 7,931,627</u>	<u>\$ 210,000</u>
Total Component Units	<u>\$ 30,928,573</u>	<u>\$ 69,376</u>	<u>\$ 814,480</u>	<u>\$ 30,183,469</u>	<u>\$ 819,802</u>

(Restated Component Unit Beginning Long Term Debt, see Note 3-D)

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

Principal and interest payments related to the School District's long-term debt are made from the Debt Service Fund and the General Fund.

The compensated absences liability is paid from the fund from which the related employees' salaries are paid. The early retirement obligations are paid from the General Fund. The significant fund that pays employees' salaries and liquidates the liability for compensated absences is the School District's General Fund.

**Other** – Payment of principal and interest for general obligation bonds is made from the Bond Redemption Debt Service Fund. The legal limit and debt margin as of June 30, 2014 are \$216,286,283 and \$70,530,259.

## ***2-H. Defined Benefit Pension Plan***

### ***Plan Description***

The School District contributes to the Combined State and School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the School District are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for SDTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

### ***Funding Policy***

The School District is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the School District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the School District it is 17.45% of covered salary. A portion of the School District's contribution (1.02% of covered salary) is allocated for the Health Care Fund (see Note 2-I). For the year ending June 30, 2014, the rate was 17.45%. The School District is also required to pay an amortization equalization disbursement (AED) equal to 3.8% of the total payroll for the calendar year 2014 (3.8% of total payroll for the calendar year 2014, and 3.4% of total payroll for the calendar year 2013). Additionally, the School District is required to pay a supplemental amortization equalization disbursement (SAED) equal to 3.5% of the total payroll for the calendar year 2014 (3.4% of total payroll for calendar year 2014 and 3% for calendar year 2013). If the School District rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions (including the AED and SAED) on the amounts paid for the retiree. For the year ending June 30, 2014, retiree members contributions equal 8.0%. For the years ending June 30, 2014, 2013 and 2012, the School District's employer contributions to the SDTF were \$10,561,907, \$9,287,629 and \$8,222,415 respectively, equal to their required contributions for each year.

## ***2-I. Postemployment Healthcare Benefits***

### ***Plan Description***

The School District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Funding Policy**

The School District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. For the years ending June 30, 2014, 2013 and 2012, the School District's employer contributions to the HCTF were \$633,614, \$588,183 and \$551,722 respectively, equal to their required contributions for each year.

**2-J. Defined Contribution Pension Plan**

**Plan Description**

Employees of the School District who are members of the SDTF (see note 2-H) may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report for the 401(k) and DC Plans. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372). The School District does not contribute to the Voluntary Investment Program or the 401(k) defined contribution plan administered by the PERA.

**Funding Policy**

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$17,500 for calendar years 2014 and 2013). Catch-up contributions up to \$5,500 for calendar years 2014 and 2013 were allowed for participants who attained age 50 before the close of the plan year, subject to the limitations of IRC SS 414 (v). The contribution requirements for the School District are established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the years ending June 30, 2014, 2013 and 2012, the 401(k) Plan member contributions from the School District were \$503,951, \$488,182, and \$532,301 respectively.

**2-K. Net Position**

Net investment in capital assets on the Government-wide Statement of Net Position as of June 30, 2014 is calculated as:

Net investment in capital assets:	Governmental Activities	Business Type Activities
Cost of Capital Assets	\$ 262,899,321	\$ 447,596
Less Accumulated Depreciation	(57,811,910)	(320,347)
Book Value	205,087,411	127,249
Less Capital Related Debt - Bonds	(141,665,000)	-
Less Capital Related Debt - Promissory Note	(333,417)	-
Less Capital Related Debt - Certificates of Participation	(2,600,000)	-
Less Capital Related Debt - Capital Lease	(1,157,729)	-
Less Bond Premiums	(8,826,767)	-
Add Bond Discount	16,303	-
Add Bond Deferred Outflows of Resources	4,390,392	-
	<u>\$ 54,911,193</u>	<u>\$ 127,249</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**Note 3 - Other Notes**

**3-A. Risk Management**

**Self-Insurance Pool** - The School District is exposed to various risks of loss related to torts, thefts or damage to, or destruction of assets; errors or omissions; workers' compensation; employee dental claims; and natural disasters. School District 27J has been a member of the Adams County BOCES Self Insurance Pool (the Pool) since its inception in 1979. The BOCES consists of 5 school districts in Adams County including Adams 1 – Mapleton, Adams 12 – Northglenn-Thornton, Adams 14 – Commerce City, Adams 50 – Westminster, and School District 27J. The Pool provides property and liability, workers' compensation, boiler and machinery, errors and omissions, and school board legal liability insurances for its member districts. Annually each district provides funding for the pool based on a pre-established amount that covers the cost of insurance, claims, operation of the Pool. Also, each district receives annual financial information on the equity interest and gains or losses. For the year ended June 30, 2014, the Brighton School District recorded an investment of \$551,195 and a loss of \$2,870. Pool members and percentage shares are as follows:

<u>Adams County School Districts</u>	<u>% Shares in Pool</u>
No. 1	7.81
No. 12	39.86
No. 14	19.93
No. 27J	14.75
No. 50	17.65

Following is an unaudited summary of financial information for the Pool as of and for the year ended June 30, 2014:

	<u>Total</u>	<u>District's Share</u>
Assets	\$ 9,069,244	\$ 1,337,432
Liabilities	<u>4,111,643</u>	<u>786,236</u>
Equity	<u>\$ 4,957,601</u>	<u>\$ 551,196</u>
Revenues	\$ 4,599,917	\$ 678,345
Expenditures	<u>4,619,380</u>	<u>681,215</u>
Net Income	(19,463)	(2,870)
Surplus, Beginning	<u>4,977,064</u>	<u>554,066</u>
Surplus, Ending	<u>\$ 4,957,601</u>	<u>\$ 551,196</u>

Percentage shares are as of June 30, 2014. Percentages will vary slightly from year-to-year depending upon premium allocation factors. The Pool's Board of Directors consists of one member appointed by the Board of Education of each participating school district. All members of the Pool's Board of Directors have an equal vote in the administration of the Pool's activities, are responsible for selection of management and have complete responsibility for all fiscal matters in the operation of the Pool. Separate financial statements for the Pool are available from the Adams County BOCES, 1400 W. 122<sup>nd</sup> Avenue, Suite 110, Westminster, Colorado 80234.

The School District pays annual premiums for property, liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. The Pool, which is subjected to actuarial review and annual audit, has various levels of self-insured retentions and purchases excess insurance for amounts above the retentions for liability, property and workers' compensation coverage.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

The following schedule shows the coverage for fiscal year 2014:

	<u>School District</u> <u>Deductible</u>	<u>Pool's Self-Insured</u> <u>Retention</u> (Per Occurrence)	<u>Excess</u> <u>Insurance</u> (Per Occurrence)
Liability	\$ -----	\$150,000	\$ 5,000,000 (auto) 10,000,000 (general)
Property	1,000	100,000	100,000,000
Workers' Compensation	-----	550,000	Statutory
Errors and Omissions	10,000	150,000	10,000,000
Boiler & Machinery	5,000	N/A	50,000,000
Crime	25,000	N/A	1,000,000

The School District is protected under the statutes of the Colorado Governmental Immunity Act to a maximum of \$150,000 per individual and \$600,000 per occurrence for liability exposure.

The School District continues to carry commercial insurance coverage for errors and omissions risks of loss and employee health. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Dental Self-Insurance Plan** - The School District maintains a dental self-insurance plan (the "Plan") for employees who elect to purchase dental insurance through the plan. The Plan is entirely funded from employee contributions. Monthly premiums are \$40.86 per month for the employee. Dependent coverage is also available. The Plan is designed to minimize the risk to the School District by designing the plan to be dependent upon employee-paid premiums for all plan expenditures. The Plan limits participant claims to \$1,500 per year and a lifetime \$2,000 per person orthodontic claim. The School District consults with Lockton Companies to annually evaluate the plan. Claims are paid by the third party administrator acting on behalf of the School District. Claims due and payable within one year equal \$13,727 and are reported in the Proprietary Funds Statement of Net Position under current liabilities in the Governmental Activities Internal Service Fund.

<u>Date</u>	<u>Beginning of</u> <u>Fiscal Year</u> <u>Liability</u>	<u>Current Year</u> <u>Claims and Changes</u> <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>End of</u> <u>Fiscal Year</u> <u>Liability</u>
2012	\$ 8,710	\$ 645,926	\$ 633,095	\$ 21,541
2013	21,541	644,517	634,358	31,700
2014	31,700	715,914	729,993	17,621

### **3-B. Tax, Spending and Debt Limitations**

In November of 1992, Colorado voters approved a State Constitutional amendment, referred to as the Taxpayer's Bill of Rights (TABOR), containing tax, spending and debt limitations on the state and local governments. TABOR limits increases in revenues and expenditures to the rate of inflation and local growth. TABOR also requires local governments to establish emergency reserves to be used only for declared emergencies. On November 3, 1998, School District 27J voters approved a ballot question "for Authorization of Collection, Retention and Expenditures of Revenue in Excess of the limitations set by Section 20 of Article X of the State Constitution". This ballot issue authorized the School District to retain and expend all excess revenue in fiscal year 1997/98 and in each fiscal year thereafter. This ballot question was approved by a vote of 4,357 in favor of the question and 2,512 opposing the question. As required by the Amendment, the School District has established a reserve for emergencies of \$2,931,124 at June 30, 2014. This reserve is recorded as a restricted fund balance in the General Fund.

Belle Creek Charter School reported an emergency reserve of \$135,000 at June 30, 2014 as a restricted fund balance in the General Fund. Eagle Ridge Academy reported a reserve of \$87,182 at June 30, 2014 as a restricted fund balance in the General Fund. Bromley East Charter School reported an emergency reserve of \$197,000 at June 30, 2014 as a restricted fund balance in the General Fund. Landmark Academy Charter School reported an emergency reserve of \$156,843 at June 30, 2014 as a restricted fund balance in the General Fund. Foundations Academy Charter School reported an emergency reserve of \$172,882 at June 30, 2014 as a restricted fund balance in the General Fund.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

**3-C. Designated For Cash-In-Lieu of Land Dedication**

Pursuant to CRS 29-1-801, the School District has received land dedications or cash-in-lieu of land dedications from residential land developers to ensure that the cost of school site acquisition is borne by new residential construction and residential development. The School District entered into agreements with various cities and developers called the “Fair Contributions for Public School Sites” that restricts the use of the funds.

The following cash-in-lieu activities have been recognized in the School District’s General Fund Balance – restricted for cash-in-lieu of land in the Governmental Funds Balance Sheet:

Beginning balance as of July 1, 2013	\$ 132,904
Cash received through June 30, 2014	82,359
Cash utilized through June 30, 2014	<u>(48,406)</u>
	<u>\$ 166,857</u>

**3-D. Contingent Liabilities**

**Grants** – The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government. As of June 30, 2014, significant amounts of grant expenditures have not been audited but the School District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School District.

**Lease Agreements** – For 2014 an operating lease agreement was extended through 2014 with Williams Scotsman for the use of the three modular units. Under terms of the agreement, the School District makes monthly rental payments. Rent expense through June 30, 2014 was \$29,278.

**Litigation** – The School District is not involved in any significant or potential litigation for the year ended June 30, 2014.

**Stewardship, Compliance and Accountability**

**Restatement** – For the year ended June 30, 2014, the District adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement requires that debt issuance costs be expensed in the current period rather than capitalized and amortized over the life of the related debt issue. Under the provisions of this statement, unamortized debt issuance costs do not meet the definition of an asset since they are not applicable to a future period and as such, are considered an outflow of resources. As a result, the District adjusted the July 1, 2013 beginning net position in the amount of \$1,129,756 for the primary government and \$577,110 for the charter school component units.

	Primary Government Governmental Activities	Component Unit Charter Schools
Net Position - Beginning	85,256,259	956,424
Unamortized Debt Issuance Costs	(1,126,765)	(577,110)
Transferred to Business Activities	(107,341)	-
Net Position - Beginning Restated	<u>\$ 84,022,153</u>	<u>379,314</u>



**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2014**

The School District's Other Special Program beginning fund balance decreased by \$71,245, the Child Care /Extended Day Kindergarten beginning fund balance increased by \$107,341, the Print Shop beginning fund balance equaled a deficit of \$38,097. This change was made to move activities to fund type's better description the activities preformed.

	Other Special Programs Fund	Child Care / Extended Day Kindergarten	Print Shop Fund
Fund Balance Beginning of the Year	\$ 945,787	\$ -	\$ -
Change	(69,244)	107,341	(38,097)
Restated Fund Balance Beginning of year	<u>\$ 876,542</u>	<u>\$ 107,341</u>	<u>\$ (38,097)</u>

**Construction** – The School District had no construction contracts during fiscal year 2014 and expended approximately \$0 in fiscal 2014. The remaining \$264,051 will be held for arbitrage rebate.

**3-E. New Pronouncements**

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

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **Required Supplementary Information**

School District 27J, Colorado  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 24,809,294	\$ 24,921,888	\$ 25,641,398	\$ 719,510
Intergovernmental revenue:				
Vocational education	425,000	500,000	621,111	121,111
Special education	2,535,534	2,559,793	2,599,278	39,485
Equalization	78,718,957	77,628,730	78,593,963	965,233
Investment earnings	46,705	17,448	22,134	4,686
Miscellaneous	1,522,939	1,380,373	1,169,212	(211,161)
<b>Total Revenues</b>	<u>108,058,429</u>	<u>107,008,232</u>	<u>108,647,096</u>	<u>1,638,864</u>
<b>Expenditures</b>				
<b>Current:</b>				
Instructional services	52,703,752	54,854,931	51,881,251	2,973,680
Supporting services				
Pupil services	4,296,916	4,491,437	4,345,172	146,265
Instructional staff	2,636,096	2,747,539	2,607,793	139,746
General administration	1,290,914	1,344,761	1,131,969	212,792
School administration	6,221,178	6,919,290	6,932,945	(13,655)
Operations and maintenance	9,474,306	9,600,547	9,115,166	485,381
Pupil transportation	-	-	257,931	(257,931)
Business supporting services	2,470,492	(1,018,924)	1,082,988	(2,101,912)
Central supporting services	5,804,725	5,085,046	5,060,916	24,130
Community services	220,000	260,225	229,123	31,102
Contingency Reserves	879,622	1,059,895	-	1,059,895
<b>Capital Outlay</b>	1,970,939	1,387,071	1,526,497	(139,426)
<b>Debt Service:</b>				
Principal Retirement	883,291	889,803	972,392	(82,589)
Interest	156,581	137,788	140,638	(2,850)
Fiscal charges	2,369	2,369	1,650	719
<b>Intergovernmental</b>				
Charter schools	22,148,645	21,593,043	21,654,836	(61,793)
<b>Total Expenditures</b>	<u>111,159,826</u>	<u>109,354,821</u>	<u>106,941,267</u>	<u>2,413,554</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,101,397)</u>	<u>(2,346,589)</u>	<u>1,705,829</u>	<u>4,052,418</u>
<b>Other Financing Sources (Uses)</b>				
Capital Leases	-	-	471,680	471,680
Transfers out	(3,447,936)	(3,754,029)	(4,004,177)	(250,148)
<b>Net Change in Fund Balances</b>	<u>\$ (6,549,333)</u>	<u>\$ (6,100,618)</u>	<u>(1,826,668)</u>	<u>\$ 4,273,950</u>
<b>Fund Balances Beginning of Year</b>			<u>18,968,894</u>	
<b>Fund Balances End of Year</b>			<u>\$ 17,142,226</u>	

The notes to the required supplementary information are an integral part of this schedule

**School District 27J, Colorado**  
**Government Designated Purpose Grants Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental:				
Federal grants	\$ 4,427,478	\$ 4,620,486	\$ 4,417,143	\$ (203,343)
State grants	1,017,861	1,165,288	1,274,289	109,001
Local Grants	1,672,632	250,000	123,881	(126,119)
Miscellaneous	70,000	86,776	71,714	(15,062)
<b>Total Revenues</b>	<u>7,187,971</u>	<u>6,122,550</u>	<u>5,887,027</u>	<u>(235,523)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Instructional services	4,465,772	3,490,953	3,504,449	(13,496)
Supporting services				
Pupil services	1,209,584	1,203,258	1,182,833	20,425
Instructional staff	695,181	708,749	514,107	194,642
School administration	76,521	38,332	108,810	(70,478)
Pupil transportation	37,574	50,954	55,519	(4,565)
Business supporting services	262,454	184,404	172,502	11,902
Central supporting services	73,345	110,067	116,991	(6,924)
Community services	108,760	99,884	69,976	29,908
Contingency reserves	82,157	702,982	-	702,982
<b>Capital Outlay</b>	<u>292,770</u>	<u>172,516</u>	<u>178,125</u>	<u>(5,609)</u>
<b>Total Expenditures</b>	<u>7,304,118</u>	<u>6,762,099</u>	<u>5,903,312</u>	<u>858,787</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(116,147)</u>	<u>(639,549)</u>	<u>(16,285)</u>	<u>623,264</u>
<b>Net Change in Fund Balances</b>	<u>\$ (116,147)</u>	<u>\$ (639,549)</u>	<u>\$ (16,285)</u>	<u>\$ 623,264</u>
<b>Fund Balances Beginning of Year</b>			<u>639,549</u>	
<b>Fund Balances End of Year</b>			<u>\$ 623,264</u>	

The notes to the required supplementary information are an integral part of this schedule

**School District 27J, Colorado**  
***Notes to the Required Supplementary Information***  
***For The Year Ended June 30, 2014***

***Stewardship, Compliance and Accountability***

***Budgetary Information*** – Budgets are required by state law for all funds. By June 1, the Superintendent submits to the Board of Education a proposed budget for all funds for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Education to obtain taxpayer comments. The budget must be adopted by formal resolution prior to June 30, although it may be subsequently revised by January 31.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments, within any fund and the reallocation of budget line items within any department or within any fund rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education. Appropriations are based on total resources expected to be available in each budget year, including reserves as established by the Board of Education. Variances between budget and actual are the result from the non-expenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects and normal operating variances.

Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent of Schools and/or the Board of Education throughout the year.

**Supplementary Information**  
**Combining and Individual Fund**  
**Financial Statements and Schedules**

The Combining and Individual Fund 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. For those fund types with a single fund, individual fund financial statements are presented.

## **Non-Major Governmental Funds**

### **Special Revenue Funds:**

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Growth Impact Fund - This fund accounts for the revenues received from the City and County of Denver, Colorado as the result of an annexation by Denver of land previously within the School District boundaries.

Pupil Activity Fund – This fund accounts for financial transactions of all school activity funds in the District. Revenues are those raised by clubs and/or school building support groups. Expenditures are for school activity functions.

Pupil Transportation Fund – This fund accounts for fees collected for the payment of excess transportation costs without voter approval. Transportation categorical program revenues received from the state are also recorded in this fund.

Other Special Programs Fund - This fund accounts for all revenues and costs of providing day care to people who live within the District. This fund also accounts for the Detention Center school. The Brighton School District provides this program for the Adams County Detention Center. All other school districts that make up the catchment area for the center are billed an amount in proportion to their number of students. Also included are the district print shop, and the summer school programs.

## **Major Governmental Funds**

Capital Projects Fund - This fund accounts for bond proceeds and other revenues used for the construction and acquisition of major capital facilities.

Governmental Designated-Purpose Grants Fund – This fund accounts for grants received for designated programs funded by federal, state or local governments.

Debt Service Fund - This fund accounts for the accumulated resources (normally property taxes) used to retire principal and interest on general long-term debt.



School District 27J, Colorado  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014

	Growth Impact	Pupil Activity	Pupil Transportation	Other Special Programs	Non-Major Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 40,207	\$ 1,200,792	\$ -	\$ -	\$ 1,240,999
Receivables:					
Accounts	-	-	5,355	5,822	11,177
Interfund receivable	-	-	643,570	624,963	1,268,533
Prepaid Items	-	26,361	-	-	26,361
<b>Total Assets</b>	<u>40,207</u>	<u>1,227,153</u>	<u>648,925</u>	<u>630,785</u>	<u>2,547,070</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	83	42,151	4,215	358	46,807
Accrued salary and benefits	-	16,183	273,171	118,197	407,551
Interfund payable	<u>345</u>	<u>141,317</u>	<u>-</u>	<u>-</u>	<u>141,662</u>
<b>Total Liabilities</b>	<u>428</u>	<u>199,651</u>	<u>277,386</u>	<u>118,555</u>	<u>596,020</u>
<b>Fund Balances</b>					
Committed, reported in:					
Nonmajor Governmental Funds (See Note 1-E-10)	<u>39,779</u>	<u>1,027,503</u>	<u>371,539</u>	<u>512,230</u>	<u>1,951,050</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 40,207</u>	<u>\$ 1,227,153</u>	<u>\$ 648,925</u>	<u>\$ 630,785</u>	<u>\$ 2,547,070</u>

**School District 27J, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2014**

	<b>Growth Impact</b>	<b>Pupil Activity</b>	<b>Pupil Transportation</b>	<b>Other Special Programs</b>	<b>Nonmajor Governmental Funds</b>
<b>Revenues</b>					
Transportation services	\$ -	\$ -	\$ 1,225,752	\$ -	\$ 1,225,752
Pupil activities	-	3,041,279	-	-	3,041,279
Charges for services	-	1,692	379,259	1,248,829	1,629,780
Miscellaneous	38,418	-	-	-	38,418
<b>Total Revenues</b>	<b>38,418</b>	<b>3,042,971</b>	<b>1,605,011</b>	<b>1,248,829</b>	<b>5,935,229</b>
<b>Expenditures</b>					
<b>Current:</b>					
Business Supporting Services	179,796	-	-	-	179,796
Transportation services	-	-	4,659,333	-	4,659,333
Community Services	-	-	-	1,620,596	1,620,596
Pupil activities	-	3,604,522	-	-	3,604,522
<b>Capital Outlay</b>	<b>-</b>	<b>14,933</b>	<b>-</b>	<b>81,546</b>	<b>96,479</b>
<b>Total Expenditures</b>	<b>179,796</b>	<b>3,619,455</b>	<b>4,659,333</b>	<b>1,702,142</b>	<b>10,160,726</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(141,378)</b>	<b>(576,484)</b>	<b>(3,054,322)</b>	<b>(453,313)</b>	<b>(4,225,497)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in (out)	-	413,660	3,425,861	89,000	3,928,521
<b>Net Change in Fund Balances</b>	<b>(141,378)</b>	<b>(162,824)</b>	<b>371,539</b>	<b>(364,313)</b>	<b>(296,976)</b>
Fund Balances Beginning of Year	181,157	1,190,327	-	945,787	2,317,270
Prior period Adjustment	-	-	-	(69,244)	(69,244)
<b>Restated Fund Balance (Restated, see note 3-D)</b>	<b>181,157</b>	<b>1,190,327</b>	<b>-</b>	<b>876,543</b>	<b>2,248,026</b>
<b>Fund Balances End of Year</b>	<b>39,779</b>	<b>1,027,503</b>	<b>371,539</b>	<b>512,230</b>	<b>1,951,050</b>

**School District 27J, Colorado**  
**Growth Impact Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental:				
Investment earnings	\$ 714	\$ 585	\$ 168	\$ (417)
Miscellaneous	38,300	28,250	38,250	10,000
<b>Total Revenues</b>	<u>39,014</u>	<u>28,835</u>	<u>38,418</u>	<u>9,583</u>
<b>Expenditures</b>				
<b>Current:</b>				
Supporting services	182,814	185,036	179,796	5,240
<b>Contingency</b>	<u>24,742</u>	<u>24,955</u>	<u>-</u>	<u>24,955</u>
<b>Total Expenditures</b>	<u>207,556</u>	<u>209,991</u>	<u>179,796</u>	<u>30,195</u>
<b>Net Change in Fund Balances</b>	<u>\$ (168,542)</u>	<u>\$ (181,156)</u>	<u>\$ (141,378)</u>	<u>\$ 39,778</u>
<b>Fund Balances Beginning of Year</b>			<u>181,157</u>	
<b>Fund Balances End of Year</b>			<u>\$ 39,779</u>	

The notes to the required supplementary information are an integral part of this schedule

**School District 27J, Colorado**  
**Pupil Activity Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Pupil activities	\$ 2,600,000	\$ 3,430,000	\$ 3,042,971	\$ (387,029)
<b>Expenditures</b>				
<b>Current:</b>				
Pupil activities	3,935,128	5,018,582	3,604,522	1,414,060
<b>Capital Outlay</b>	-	-	14,933	(14,933)
<b>Total Expenditures</b>	3,935,128	5,018,582	3,619,455	1,399,127
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,335,128)	(1,588,582)	(576,484)	1,012,098
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	390,000	398,255	413,660	15,405
<b>Net Change in Fund Balances</b>	<u>\$ (945,128)</u>	<u>\$ (1,190,327)</u>	\$ (162,824)	<u>\$ 1,027,503</u>
<b>Fund Balances Beginning of Year</b>			<u>1,190,327</u>	
<b>Fund Balances End of Year</b>			<u>\$ 1,027,503</u>	

The notes to the required supplementary information are an integral part of this schedule

**School District 27J, Colorado**  
**Transportation Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Pupil Transportation	\$ 1,344,613	\$ 1,372,480	\$ 1,605,011	\$ 232,531
<b>Expenditures</b>				
<b>Current:</b>				
Pupil Transportation	4,313,549	4,798,341	4,659,333	139,008
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,968,936)</u>	<u>(3,425,861)</u>	<u>(3,054,322)</u>	<u>371,539</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	<u>2,968,936</u>	<u>3,425,861</u>	<u>3,425,861</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,539</u>	<u>\$ 371,539</u>
<b>Fund Balances Beginning of Year</b>			<u>-</u>	
<b>Fund Balances End of Year</b>			<u>\$ 371,539</u>	

The notes to the required supplementary information are an integral part of this schedule

**School District 27J, Colorado**  
**Other Special Programs Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 2,080,506	\$ 1,394,671	\$ 1,248,829	\$ (145,842)
<b>Expenditures</b>				
<b>Current:</b>				
Instructional services	1,173,749	1,195,523	1,135,902	59,621
Supporting services				
Pupil services	11,000	140,041	124,487	15,554
School administration	-	(177)	(177)	-
Central supporting services	279,887	556,791	360,385	196,406
Enterprise services	597,430	-	-	-
Contingency reserves	337,313	398,038	-	398,038
<b>Capital Outlay</b>	-	70,760	81,546	(10,786)
<b>Total Expenditures</b>	<u>2,399,379</u>	<u>2,360,976</u>	<u>1,702,142</u>	<u>658,833</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(318,873)</u>	<u>(966,305)</u>	<u>(453,313)</u>	<u>512,992</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	<u>89,000</u>	<u>89,000</u>	<u>89,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (229,873)</u>	<u>\$ (877,305)</u>	<u>\$ (364,313)</u>	<u>\$ 512,992</u>
 Fund Balances Beginning of Year			945,787	
Prior period Adjustment			<u>(69,244)</u>	
<b>Restated Fund Balance (Restated, see note 3-D)</b>			<u>876,543</u>	
 <b>Fund Balances End of Year</b>			<u>\$ 512,230</u>	

The notes to the required supplementary information are an integral part of this schedule

**School District 27J, Colorado**  
**Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ -	\$ 500	\$ 51	\$ (449)
<b>Expenditures</b>				
Capital Outlay	264,000	264,500	-	264,500
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(264,000)	(264,000)	51	264,051
<b>Net Change in Fund Balances</b>	<u>\$ (264,000)</u>	<u>\$ (264,000)</u>	\$ 51	<u>\$ 264,051</u>
<b>Fund Balances Beginning of Year</b>			<u>264,000</u>	
<b>Fund Balances End of Year</b>			<u>\$ 264,051</u>	

The notes to the required supplementary information are an integral part of this schedule

School District 27J, Colorado  
*Debt Service Fund*  
*Budgetary Comparison Schedule*  
*For the Year Ended June 30, 2014*

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Investment earnings	\$ 1,000	\$ 1,000	\$ 764	\$ (236)
Miscellaneous	14,541,871	14,541,871	15,188,829	646,958
<b>Total Revenues</b>	<u>14,542,871</u>	<u>14,542,871</u>	<u>15,189,593</u>	<u>646,722</u>
<b>Expenditures</b>				
<b>Current:</b>				
Supporting services				
Central supporting services	14,283,780	14,283,780	13,835,554	448,226
Contingency reserves	12,447,371	12,480,597	-	12,480,597
<b>Total Expenditures</b>	<u>26,731,151</u>	<u>26,764,377</u>	<u>13,835,554</u>	<u>12,928,823</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(12,188,280)</u>	<u>(12,221,506)</u>	<u>1,354,039</u>	<u>13,575,545</u>
<b>Net Change in Fund Balances</b>	<u>\$ (12,188,280)</u>	<u>\$ (12,221,506)</u>	<u>\$ 1,354,039</u>	<u>\$ 13,575,545</u>
<b>Fund Balances Beginning of Year</b>			<u>12,221,506</u>	
<b>Fund Balances End of Year</b>			<u>\$ 13,575,545</u>	

The notes to the required supplementary information are an integral part of this schedule



## **Proprietary Funds**

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The School District's proprietary funds are classified as enterprise funds and internal service funds.

Non - Major Enterprise Fund - The food service fund and child care / extended day kindergarten accounts for all financial activity associated with the School District's Enterprise Funds.

Internal Service Fund - The internal service funds accounts for the District's self-insured dental plan and print shop.

Fiduciary Fund - The School District's fiduciary funds provides scholarships to students and is classified as a private purpose trust fund and an agency fund providing student activities agency.

**School District 27J, Colorado**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2014**

	<b>Food Service</b>	<b>Child Care Extended Day Kindergarten</b>	<b>Enterprise Funds</b>
<b>Assets</b>			
Cash and equivalents	\$ 987,179	\$ -	\$ 987,179
Receivables:			
Accounts	3,359	8,133	11,492
Intergovernmental	285,992	-	285,992
Interfund receivable	89,964	273,304	363,268
Inventory	124,771	-	124,771
Prepaid Items	-	1,260	1,260
<b>Total Current Assets</b>	<b>1,491,265</b>	<b>282,697</b>	<b>1,773,962</b>
<b>Noncurrent Assets</b>			
Capital Assets:			
Depreciable capital assets, net	127,249	-	127,249
<b>Total Assets</b>	<b>\$ 1,618,514</b>	<b>\$ 282,697</b>	<b>\$ 1,901,211</b>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
Accounts payable	\$ 5,493	\$ 303	\$ 5,796
Accrued salary and benefits	76,429	20,106	96,535
Compensated absences	62,731	12,100	74,831
<b>Total Current Liabilities</b>	<b>144,653</b>	<b>32,509</b>	<b>177,162</b>
<b>Noncurrent Liabilities</b>			
Compensated absences payable (net of current portion)	41,820	8,067	49,887
<b>Total Liabilities</b>	<b>186,473</b>	<b>40,576</b>	<b>227,049</b>
<b>Net Position</b>	<b>1,432,041</b>	<b>242,121</b>	<b>1,674,162</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,618,514</b>	<b>\$ 282,697</b>	<b>\$ 1,901,211</b>

School District 27J, Colorado  
*Statement of Revenues,  
Combining Statement of Revenues, Expenses and Changes in Net position  
Proprietary Funds  
For the Year Ended June 30, 2014*

	<b>Food Service</b>	<b>Child Care Extended Day Kindergarten</b>
<b>Operating Revenues</b>		
Student lunches	\$ 1,655,298	\$ -
Daycare	-	957,757
<b>Total Operating Revenues</b>	<u>1,655,298</u>	<u>957,757</u>
<b>Operating Expenses</b>		
Salaries and benefits	2,042,370	719,228
Purchased services	107,649	34,318
Materials and supplies	2,510,059	39,919
Indirect costs	(79,827)	25,098
Depreciation	26,491	-
<b>Total Operating Expenses</b>	<u>4,606,742</u>	<u>818,563</u>
<b>Income (Loss) from Operations</b>	<u>(2,951,444)</u>	<u>139,194</u>
<b>Non-Operating Revenues (Expenses)</b>		
School breakfast and lunch program	2,789,425	-
USDA commodity food program	313,663	-
Summer food service program	68,426	-
Fresh fruits and vegetables program	15,871	-
State match	75,772	-
Interest on investment	787	-
Small equipment expense	(17,880)	(4,414)
<b>Total Non-operating revenues (expenses)</b>	<u>3,246,064</u>	<u>(4,414)</u>
<b>Income (Loss) before Other Financing Sources (Uses)</b>	294,620	134,780
Net Position Beginning of Year	1,137,421	-
Prior Period Adjustment	-	107,341
<b>Net Position Beginning of Year Restated</b>	<u>1,137,421</u>	<u>107,341</u>
<b>See note 3-D</b>		
<b>Net Position End of Year</b>	<u><u>\$ 1,432,041</u></u>	<u><u>\$ 242,121</u></u>

See accompanying notes to the basic financial statements

School District 27J, Colorado  
Food Service Fund  
Statement of Cash Flows  
For the Year Ended June 30, 2014

	<u>Food Service</u>	<u>Child Care Extended Day Kindergarten</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,654,048	\$ 948,364
Cash payments for personnel services	(2,029,406)	(678,955)
Cash payments for goods and services	(2,285,811)	(99,637)
	<u>(2,661,169)</u>	<u>169,772</u>
<b>Net Cash (Used in) Operating Activities</b>		
<b>Cash Flows from Noncapital Financing Activities</b>		
Grants received	2,945,635	-
Cash borrowed from (paid to) other funds	(5,518)	-
	<u>2,940,117</u>	<u>-</u>
<b>Net Cash Flows From Noncapital Financing Activities</b>		
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	278,948	-
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>708,231</u>	<u>-</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 987,179</u></u>	<u><u>\$ -</u></u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities</b>		
<b>Operating (Loss)</b>	\$ (2,951,444)	\$ 139,195
<b>Adjustments:</b>		
Depreciation	26,491	-
Donated food	313,663	-
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	(464)	(8,133)
Interfund Receivable	(89,963)	-
Prepaid	-	(1,260)
Grant Receivable	(3,860)	-
Inventory	74,215	-
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable	(10,522)	(303)
Interfund Payable	(32,248)	-
Accrued salary and benefits	1,533	20,107
Compensated absences payable	11,430	20,166
	<u>(2,661,169)</u>	<u>169,772</u>
<b>Net Cash (Used in) Operating Activities</b>		
<b>Non-cash Non-capital Financing Activities</b>		
Donated commodities	<u><u>\$ 313,663</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Food Service Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Student Lunches	\$ 1,700,003	\$ 1,700,003	\$ 1,655,298	\$ (44,705)
State Match	76,012	76,012	75,772	(240)
Federal Sources:				
School Lunches	2,007,182	2,007,182	2,211,596	204,414
Breakfast Program	548,083	548,083	577,829	29,746
Fruit and Vegetable Program	-	-	15,871	15,871
Summer Program	55,620	55,620	68,426	12,806
Commodity Donations	357,000	357,000	313,663	(43,337)
Investment Income	-	-	787	787
<b>Total Revenues</b>	<b>4,743,900</b>	<b>4,743,900</b>	<b>4,919,242</b>	<b>175,342</b>
<b>Expenses</b>				
Salaries	1,557,272	1,637,787	1,611,077	26,710
Benefits	425,592	425,592	431,293	(5,701)
Purchased Services	66,748	66,748	104,607	(37,859)
Food and Milk	2,357,137	2,276,622	1,983,594	293,028
General and Office Supplies	225,476	225,476	529,507	(304,031)
Equipment and Property	24,000	24,000	17,880	6,120
Depreciation	27,675	27,675	26,491	1,184
Overhead Cost	60,000	60,000	(79,827)	139,827
Contingency	1,203,541	1,137,421	-	1,137,421
<b>Total Expenses</b>	<b>5,947,441</b>	<b>5,881,321</b>	<b>4,624,622</b>	<b>1,256,698</b>
<b>Net Change in Income</b>	<b>\$ (1,203,541)</b>	<b>\$ (1,137,421)</b>	<b>294,620</b>	<b>\$ 1,432,040</b>
<b>Net Position Beginning of Year</b>			<b>1,137,421</b>	
<b>Net Position End of Year</b>			<b>\$ 1,432,041</b>	

**School District 27J, Colorado**  
**Child Care/Extended Day Kindergarten**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ -	\$ 818,000	\$ 957,757	139,757
<b>Expenditures</b>				
<b>Current:</b>				
Instructional services	-	-	19,365	(19,365)
Supporting services				
Enterprise services	-	791,159	799,198	(8,039)
Contingency reserves	-	134,182	-	134,182
<b>Capital Outlay</b>	-	-	4,414	(4,414)
<b>Total Expenditures</b>	-	925,341	822,977	102,364
<b>Net Change in Fund Balances</b>	\$ -	\$ (107,341)	\$ 134,780	\$ 242,121
<b>Net Position Beginning of Year (Restated, see note 3-D)</b>			107,341	
<b>Net Position End of Year</b>			\$ 242,121	

**School District 27J, Colorado**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2014**

	<b>Print Shop</b>	<b>Risk Management</b>	<b>Internal Services Funds</b>
<b>Assets</b>			
Cash and investments	\$ -	\$ 17,621	\$ 17,621
Receivables:			
Accounts	1,745	-	1,745
Interfund receivable	-	475,591	475,591
<b>Total Current Assets</b>	<u>1,745</u>	<u>493,212</u>	<u>494,957</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	1,099	17,621	18,720
Accrued salary and benefits	468	-	468
Interfund payable	178	-	178
<b>Total Current Liabilities</b>	<u>1,745</u>	<u>17,621</u>	<u>19,366</u>
<b>Net Position</b>	<u>-</u>	<u>475,591</u>	<u>475,591</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ -</u></u>	<u><u>\$ 951,182</u></u>	<u><u>\$ 494,957</u></u>

**School District 27J, Colorado**  
***Combining Statement of Revenues, Expenditures and Changes in Net Position***  
***Internal Service Funds***  
***For the Year Ended June 30, 2014***

	<b>Print Shop</b>	<b>Risk Management</b>
<b>Operating Revenues</b>		
Dental insurance premiums	\$ -	\$ 741,905
Print Shop	153,609	-
<b>Total Operating Revenues</b>	153,609	741,905
<b>Operating Expenses</b>		
Salaries and benefits	107,878	-
Purchased services	29,548	-
Materials and supplies	47,825	-
Indirect Costs	5,917	-
Risk management dental	-	715,914
<b>Total Operating Expenses</b>	191,168	715,914
<b>Income (Loss) from Operations</b>	(37,559)	25,991
<b>Transfers in (out)</b>	75,656	-
<b>Change in Net Position</b>	38,097	25,991
Net Position Beginning of Year	-	449,600
Prior Period Adjustment	(38,097)	-
<b>Net Position Beginning of Year Restated</b>	(38,097)	449,600
<b>Net Position End of Year</b>	\$ -	\$ 475,591

See accompanying notes to the basic financial statements



School District 27J, Colorado  
*Statement of Cash Flows*  
*Internal Service Funds*  
For the Year Ended June 30, 2014

	<u>Print Shop</u>	<u>Risk Management</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows From (Used for) Operating Activities</b>		
Cash received from customers	\$ 152,042	\$ 741,904
Cash payments for personnel services	(107,409)	-
Cash payments for goods and services	(82,192)	-
Cash payments for insurance premiums and expenses	-	(729,992)
	<u>                    </u>	<u>                    </u>
<b>Net Cash From (Used for) Operating Activities</b>	<u>(37,559)</u>	<u>11,912</u>
<b>Cash Flows from (Used for) Noncapital Financing Activities</b>		
Interfund receivable activity	(38,097)	(25,991)
Transfers	75,656	-
	<u>                    </u>	<u>                    </u>
<b>Net Cash From (Used for) Noncapital Financing Activities</b>	<u>37,559</u>	<u>(25,991)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	-	(14,079)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>-</u>	<u>31,700</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ 17,621</u></u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities</b>		
<b>Operating Income (loss)</b>	\$ (37,559)	\$ 25,991
<b>Adjustments:</b>		
<b>(Increase) Decrease in assets:</b>		
Accounts receivable	(1,745)	-
Interfund Receivable	-	(28,157)
<b>Increase (Decrease) in Liabilities:</b>		
Interfund payable	178	-
Accounts payable	1,099	-
Accrued salary and benefits	468	-
Claims payable	-	14,078
	<u>                    </u>	<u>                    </u>
<b>Net Cash From (Used for) Operating Activities</b>	<u><u>\$ (37,559)</u></u>	<u><u>\$ 11,912</u></u>

See accompanying notes to the basic financial statements

School District 27J, Colorado  
*Print Shop Fund*  
*Budgetary Comparison Schedule*  
*For the Year Ended June 30, 2014*

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Charges for services	\$ -	\$ 268,454	\$ 153,609	\$ (114,845)
<b>Expenditures</b>				
<b>Current:</b>				
Supporting services				
Business supporting services	-	227,879	188,616	39,263
Central supporting services	-	2,478	2,552	(74)
<b>Total Expenditures</b>	-	230,357	191,168	39,189
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	38,097	(37,559)	(75,656)
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	-	-	75,656	75,656
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ 38,097</u>	<u>\$ 38,097</u>	<u>\$ -</u>
<b>Fund Balances Beginning of Year (Restated, see note 3-D)</b>			(38,097)	
<b>Fund Balances End of Year</b>			<u>\$ -</u>	

The notes to the required supplementary information are an integral part of this schedule

**School District 27J, Colorado**  
**Risk Management Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for Services				
Dental insurance premiums	\$ 710,000	\$ 710,000	\$ 741,905	\$ 31,905
<b>Expenses</b>				
Dental insurance claims	620,000	599,173	715,914	(116,741)
Contingency	560,427	560,427	-	560,427
<b>Total Expenses</b>	<u>1,180,427</u>	<u>1,159,600</u>	<u>715,914</u>	<u>443,686</u>
<b>Income (Loss), Budgetary Basis</b>	<u>(470,427)</u>	<u>(449,600)</u>	<u>25,991</u>	<u>475,591</u>
<b>Change in Net Position</b>	<u>\$ (470,427)</u>	<u>\$ (449,600)</u>	<u>25,991</u>	<u>\$ 475,591</u>
<b>Net Position Beginning of Year</b>			<u>449,600</u>	
<b>Net Position End of Year</b>			<u>\$ 475,591</u>	

**School District 27J, Colorado**  
***Schedule of Changes in Net Position - Budget to Actual (Agency)***  
***Fiduciary Funds***  
***For the Year Ended June 30, 2014***

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Additions</b>				
Investment earnings	\$ -	\$ -	\$ 59	\$ 59
Pupil activity earnings	2,500	2,500	-	(2,500)
<b>Total Additions</b>	2,500	2,500	59	(2,441)
<b>Deductions</b>				
Support services	55,708	57,428	6,000	51,428
<b>Change in Net Position</b>	<u>(53,208)</u>	<u>(54,928)</u>	(5,941)	<u>48,987</u>
<b>Net Position Beginning of Year</b>			<u>54,928</u>	
<b>Net Position End of Year</b>			<u><u>48,987</u></u>	

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **Component Units**

The component units consist of a foundation and five charter schools: Capital Facility Fee Foundation, Bromley East Charter School, Belle Creek Charter School, Landmark Academy Charter School, Foundations Academy Charter School and Eagle Ridge Charter School.

The Foundation is a 501(c)(3) organization whose purpose is to promote and assist in the development, financing and acquisition of educational facilities and capital improvements in the School District. The Foundation consists of a nine-member board of directors and includes three representatives of contributing builders or developers, three School District representatives, and one city council representative of each city. Voluntary contributions are accepted by the Foundation and kept in foundation-managed accounts. The Board of Education makes requests for the release of Foundation funds for school construction purposes as needed. The Foundation Board determines if the request meets the requirements for disbursement of the funds.

The charter schools have separate governing boards but are dependent upon the District for the majority of their funding.

**School District 27J, Colorado**  
**Component Units**  
**Schedule of Changes in Net Position**  
**For the Year Ended June 30, 2014**

	<b>Capital Facility Fee Foundation</b>	<b>Bromley East Charter School</b>	<b>Eagle Ridge Academy Charter School</b>	<b>Belle Creek Charter School</b>	<b>Foundation Academy Charter School</b>	<b>Landmark Academy Charter School</b>	<b>Total Component Units</b>
<b>Assets</b>							
Cash and Investments	\$ 492,631	\$ 1,850,048	\$ 228,113	\$ 1,771,782	\$ 172,708	\$ 162,992	\$ 4,678,274
Restricted Cash and Investments	-	1,948,839	571,050	845,179	-	-	3,365,068
Accounts Receivable	6,840	23,534	11,266	22,501	89,088	13,138	166,367
Interest on Investments and Receivables	-	2,780	-	-	-	-	2,780
Prepaid Expenses	-	138,686	4,040	107,096	-	-	249,822
Inventory	-	997	-	-	-	-	997
Deposits	-	1,000	-	-	-	-	1,000
Capital Assets:							
Capital Assets, Not Being Depreciated	-	146,568	50,000	-	-	-	196,568
Leasehold and Building Improvements	-	9,633,451	9,031,412	7,419,195	-	-	26,084,058
Vehicles	-	-	-	123,871	-	-	123,871
Equipment	-	194,194	-	-	46,098	-	240,292
Less Accumulated Depreciation	-	(2,508,528)	(1,205,098)	(1,962,997)	(7,794)	-	(5,684,417)
<b>Total Assets</b>	<b>499,471</b>	<b>11,431,569</b>	<b>8,690,783</b>	<b>8,326,627</b>	<b>300,100</b>	<b>176,130</b>	<b>29,424,680</b>
<b>Deferred Outflows of Resources</b>							
Cost of Refunding	-	1,954,923	-	1,119,092	-	-	3,074,015
<b>Liabilities</b>							
Accounts Payable	-	72,289	11,696	194,602	78,138	9,797	366,522
Accrued Liabilities	-	51,114	2,383	57,664	-	-	111,161
Accrued Salaries and Benefits	-	246,504	32,048	176,160	-	-	454,712
Claims Payable	-	108,549	20,540	-	-	-	129,089
Unearned Revenue	-	25,750	-	6,574	10,776	3,206	46,306
Accrued Interest Payable	-	173,076	97,150	105,123	-	-	375,349
Noncurrent Liabilities:							
Due Within one year	-	385,000	224,802	210,000	-	-	819,802
Due in more than one year	-	11,834,015	9,808,022	7,721,627	-	-	29,363,664
<b>Total Liabilities</b>	<b>-</b>	<b>12,896,297</b>	<b>10,196,641</b>	<b>8,471,750</b>	<b>88,914</b>	<b>13,003</b>	<b>31,666,605</b>
<b>Net Position</b>							
Net Investment in Capital Assets	-	(898,048)	(1,838,686)	(1,128,245)	38,304	-	(3,826,675)
Restricted for:							
Capital Projects	499,471	-	-	-	-	-	499,471
Other program purposes	-	-	-	92,000	-	-	92,000
Building Maintenance	-	-	-	82,032	-	-	82,032
Emergencies	-	197,000	87,182	135,000	172,882	156,843	748,907
Debt Service	-	-	669,035	658,024	-	-	1,327,059
Unrestricted	-	1,191,243	(423,389)	1,135,158	-	6,284	1,909,296
<b>Total Net Position</b>	<b>\$ 499,471</b>	<b>\$ 490,195</b>	<b>\$ (1,505,858)</b>	<b>\$ 973,969</b>	<b>\$ 211,186</b>	<b>\$ 163,127</b>	<b>\$ 832,090</b>

School District 27J, Colorado  
Component Units  
Combining Statement of Activities  
For the Year Ended June 30, 2014

	Capital Facility Fee Foundation	Bromley East Charter School	Eagle Ridge Academy Charter School	Belle Creek Charter School	Foundation Academy Charter School	Landmark Academy Charter School	Total Component Units
<b>Revenues</b>							
Intergovernmental Revenue:							
Per Pupil Operating Revenue	\$ -	\$ 5,699,269	\$ 2,616,108	\$ 4,204,496	\$ 3,962,318	\$ 4,032,917	\$ 20,515,108
Mill Levy Override	-	40,670	-	22,589	34,775	34,875	132,909
Capital Construction	-	-	-	62,228	-	-	62,228
Investment Earnings	227	68,386	373	3,054	-	-	72,040
Charges for Services	328,442	328,099	191,615	14,061	109,688	102,674	1,074,579
Operating Grants and Contributions	51,571	363,968	38,720	187,947	783,518	773,840	2,199,564
Capital Grants and Contributions	-	84,406	63,616	9,560	-	-	157,582
Other	200,000	36,553	21,712	2,331	191,941	284,260	736,797
<b>Total Revenues</b>	<b>580,240</b>	<b>6,621,351</b>	<b>2,932,144</b>	<b>4,506,266</b>	<b>5,082,240</b>	<b>5,228,566</b>	<b>24,950,807</b>
<b>Expenditures</b>							
Current:							
Instruction	-	3,595,853	1,120,107	2,644,909	2,254,173	2,361,999	11,977,041
Support services	267,057	1,873,251	1,076,385	1,346,672	2,804,981	2,860,399	10,228,745
Interest on Long-term Debt	-	674,990	585,700	-	-	-	1,260,690
Business-type activities	-	382,445	-	632,894	10,513	5,703	1,031,555
<b>Total Expenditures</b>	<b>267,057</b>	<b>6,526,539</b>	<b>2,782,192</b>	<b>4,624,475</b>	<b>5,069,667</b>	<b>5,228,101</b>	<b>24,498,031</b>
<b>Change in Net position</b>	<b>313,183</b>	<b>94,812</b>	<b>149,952</b>	<b>(118,209)</b>	<b>12,573</b>	<b>465</b>	<b>452,776</b>
Fund Balances Beginning of Year	186,288	580,281	(1,460,217)	1,288,797	198,613	162,662	956,424
Prior period Adjustment	-	(184,898)	(195,593)	(196,619)	-	-	(577,110)
<b>Restated Fund Balance</b>	<b>186,288</b>	<b>395,383</b>	<b>(1,655,810)</b>	<b>1,092,178</b>	<b>198,613</b>	<b>162,662</b>	<b>379,314</b>
*See note 3D							
<b>Net Position End of Year</b>	<b>\$ 499,471</b>	<b>\$ 490,195</b>	<b>\$ (1,505,858)</b>	<b>\$ 973,969</b>	<b>\$ 211,186</b>	<b>\$ 163,127</b>	<b>\$ 832,090</b>



**THIS PAGE INTENTIONALLY LEFT BLANK**



# **Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014**

## **Statistical Section**



## School District 27J 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.

	Page
SEC Bond Issue Requirements Undertaking to Provide Ongoing Disclosure	112
 <b><i>Financial Trends</i></b> - These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Net Position by Component	113
Changes in Net Position	114
Fund Balances of Governmental Funds	115
Changes in Fund Balances of Governmental Funds	116
Governmental Funds Revenue by Source	117
Governmental Funds Expenditures by Function	118
 <b><i>Revenue Capacity</i></b> - These schedules contain information to help the reader understand and access the District's ability to generate own-source revenue.	
Assessed Value and Actual Value of Taxable Property in the District	119
Property Tax Levies and Collections	120
History of District's Assessed Valuation	121
Property Tax Rates	122
Principal Property Tax Payers	123
Direct and Overlapping Property Tax Rates	124
 <b><i>Debt Capacity</i></b> - These schedules contain 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.	
School District 27J	
Ratio of Net Bonded Debt to Actual Value and Total Outstanding Debt Per Capita	125
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures	126
Legal Debt Margin Information	127
Estimated Overlapping General Obligation Debt	128
 <b><i>Demographic and Economic Information</i></b> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Principal Employers	129
Percentage of Free and Reduce Meals	130
 <b><i>Operating Information</i></b> - 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.	
Full-time Equivalent School District Employees by Function	131
Teacher/Student Ratio	132
Teacher Salaries and Education	133
School Building Information	134
Enrollment and Funded Pupil Count by Grade	135

SOURCE: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**School District 27J**  
**SEC Bond Issue Requirement**  
**Undertaking to Provide Ongoing Disclosure**

Pursuant to the requirements of Section (b) (5) (i) of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, 240.15c2-12) (the “Rule”), the District has agreed to provide certain financial information and other operating data (the “Undertaking”) to nationally recognized municipal securities information repositories (“NRMSIRs”).

The following tables are the information specified in the covenants to bond holders. The information is on June 30, 2014. This information was prepared by the District and has not been subjected to the audit process.

School District 27J  
Net Position by Component  
Last Ten Fiscal Years  
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in Capital Assets	\$29,744,767	\$23,470,143	\$ 36,352,934	\$ 42,614,612	\$ 44,230,545	\$ 44,758,012	\$ 38,645,785	\$ 48,083,168	\$ 51,929,200	\$ 54,911,193
Restricted	8,851,810	18,233,287	11,732,606	12,963,040	13,785,135	13,937,175	22,249,080	19,407,505	16,203,020	18,017,412
Unrestricted	(1,762,237)	3,594,136	8,813,497	9,663,896	5,208,592	7,906,169	11,641,451	12,106,805	16,435,788	14,138,367
Total governmental activities net position	<u>\$36,834,340</u>	<u>\$45,297,566</u>	<u>\$ 56,899,037</u>	<u>\$ 65,241,548</u>	<u>\$ 63,224,272</u>	<u>\$ 66,601,356</u>	<u>\$ 72,536,316</u>	<u>\$ 79,597,478</u>	<u>\$ 84,568,008</u>	<u>\$ 87,066,972</u>
Business-type activities										
Net investment in Capital Assets	\$ 129,784	\$ 122,001	\$ 136,310	\$ 151,295	\$ 182,357	\$ 169,378	\$ 146,261	\$ 126,867	\$ 153,740	\$ 127,249
Unrestricted	871,431	1,081,773	1,372,200	1,535,476	1,678,957	1,292,318	1,216,899	1,076,674	983,681	1,546,913
Total business-type activities net position	<u>\$ 1,001,215</u>	<u>\$ 1,203,774</u>	<u>\$ 1,508,510</u>	<u>\$ 1,686,771</u>	<u>\$ 1,861,314</u>	<u>\$ 1,461,696</u>	<u>\$ 1,363,160</u>	<u>\$ 1,203,541</u>	<u>\$ 1,137,421</u>	<u>\$ 1,674,162</u>
Primary governmental										
Net investment in Capital Assets	\$29,874,551	\$23,592,144	\$ 36,489,244	\$ 42,765,907	\$ 44,412,902	\$ 44,927,390	\$ 38,792,046	\$ 48,210,035	\$ 52,082,940	\$ 55,038,442
Restricted	8,851,810	18,233,287	11,732,606	12,963,040	13,785,135	13,937,175	22,249,080	19,407,505	16,203,020	18,017,412
Unrestricted	(890,806)	4,675,909	10,185,697	11,199,372	6,887,549	9,198,487	12,858,350	13,183,479	17,419,469	15,685,280
Total primary government net position	<u>\$37,835,555</u>	<u>\$46,501,340</u>	<u>\$ 58,407,547</u>	<u>\$ 66,928,319</u>	<u>\$ 65,085,586</u>	<u>\$ 68,063,052</u>	<u>\$ 73,899,476</u>	<u>\$ 80,801,019</u>	<u>\$ 85,705,429</u>	<u>\$ 88,741,134</u>

School District 27J  
Changes in Net Position  
Last Ten Fiscal Years  
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenditures:</b>										
Instruction	\$ 31,458,646	\$ 35,111,453	\$ 41,840,573	\$ 47,298,727	\$ 57,121,363	\$ 58,505,091	\$ 58,283,462	\$ 52,281,942	\$ 56,534,016	\$ 58,078,995
Supporting services										
Pupil services	2,585,035	3,174,778	3,497,191	3,860,008	4,828,891	5,931,702	5,954,687	5,727,129	5,695,910	6,040,052
Instructional staff	1,660,268	1,777,949	1,952,530	2,883,556	3,398,915	2,974,897	2,289,136	2,398,258	2,702,021	3,188,517
General administration	880,587	913,657	860,409	1,152,151	1,391,743	1,225,790	1,138,125	1,010,678	1,126,195	1,247,085
School administration	3,862,124	4,007,164	4,874,183	5,479,223	6,875,040	7,072,636	6,311,175	6,120,805	6,768,955	7,529,507
Operations and maintenance	4,912,133	5,352,736	6,351,241	7,223,178	8,219,103	8,174,673	8,119,576	8,214,894	8,608,872	9,358,202
Pupil transportation	2,127,064	2,564,635	2,842,333	3,526,803	3,993,596	4,291,929	4,756,441	4,425,409	4,783,685	5,436,870
Business supporting services	961,214	977,376	911,071	1,239,868	1,738,792	1,929,783	1,701,482	1,544,282	1,707,378	1,463,254
Central supporting services	2,828,743	2,443,554	2,981,991	3,748,025	3,499,962	3,931,487	4,085,525	3,937,387	3,985,709	5,389,693
Community services	1,378,679	1,282,564	1,343,555	1,584,053	2,012,481	1,880,468	1,712,629	1,457,395	2,802,651	1,919,695
Pupil activities	1,825,278	1,712,271	2,232,089	2,545,052	3,077,383	3,035,073	3,262,241	2,819,923	3,146,673	3,604,522
Charter schools	8,396,853	9,176,474	9,880,496	13,148,583	14,184,429	15,465,132	17,573,744	19,037,798	20,339,699	21,654,836
Debt service - interest	3,773,757	5,351,656	6,212,102	8,141,416	8,370,757	8,153,857	7,850,584	6,901,656	6,871,192	7,696,768
Total Governmental Activities	66,650,381	73,846,267	85,779,854	101,830,643	118,712,455	122,572,518	123,038,807	115,877,556	125,072,956	132,607,996
Business-Type Activities:										
Food Service	1,773,506	1,973,783	2,307,659	3,097,548	3,562,389	4,306,182	4,327,381	4,316,876	4,778,745	5,447,599
Total - Primary Government	\$ 68,423,887	\$ 75,820,050	\$ 88,087,513	\$ 104,928,191	\$ 122,274,844	\$ 126,878,700	\$ 127,366,188	\$ 120,194,432	\$ 129,851,701	\$ 138,055,595
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for services:										
Instruction	\$ 62,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Services	1,074,356	939,827	1,095,910	1,203,695	1,434,946	1,543,545	1,334,399	1,274,739	2,589,011	1,508,692
School District 27J		100	141,665,000							
Pupil activities	1,633,708	1,725,004	2,054,544	2,297,094	2,664,867	2,853,993	3,083,493	2,221,891	2,918,456	3,075,202
Operating grants and contributions:										
Instruction	3,969,821	4,892,873	5,704,690	7,354,538	7,281,868	8,195,839	12,969,834	7,673,493	8,270,645	7,707,759
Pupil Transportation	424,671	540,434	684,950	551,846	783,877	934,775	1,191,287	1,428,170	1,520,293	1,605,012
Capital grants and contributions:										
Instruction	2,576,628	4,015,846	959,408	349,111	99,966	621,641	1,964,178	160,499	340,039	123,881
Operations and Maintenance	-	-	-	-	-	42,600	-	-	-	-
Total Governmental Activities	9,741,244	12,114,084	559,187,951	11,756,284	12,265,524	14,192,393	20,543,191	12,758,792	15,638,444	14,020,546
Business-Type Activities:										
Charges for services:										
Food Service	867,203	933,966	1,156,753	1,415,988	1,425,565	1,436,845	1,575,143	1,553,246	1,659,755	2,613,055
Operating grants and contributions:										
Food Service	1,020,049	1,229,774	1,448,715	1,859,821	2,311,367	2,469,719	2,653,702	2,961,483	3,118,990	3,263,944
Capital grants and contributions:										
Food Service	8,433	12,602	6,927	-	-	-	-	-	-	-
Total Business-Type Activities	1,895,685	2,176,342	2,612,395	3,275,809	3,736,932	3,906,564	4,228,845	4,514,729	4,778,745	5,876,999
Total - Primary Government	\$ 11,636,929	\$ 14,290,426	\$ 561,800,346	\$ 15,032,093	\$ 16,002,456	\$ 18,098,957	\$ 24,772,036	\$ 17,273,521	\$ 20,417,189	\$ 19,897,545
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (56,909,137)	\$ (61,732,183)	\$ 473,408,097	\$ (90,074,359)	\$ (106,446,931)	\$ (108,380,125)	\$ (102,495,616)	\$ (103,118,764)	\$ (109,434,512)	\$ 118,587,450
Business-type Activities	(122,179)	(202,559)	(304,736)	(178,261)	(174,543)	399,618	98,536	(197,853)	66,120	(429,400)
Total - Primary Government	\$ (57,031,316)	\$ (61,934,742)	\$ 473,103,361	\$ (90,252,620)	\$ (106,621,474)	\$ (107,980,507)	\$ (102,397,080)	\$ (103,316,617)	\$ (109,368,392)	\$ 118,158,050
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes:										
General Purposes	\$ 16,847,908	\$ 18,786,173	\$ 22,454,579	\$ 23,988,215	\$ 24,696,358	\$ 24,530,429	\$ 24,225,084	\$ 23,379,529	\$ 24,220,246	\$ 25,634,454
Debt Service	8,835,442	7,381,933	12,482,407	14,024,673	14,276,269	14,711,894	14,378,674	14,330,300	15,608,518	15,189,593
Equalization	36,052,560	41,530,558	47,612,755	54,611,242	62,627,379	70,306,824	67,327,287	70,412,540	72,854,971	78,593,963
Earnings on Investments	942,879	1,238,838	2,936,780	3,698,834	1,237,771	207,969	89,598	48,838	171,515	22,949
Miscellaneous	1,194,617	1,258,015	1,395,302	2,093,906	1,591,878	2,404,536	2,409,933	1,651,247	1,549,792	2,191,310
Total Governmental Activities	63,873,406	70,195,517	86,881,823	98,416,870	104,429,655	112,161,652	108,430,576	109,822,454	114,405,042	121,632,269
Change in Net Position										
Governmental Activities	6,964,269	8,463,234	11,601,471	8,342,511	(2,017,276)	3,377,085	5,934,960	6,703,690	4,970,530	3,044,819
Business-Type Activities	122,179	202,559	304,736	178,261	174,543	(399,618)	(98,536)	197,853	(66,120)	429,400
Business-Type Transfers	-	-	-	-	-	-	-	(357,472)	-	-
Total - Primary Government	\$ 7,086,448	\$ 8,665,793	\$ 11,906,207	\$ 8,520,772	\$ (1,842,733)	\$ 2,977,467	\$ 5,836,424	\$ 6,901,543	\$ 4,904,410	\$ 3,474,219

School District 27J  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Restricted	\$ -	\$ -	\$ 3,461,271	\$ 2,324,920	\$ 3,091,110	\$ 541,950	\$ 3,180,775	\$ 5,298,917	\$ 3,947,577	\$ 4,003,552
Nonspendable Prepaid Item	-	-	-	-	-	-	-	31,209	8,930	633,455
Committed	-	-	-	-	-	-	2,153,544	2,153,544	2,503,657	3,156,594
Assigned	-	-	-	-	-	-	1,121,059	797,269	5,581,111	3,781,597
Unassigned	1,215,182	3,923,488	4,170,319	3,920,765	(836,180)	3,464,188	6,559,483	10,759,350	6,927,619	5,567,028
Total General Fund	<u>1,215,182</u>	<u>3,923,488</u>	<u>7,631,590</u>	<u>6,245,685</u>	<u>2,254,930</u>	<u>4,006,138</u>	<u>13,014,861</u>	<u>19,040,289</u>	<u>18,968,894</u>	<u>17,142,226</u>
All Other Governmental Funds										
Restricted	53,430,697	16,818,817	77,529,633	56,089,912	24,585,786	20,612,357	18,962,386	12,837,134	12,485,506	13,865,957
Restricted for Government Designated Purpose Grants	-	-	-	-	-	-	1,837,000	1,489,423	639,549	623,264
Committed, reported in:										
Special Revenue Funds	2,903,567	1,414,470	4,864,371	5,558,907	4,195,550	3,331,544	1,541,255	1,615,129	2,317,270	1,924,689
Total All Other Governmental Funds	<u>56,334,264</u>	<u>18,233,287</u>	<u>82,394,004</u>	<u>61,648,819</u>	<u>28,781,336</u>	<u>23,943,901</u>	<u>22,340,641</u>	<u>15,941,686</u>	<u>15,442,325</u>	<u>16,413,910</u>
Total Fund Balances of Governmental Funds	<u>\$57,549,446</u>	<u>\$22,156,775</u>	<u>\$ 90,025,594</u>	<u>\$ 67,894,504</u>	<u>\$ 31,036,266</u>	<u>\$ 27,950,039</u>	<u>\$ 35,355,502</u>	<u>\$ 34,981,975</u>	<u>\$34,411,219</u>	<u>\$ 33,556,136</u>

NOTE 1 - Tabor Reserve moved from General Fund Reserved to Capital Projects Fund Reserved in fiscal year 2010.

Tabor Reserve moved back to General Fund Reserved in fiscal year 2011.

NOTE 2 - For fiscal year ending 2011, the District follows GASB 54, Fund Balance Reporting and Governmental Fund Type Definition.

School District 27J  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>									
Taxes	\$ 26,324,536	\$ 33,713,705	\$ 37,799,748	\$ 38,497,123	\$ 39,569,230	\$ 38,331,394	\$ 38,136,956	\$ 39,370,670	\$ 40,830,227
Intergovernmental <sup>1</sup>	46,963,865	54,002,395	62,517,626	70,693,124	79,437,438	81,488,408	78,086,033	82,285,591	88,803,250
Local Grants	4,015,846	959,408	349,111	99,966	621,641	1,964,178	160,499	340,039	123,881
Pupil Activities	1,725,004	2,054,544	2,297,094	2,664,867	2,853,993	3,083,493	4,150,370	2,957,393	3,075,202
Charges for Services	939,827	1,095,910	1,203,695	1,434,946	1,543,545	1,334,399	1,274,739	2,949,329	2,183,005
Investment Earnings	1,238,838	2,936,780	3,698,834	1,237,771	207,969	89,598	48,838	171,515	22,949
Miscellaneous	1,258,013	1,395,303	2,093,907	1,591,879	2,404,537	2,409,933	1,651,247	1,549,792	620,482
Total Revenues	<u>82,465,929</u>	<u>96,158,045</u>	<u>109,960,015</u>	<u>116,219,676</u>	<u>126,638,353</u>	<u>128,701,403</u>	<u>123,508,682</u>	<u>129,624,329</u>	<u>135,658,996</u>
<b>Expenditures:</b>									
Instruction	32,801,420	39,058,398	44,625,735	52,244,003	53,903,484	48,678,629	47,882,445	51,651,793	55,385,700
Supporting services:									
Pupil services	3,040,668	3,329,484	3,688,947	4,496,457	5,495,141	5,460,322	5,232,927	5,185,598	5,528,005
Instructional staff	1,775,012	1,940,555	2,871,581	3,384,478	2,959,640	2,272,183	2,381,305	2,685,068	3,121,900
General administration	799,367	826,728	1,091,914	1,230,139	1,110,757	1,061,277	968,575	1,076,842	1,182,540
School administration	3,537,926	4,623,626	5,112,708	5,905,700	6,328,515	5,768,379	5,757,566	6,377,121	7,041,755
Operations and maintenance	5,338,938	6,292,924	7,165,585	8,151,575	8,477,569	8,040,818	8,134,904	8,537,890	9,121,361
Pupil transportation	2,356,720	2,609,591	3,193,468	3,671,850	3,901,229	4,353,368	4,076,863	4,326,254	4,972,783
Business supporting services	700,241	795,042	1,059,550	1,224,527	1,561,839	1,439,748	1,370,725	1,518,711	1,378,520
Central supporting services	1,810,792	2,855,034	3,578,002	3,309,175	3,749,941	3,901,346	3,767,128	3,825,928	5,177,907
Community services	1,282,564	1,343,555	1,584,053	2,012,481	1,880,468	1,712,629	1,457,395	2,802,651	1,919,694
Pupil activities	1,712,271	2,232,089	2,545,052	3,077,383	3,035,073	3,262,241	2,819,923	3,146,673	3,604,522
Capital Outlay	47,871,096	22,424,675	46,690,498	35,761,595	7,644,453	2,608,805	8,781,545	3,332,261	1,801,101
Charter schools	9,176,474	9,880,496	13,148,583	14,184,429	15,465,132	17,573,744	19,037,798	20,339,699	21,654,836
School District 27J	100	141,665,000	-	-	-	-	-	-	-
Debt service <sup>2</sup>	-	432,195,294	-	-	-	-	-	-	-
Principal	3,360,000	4,030,000	4,177,057	6,942,756	7,440,329	7,108,287	7,210,790	14,914,690	8,132,392
Interest	5,243,904	6,071,883	8,056,115	8,558,782	8,326,555	8,047,386	7,087,158	7,242,931	6,812,108
Administrative Fees	4,053	512	6,480	4,250	6,779	5,251	-	8,195	5,734
Payment to Escrow	-	-	-	-	-	-	-	-	-
Bond issuance costs	410,532	694,686	271,032	-	-	-	275,092	9,750	-
Advance refunding	1,595,130	-	-	-	-	-	-	-	-
Total Expenditures	<u>122,817,208</u>	<u>682,869,572</u>	<u>148,866,360</u>	<u>154,159,580</u>	<u>131,284,375</u>	<u>121,295,941</u>	<u>126,247,390</u>	<u>136,982,055</u>	<u>136,840,859</u>
Percentage of debt service expenditures to noncapital expenditures <sup>3</sup>	11.3%	11.6%	8.2%	12.8%	12.5%	12.6%	12.1%	16.5%	11.0%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,351,279)	(586,711,527)	(38,906,345)	(37,939,904)	(4,646,022)	7,405,462	(2,738,708)	(7,357,726)	(1,181,863)
<b>Other Financing Sources (Uses)</b>									
Other Financing Sources (Uses)									
Issuance of bonds	26,500,000	81,660,000	18,700,000	-	-	-	32,855,000	6,730,000	-
Premium on bond issuance	1,095,675	5,309,526	602,417	-	-	-	5,280,148	-	-
Discount on COPS	(27,167)	-	-	-	-	-	-	-	-
Payment to bond escrow	(25,735,000)	(7,684,635)	(3,734,922)	-	-	-	(37,860,056)	(7,367,463)	-
Issuance of COPS	3,775,000	-	-	-	-	-	-	-	-
Capital Lease Proceeds	-	-	1,207,760	1,081,666	1,137,795	-	1,886,359	113,418	471,680
Sale of Capital Assets	-	-	-	-	379,400	-	-	-	-
Land Contribution Proceeds	-	-	-	-	42,600	-	-	-	-
Transfers in	2,553,110	4,582,323	3,128,206	3,456,771	2,137,350	288,875	5,533,678	3,609,603	3,928,521
Transfers out	(3,203,110)	(3,147,161)	(3,128,206)	(3,456,771)	(2,137,350)	(288,875)	(5,176,206)	(3,609,603)	(4,004,177)
Total Other Financing Sources (Uses)	<u>4,958,508</u>	<u>80,720,053</u>	<u>16,775,255</u>	<u>1,081,666</u>	<u>1,559,795</u>	<u>-</u>	<u>2,518,923</u>	<u>(524,045)</u>	<u>396,024</u>
<b>Net Change in Fund Balances</b>	<u>\$ (35,392,771)</u>	<u>\$ (505,991,474)</u>	<u>\$ (22,131,090)</u>	<u>\$ (36,858,238)</u>	<u>\$ (3,086,227)</u>	<u>\$ 7,405,462</u>	<u>\$ (219,785)</u>	<u>\$ (7,881,771)</u>	<u>\$ (785,839)</u>

Note 1 - Intergovernmental Revenue total includes vocational education, special education, transportation, federal and state grants and equalization revenue.

Note 2 - Debt service expenditures are recorded as principal retirement, interest and fiscal charges, advance refunding and bond issuance costs.

Note 3 - Percentage of debt service expenditures to noncapital expenditures is calculated using capital outlay amount from the Reconciliation of the Statement of Revenues, Expenditures and Changes. Principal and interest are divided by Total expenditures less capital outlay plus reconciliation capital outlay less principal, interest, issue costs and fees.



School District 27J  
Governmental Funds Revenues by Source  
Last Ten Fiscal Years  
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Local Sources										
Taxes	\$ 25,970,866	\$26,324,536	\$ 33,713,705	\$ 37,799,748	\$ 38,497,123	\$ 39,569,230	\$ 38,331,394	\$ 38,136,956	\$ 39,370,670	\$ 40,830,227
Grants	2,576,628	4,015,846	959,408	349,111	99,966	621,641	1,964,178	160,499	340,039	123,881
Interest	942,879	1,238,838	2,936,780	3,698,834	1,237,771	207,969	89,598	48,838	171,515	22,949
Pupil Activities	1,633,708	1,725,004	2,054,544	2,297,094	2,664,867	2,853,993	3,083,493	2,722,200	2,957,393	3,075,202
Charges for Services	1,136,416	939,827	1,095,910	1,203,695	1,434,946	1,543,545	1,334,399	1,274,739	2,949,329	2,183,005
Miscellaneous	1,194,617	1,258,013	1,395,303	2,093,907	1,591,879	2,404,537	2,409,933	1,651,247	1,549,792	620,482
Total Local Sources	33,455,114	35,502,064	42,155,650	47,442,389	45,526,552	47,200,915	47,212,995	43,994,479	47,338,738	46,855,746
State Sources										
Equalization	36,052,560	41,530,558	47,612,755	54,611,242	62,627,379	70,306,824	67,327,287	70,412,540	72,854,971	78,593,963
Vocational Education	172,132	166,809	340,464	381,622	416,529	606,514	633,100	457,146	499,745	621,111
Transportation	424,671	540,434	684,950	551,846	783,877	934,775	1,191,287	1,428,170	1,159,975	1,225,752
Special Education	724,671	1,271,512	1,471,375	1,720,092	1,867,659	2,052,101	2,103,579	2,189,703	2,262,225	2,599,278
Grants	609,458	596,736	910,359	1,654,284	637,529	757,827	861,752	707,546	1,098,995	1,274,289
Total State Sources	37,983,492	44,106,049	51,019,903	58,919,086	66,332,973	74,658,041	72,117,005	75,195,105	77,875,911	84,314,393
Federal Sources										
Grants	2,463,560	2,857,816	2,982,492	3,598,540	4,360,151	4,779,397	9,371,403	4,319,098	4,409,680	4,488,857
Total Revenues by Source	<u>\$ 73,902,166</u>	<u>\$82,465,929</u>	<u>\$ 96,158,045</u>	<u>\$109,960,015</u>	<u>\$116,219,676</u>	<u>\$126,638,353</u>	<u>\$128,701,403</u>	<u>\$123,508,682</u>	<u>\$129,624,329</u>	<u>\$135,658,996</u>

School District 27J  
Governmental Funds Expenditures by Function  
Last Ten Fiscal Years  
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$ 29,847,776	\$ 32,801,420	\$ 39,058,398	\$ 44,625,735	\$ 52,244,003	\$ 53,903,484	\$ 48,678,629	\$ 47,882,445	\$ 51,651,793	\$ 55,385,700
Pupil Services	2,460,114	3,040,668	3,329,484	3,688,947	4,496,457	5,495,141	5,460,322	5,232,927	5,185,598	5,528,005
Instructional Staff	1,657,862	1,775,012	1,940,555	2,871,581	3,384,478	2,959,640	2,272,183	2,381,305	2,685,068	3,121,900
General Administration	811,371	799,367	826,728	1,091,914	1,230,139	1,110,757	1,061,277	968,575	1,076,842	1,182,540
School Administration	3,450,540	3,537,926	4,623,626	5,112,708	5,905,700	6,328,515	5,768,379	5,757,566	6,377,121	7,041,755
Operations and Maintenance	4,865,497	5,338,938	6,292,924	7,165,585	8,151,575	8,477,569	8,040,818	8,134,904	8,537,890	9,121,361
Pupil Transportation	2,095,950	2,356,720	2,609,591	3,193,468	3,671,850	3,901,229	4,353,368	4,076,863	4,326,254	4,972,783
Central Supporting Services	2,769,005	2,511,033	3,650,076	4,637,552	4,533,702	5,311,780	5,341,094	5,137,853	5,344,639	6,556,429
Community Services	1,378,679	1,282,564	1,343,555	1,584,053	2,012,481	1,880,468	1,712,629	1,457,395	2,802,651	1,919,694
Pupil Activities	1,825,278	1,712,271	2,232,089	2,545,052	3,077,383	3,035,073	3,262,241	2,819,923	3,146,673	3,604,522
Capital Outlay	14,348,875	47,871,096	22,424,675	46,690,498	35,761,595	7,644,453	2,608,805	8,781,545	3,332,261	1,801,100
Charter Schools	8,396,853	9,176,474	9,880,496	13,148,583	14,184,429	15,465,132	17,573,744	19,037,798	20,339,699	21,654,836
Debt Services:										
Principal	2,620,000	3,360,000	4,030,000	4,177,057	6,942,756	7,440,329	7,108,287	7,210,790	7,789,690	8,132,392
Interest and Fiscal Charges	3,745,779	5,247,957	6,072,395	8,062,595	8,563,032	8,330,805	8,054,165	7,092,409	7,008,663	6,812,108
Bond Issuance Costs	-	410,532	694,686	271,032	-	-	-	275,092	9,750	5,734
Advance Refunding	-	1,595,130	-	-	-	-	-	-	-	-
Total Expenditures by Function	<u>\$ 80,273,579</u>	<u>\$ 122,817,108</u>	<u>\$ 109,009,278</u>	<u>\$ 148,866,360</u>	<u>\$ 154,159,580</u>	<u>\$ 131,284,375</u>	<u>\$ 121,295,941</u>	<u>\$ 126,247,390</u>	<u>\$ 129,614,592</u>	<u>\$ 136,840,859</u>

School District 27J  
Assessed Value and Actual Value of Taxable Property in the District  
Last Ten Fiscal Years  
(Unaudited)

Levy Year/ Collection Year	Personal Property <sup>1</sup>	Commercial Property	Oil and Gas	Agricultural Property	Vacant Land	Industrial Property	State Assessed	Natural Resources	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2004/2005	\$ 59,235,620	\$ 62,941,560	\$ 25,165,770	\$ 6,356,330	\$ 69,142,670	\$ 7,097,530	\$ 3,870,960	\$ 5,299,910	\$ 498,017,400	48.022	\$ 4,019,101,942	12.39%
2005/2006	66,052,010	69,281,930	31,899,880	5,584,920	84,441,870	7,199,700	4,962,650	4,868,890	604,947,210	39.244	5,026,253,194	12.04%
2006/2007	66,905,740	74,109,730	40,675,490	5,584,990	90,544,150	6,770,980	5,360,890	3,933,780	686,548,860	45.562	5,852,578,745	11.73%
2007/2008	73,122,250	89,183,950	39,122,790	5,545,730	97,250,150	7,818,830	5,654,590	6,290,510	767,392,030	45.264	6,597,400,683	11.63%
2008/2009	83,775,440	104,172,480	31,390,600	5,617,880	85,601,780	7,879,620	5,710,700	4,051,600	798,034,830	45.215	6,961,802,362	11.46%
2009/2010	98,181,610	112,173,930	56,438,240	5,294,450	64,974,250	8,557,680	6,270,110	4,265,170	808,267,730	45.284	6,778,134,057	11.92%
2010/2011	98,744,640	117,378,900	24,744,360	4,597,560	57,516,450	8,733,240	6,163,826	2,783,720	781,026,806	45.703	6,832,444,892	11.43%
2011/2012	96,851,400	124,917,140	36,407,990	5,043,360	48,680,090	8,722,800	6,155,215	3,012,250	777,457,975	45.629	6,640,373,366	11.71%
2012/2013	106,671,110	126,708,040	48,820,850	4,961,130	44,776,456	8,877,650	8,910,956	2,817,280	807,657,362	45.629	6,829,414,724	11.83%
2013/2014	117,995,570	135,622,540	48,601,373	5,599,140	44,366,430	9,660,260	8,549,637	3,140,910	827,221,900	45.629	6,877,310,990	12.03%

<sup>1</sup> Represents personal property in Adams County only. Personal property in Weld County is distributed throughout other categories.

Tax Rates by category			
Levy Year	Commercial	Oil & Gas	Collection Year
School District 2 <sup>2</sup>	100	141,665,000	
2004	29.00%	115815520000.00%	2005
2005	29.00%	87.50%	2006
2006	29.00%	87.50%	2007
2007	29.00%	87.50%	2008
2008	29.00%	87.50%	2009
2009	29.00%	87.50%	2010
2010	29.00%	87.50%	2011
2011	29.00%	87.50%	2012
2012	29.00%	87.50%	2013
2013	29.00%	87.50%	2014

SOURCE: Adams, Broomfield and Weld Counties Assessors' Offices.

School District 27J  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)

Levy/ Collection Year	Current Tax Collection	Percentage of Levy Collection	Delinquent Tax Collection	Total Tax Collection	% of Total Tax Collection to Levy
2003/2004		99.12%	\$ 16,444	\$ 19,186,676	99.21%
2004/2005		99.71%	504,257	24,349,815	101.81%
2005/2006	#	100.36%	21,706	23,848,450	100.46%
2006/2007		99.40%	24,206	31,115,675	99.47%
2007/2008		99.09%	45,084	34,464,335	99.22%
2008/2009		98.66%	117,738	35,717,710	98.99%
2009/2010		99.59%	114,802	36,565,269	99.90%
2010/2011		99.32%	78,828	35,530,346	99.54%
2011/2012		100.30%	98,303	35,680,386	100.58%
2012/2013		99.75%	127,283	36,888,996	100.10%

NOTES: County treasurers' fees of 0.25% have not been deducted from these amounts. Abatements made to taxpayers for overpayment of taxes have not been deducted from these amounts. The percent of total tax collection to levy includes amounts collected as delinquent taxes and therefore may result in total collections of more than 100% of taxes levied. Both levy and collection years are a calendar year beginning January 1. Information is not

available from the counties as it relates to the year that delinquent taxes apply. In accordance with modified accrual accounting, delinquent taxes are recorded in the year collected, not the year assessed.

SOURCE: Adams, Broomfield and Weld Counties Treasurer's Offices reports.

School District 27J  
History of District's Assessed Valuation  
Last Ten Fiscal Years  
(Unaudited)

Levy/ Collection Year	Broomfield County	Weld County	Total	Percent Increase
2004/2005	\$ 530	\$ 19,262,330	\$ 498,017,400	15.2%
2005/2006	540	22,101,280	604,947,210	21.5%
2006/2007	540	23,415,660	686,549,400	13.5%
2007/2008	540	26,745,010	767,392,030	11.8%
2008/2009	540	25,778,220	798,034,830	4.0%
2009/2010	15,440	28,422,420	808,267,730	1.3%
2010/2011	13,386	24,979,900	781,026,806	-3.4%
2011/2012	10,655	23,833,910	777,457,975	-0.5%
2012/2013	11,476	32,519,876	807,657,362	3.9%
2013/2014	16,827	46,271,683	827,221,900	2.4%

NOTES: Estimated statutory actual valuation is not intended to represent market value. The estimate is based on the breakdown of major classification of property in the district and the percentage set by state law for the computation of assessed value and does not include tax increment financing properties. The assessment rates for commercial property is 29% of actual valuation. Both levy and collection year are calendar year beginning January 1.

The assessment rates for residential property have been:

Percent

21.00  
18.00  
16.00  
15.00  
14.34  
12.86  
10.36  
9.74  
9.15  
7.96

SOURCE: Adams, Broomfield and Weld Counties Assessors' Offices.

School District 27J  
Property Tax Rates  
(In Mills)  
Last Ten Fiscal Years  
(Unaudited)

Levy/ Collection Year	Credits and Abatements	Mill Levy Override	Total	Bond Redemption Fund	Total Levy
2004/2005	0.193	1.506	30.022	18.000	48.022
2005/2006	0.076	1.240	27.578	11.666	39.244
2006/2007	0.208	1.092	27.562	18.000	45.562
2007/2008	0.025	0.977	27.264	18.000	45.264
2008/2009	0.013	0.940	27.215	18.000	45.215
2009/2010	0.094	0.928	27.284	18.000	45.284
2010/2011	0.186	0.960	27.408	18.295	45.703
2011/2012	0.077	0.965	27.304	18.325	45.629
2012/2013	0.433	0.929	27.624	18.005	45.629
2013/2014	0.098	0.907	27.267	18.362	45.629

NOTES: Both levy and collection year are a calendar year beginning January 1.  
School District 27J

SOURCE: Adams, Broomfield and Weld Counties Assessors' Offices.

School District 27J  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	Percent of District's Assessed Valuation	2004	
		Assessed Valuation	Percent of District's Assessed Valuation
United Power, Inc	2.47%	\$ 6,488,380	1.30%
D and M Division of STC	1.73%		0.00%
Tri-State Generation	1.36%	8,199,670	1.65%
Public Service Co of Colorado	1.18%	5,638,290	1.13%
Kerr-McGee Oil and Gas Onshore LP	0.95%		0.00%
Brighton Lease Management LLC	0.93%	7,250,000	1.46%
Wal-Mart Real Estate Business Trust	0.91%	2,133,450	0.43%
Prairie Center Retail One LLC	0.85%		0.00%
Kerr-Mcgee Gathering LLC	0.78%		0.00%
Qwest Corporation FKA US West	0.54%	4,823,800	0.97%
Kerr-McGee Rocky Mountain		5,150,540	1.03%
Merit Energy Company		5,049,940	1.01%
Ardmore Palizza LLC		2,943,040	0.59%
Intertape Polymer Group		2,585,500	0.52%
Total	<u>11.69%</u>	<u>\$ 50,262,610</u>	<u>10.09%</u>

NOTES: The 2013 Principal taxpayers assessed valuation amounts are as of December 31, 2013, the latest date for which information is available.

SOURCE: Adams County Assessor's Office.

School District 27J  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(Unaudited)

School District No. 27J	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund	27.578	27.562	27.264	27.215	27.284	27.408	27.304	27.304	27.267
Bond Redemption Fund	11.666	18.000	18.000	18.000	18.000	18.295	18.325	18.325	18.362
Total School District No. 27J	39.244	45.562	45.264	45.215	45.284	45.703	45.629	45.629	45.629
Adams County	26.804	26.974	26.899	26.809	26.824	26.883	26.806	26.903	26.815
City of Brighton	6.650	6.650	6.650	6.650	6.650	6.650	6.650	6.650	6.650
City of Commerce City	3.280	3.280	3.280	3.280	3.280	3.206	3.280	3.269	3.280
City of Thornton	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.597	10.210
Belle Creek Metro #1	47.900	47.900	47.900	69.900	72.900	73.900	74.900	74.900	74.900
Bennett Fire Protection District No. 7	6.410	6.257	6.338	8.907	8.907	8.907	8.907	8.907	8.907
Box Elder Water and Sanitation District	3.314	3.314	3.159	1.800	1.800	36.000	42.000	42.000	42.000
Brighton Area Fire Protection District No. 6	9.295	11.795	11.795	11.795	11.795	11.795	11.795	11.795	11.795
Brighton Crossing #4 FKA Bromley Park #4	44.000	44.000	44.000	44.000	44.000	44.000	50.000	50.000	52.000
Brighton Downtown Development Authority	1.383	1.288	--	--	--	--	--	--	--
Bromley Park #1	--	--	--	--	--	--	--	--	--
Bromley Park #2	61.725	61.725	61.725	61.725	71.025	71.025	81.025	86.025	86.025
Bromley Park #3	46.368	46.368	46.368	46.368	55.000	54.932	54.932	54.932	54.932
Bromley Park #5	25.000	25.000	25.000	25.000	25.000	25.000	40.000	40.000	40.000
Bromley Park #6	18.000	18.000	18.000	18.000	18.000	18.000	18.000	18.000	18.000
Buffalo Ridge	42.653	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827
Central Colorado Water Conservation District	0.607	0.550	0.487	0.540	0.425	0.425	0.392	1.856	1.887
Central Colorado Ground Water Management	3.350	3.221	0.746	1.306	1.338	1.339	1.319	1.291	1.301
Commerce City GID	27.000	27.000	27.000	27.000	27.000	27.000	27.000	27.000	27.000
First Creek Metropolitan District	--	--	--	--	--	--	--	--	--
Fronterra Village	46.500	46.500	45.500	46.529	49.000	53.500	58.500	58.500	60.750
Fronterra Village #2	44.255	44.255	46.500	53.475	57.475	59.475	59.475	59.475	59.475
Great Rock Water and Sanitation District	35.000	35.000	35.000	35.000	35.000	42.500	45.500	45.500	46.840
Hazeltine Heights Water and Sanitation District	5.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
Hi-Land Acres Water and Sanitation District	3.788	3.620	3.387	3.275	3.645	3.559	3.178	3.171	3.360
Lost Creek Water Management District	0.714	0.719	0.773	0.818	0.849	0.906	0.964	0.897	0.935
North Metro Fire District	8.135	11.179	11.301	11.268	11.307	11.225	11.176	11.375	11.246
North Metro Fire District Pension Fund	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
North Metro Fire District Bonds	--	--	--	1.400	1.400	1.400	1.400	1.400	1.400
North Range Metro #1	60.000	60.000	60.000	63.000	69.400	69.400	69.400	73.400	77.400
Prairie Center Metro #1	--	--	35.000	35.000	60.000	60.000	60.000	60.000	60.000
Prairie Center Metro #4	--	--	35.000	35.000	60.000	60.000	60.000	60.000	60.000
Prairie Center Metro #5	--	--	50.000	50.000	50.000	50.000	50.000	50.000	50.000
Rangeview Library FKA Adams County Library	1.388	3.659	3.504	3.659	3.659	3.659	3.659	3.659	3.659
Riverdale Dunes #1	45.000	31.200	31.700	31.700	38.000	38.000	43.650	75.650	79.684
Sable-Altura Fire District No. 11	7.000	21.000	21.000	21.000	21.000	21.000	21.000	21.000	21.000
South Adams Fire District No. 4	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300	9.900
S. Adams Water and Sanitation District	3.102	3.102	3.100	3.102	3.102	3.102	3.102	3.102	3.102
Southeast Weld County Fire District No. 5	5.764	5.764	5.764	5.764	5.764	5.764	5.764	5.764	5.764
Todd Creek Farms #2	15.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000
Todd Creek Village Parks and Rec.	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Urban Drainage and Flood Control District	0.532	0.542	0.507	0.528	0.508	0.523	0.566	0.599	0.608
Urban Drainage and Flood Control District South Platte	0.065	0.066	0.061	0.063	0.061	0.053	0.057	0.058	0.064
Wright Farms Metropolitan District	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000

NOTES: Overlapping governments may or may not have overlapped the District for the entire ten years shown. Totals are not shown since individual properties are not subject to all levies. Overlapping governments which do not have a property tax are not shown. Numbers shown represent the mill levy, amount assessed per \$1,000. The above figures are as of December 31, 2013, the latest date for which information is available. The year is the levy year.

SOURCE: Adams, Broomfield and Weld County Assessors' Offices.



School District 27J  
Ratio of Net Bonded Debt to Actual Value  
and Total Outstanding Debt Per Capita  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Estimated Personal Income	Assessed Value	Actual Value	Governmental Activities			Gross Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Net Bonded Debt to Actual Value	Percentage of Personal Income	Total Outstanding Debt Per Capita
				Certificates of Participation	Promissory Note	Capital Leases						
2005	\$ -	\$ 498,017,400	\$ 4,019,101,942	\$ -	\$ -	\$ -	\$ 102,840,000	\$ 7,006,855	\$ 95,833,145	2.38%	N/A	2,120
2006	-	604,947,210	5,026,253,194	3,775,000	-	-	100,245,000	5,858,303	94,386,697	1.88%	N/A	2,034
2007	-	686,549,400	5,852,578,745	3,645,000	-	-	170,445,000	8,522,578	161,922,422	2.77%	N/A	3,102
2008	-	767,392,030	6,597,400,683	3,510,000	-	815,702	181,940,000	11,023,999	170,916,001	2.59%	N/A	2,873
2009	26,652	798,034,830	6,961,802,362	3,370,000	-	959,612	176,075,000	11,070,420	165,004,580	2.37%	9.39%	2,736
2010	27,508	808,267,730	6,778,134,057	3,230,000	-	952,078	169,920,000	11,492,174	158,427,826	2.34%	8.27%	2,501
2011	20,348	781,026,806	6,832,444,892	3,080,000	-	390,790	163,525,000	11,578,516	151,946,484	2.22%	10.43%	2,333
2012	25,790	777,457,975	6,640,373,366	2,925,000	-	1,886,359	156,260,000	12,286,520	143,973,480	2.17%	6.59%	1,902
2013	27,158	807,657,362	6,829,414,724	2,765,000	416,771	1,410,087	148,825,000	12,221,506	136,603,494	2.00%	5.82%	1,776
2014	26,431	827,221,900	6,877,310,990	2,600,000	333,417	1,157,729	141,665,000	13,575,545	128,089,455	1.86%	5.43%	1,632

SOURCE: Estimated District Population is based on numbers provided by Claritas, Inc. Population information for the District is generally not available until the United States decennial census has been published.

School District 27J

Notes: Information on personal income not available for years 2005- 2008.

School District 27J  
Ratio of Annual Debt Service Expenditures for General  
Obligation Bonded Debt to Total General Fund Expenditures  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Interest and Other Expenditures	Total Debt Service	Total General Fund Expenditures and Transfer	Ratio of Debt Service to Total General Fund Expenditures and Transfer
2005	\$ 3,745,778	\$ 6,365,778	\$ 55,594,929	11.45%
2006	5,436,031	8,796,031	60,933,800	14.44%
2007	6,022,118	9,922,118	69,464,112	14.28%
2008	7,922,593	11,572,593	84,112,985	13.76%
2009	8,364,848	14,229,848	95,806,303	14.85%
2010	8,135,140	14,290,140	99,359,671	14.38%
2011	7,897,332	14,292,332	93,851,637	15.23%
2012	7,232,388	13,897,388	94,811,867	14.66%
2013	6,886,042	13,926,042	101,473,624	13.72%
2014	6,675,554	13,835,554	109,830,764	12.60%

School District 27J  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)

Computation of maximum debt allowed:

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxable assessed valuation	\$498,017,400	\$604,947,210	\$ 686,549,400	\$ 767,392,030	\$ 798,034,830	\$ 808,267,730	\$ 781,026,806	\$ 777,457,975	\$ 807,657,362	\$ 827,221,900
Plus: Tax Increment Financing District Property	3,417,910	8,782,160	11,941,060	18,309,090	20,338,300	22,148,100	33,401,494	46,304,825	40,281,444	37,923,233
Total Assessed Valuation	<u>501,435,310</u>	<u>613,729,370</u>	<u>698,490,460</u>	<u>785,701,120</u>	<u>818,373,130</u>	<u>830,415,830</u>	<u>814,428,300</u>	<u>823,762,800</u>	<u>847,938,806</u>	<u>865,145,133</u>
Legal debt limit percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Legal debt limit	<u>\$125,358,828</u>	<u>\$153,432,343</u>	<u>\$ 174,622,615</u>	<u>\$ 196,425,280</u>	<u>\$ 204,593,283</u>	<u>\$ 207,603,958</u>	<u>\$ 203,607,075</u>	<u>\$ 205,940,700</u>	<u>\$ 211,984,702</u>	<u>\$ 216,286,283</u>

Amount of Debt Outstanding

General obligation bonds payable	\$102,840,000	\$100,245,000	\$ 170,445,000	\$ 181,940,000	\$ 176,075,000	\$ 169,920,000	\$ 163,525,000	\$ 156,260,000	\$ 148,825,000	\$ 141,665,000
Certificates of Participation	-	3,775,000	3,645,000	3,510,000	3,370,000	3,230,000	3,080,000	2,925,000	2,765,000	2,600,000
Capital Leases	-	-	-	-	-	-	-	-	1,410,087	1,157,729
Promissory Note	-	-	-	-	-	-	-	-	416,771	333,417
Unused legal debt margin	<u>\$ 22,518,828</u>	<u>\$ 49,412,343</u>	<u>\$ 532,615</u>	<u>\$ 10,975,280</u>	<u>\$ 25,148,283</u>	<u>\$ 34,453,958</u>	<u>\$ 37,002,075</u>	<u>\$ 46,755,700</u>	<u>\$ 58,567,844</u>	<u>\$ 70,530,137</u>

SOURCE: Assessed Valuations are per certifications received from the Adams, Broomfield and Weld County Assessors' Offices. Total Bonded Debt is per the School District 27J audited financial statements.

School District 27J  
Estimated Overlapping General Obligation Debt  
(Unaudited)

Overlapping Entity	Net Outstanding General Obligation Debt Chargeable to Properties within the District	
	Percent	Amount
Airways Business Center Metropolitan District	100.00	\$ 1,925,000
Aspen Hills Metropolitan District	100.00	1,065,000
Belle Creek Metropolitan District	100.00	4,105,000
BNC Metropolitan District #1	100.00	5,380,000
BNC Metropolitan District #2	100.00	5,000,000
Brighton Crossing Metropolitan District	100.00	15,275,000
Bromley Park Metropolitan District #3	100.00	19,300,000
Buffalo Ridge Metropolitan District	100.00	14,870,391
Buffalo Run Mesa Metropolitan District	100.00	6,874,000
Central Colorado Ground Water Subdistrict	7.63	16,235,352
Commerce City North Infrastructure GID	100.00	84,735,000
Eagle Shadow Metropolitan District #1	100.00	10,565,000
Fronterra Village Metropolitan District	100.00	12,259,714
Great Rock Water and Sanitation District	100.00	5,435,000
Hazeltine Heights Water and Sanitation	100.00	326,143
Heritage Todd Creek Metro District	100.00	27,587,000
Hi-Land Acres Water and Sanitation District	100.00	71,122
Larkridge Metropolitan District #1	100.00	10,950,000
North Range Metropolitan District #1	100.00	30,815,000
North Range Village Metropolitan District	100.00	26,375,000
Northwest Metropolitan District #2	0.04	993,753
Potomac Farms Metropolitan District	100.00	5,530,000
Riverdale Dunes Metropolitan District	100.00	2,675,000
Riverdale Peaks II Metropolitan District	100.00	3,070,000
Todd Creek Farms Metropolitan District #2	100.00	1,135,000
Well Augmentation Subdistrict of the Central Colorado Water Conservancy District	0.63	14,245,756
School District 27J	100.00	141,665,000
Total		<u>\$ 468,463,231</u>

SOURCE: Adams, Broomfield and Weld County Assessor's Offices and individual entities

School District 27J  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

Employer	2013		2004	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Adams County	1,913	31%	1,700	34%
School District 27J	1,633	26%	848	17%
Platte Valley Medical	605	10%	460	9%
City of Brighton	484	8%	440	9%
Vestas	430	7%	-	0%
BJ Service USA	352	6%	-	0%
Super Wal-Mart	292	5%	500	10%
Super Target	174	3%	-	0%
Sakata Farms	194	3%	-	0%
United Power	161	3%	-	0%
K-Mart Distribution Center		0%	300	6%
Staples		0%	-	0%
Brighton Care Center		0%	-	0%
Tagawa Greenhouse	-	0%	230	5%
American Pride Co-op	-	0%	155	3%
Wayne's Electric	-	0%	150	3%
Haliburton Energy Services	-	0%	150	3%
Total	<u>6,238</u>	<u>100%</u>	<u>4,933</u>	<u>100%</u>

NOTES: The principal employers current data is as of December 31, 2013, the latest date for which information is available.

School District 27J

SOURCE: Brighton Economic Development Corporation

School District 27J  
Percentage of Free and Reduced Meals  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Reduced Meals	Total Free and Reduced	Total Meals	Percent of Free and Reduced Meals
2005	83,621	448,564	909,397	49.33%
2006	83,660	519,183	1,049,923	49.45%
2007	111,599	574,881	1,201,587	47.84%
2008	133,511	644,947	1,357,795	47.50%
2009	192,740	769,868	1,567,381	49.12%
2010	181,888	790,647	1,512,360	52.28%
2011	160,613	838,830	1,528,011	54.90%
2012	194,085	967,307	1,610,893	60.05%
2013	170,161	977,667	1,564,014	62.51%
2014	182,601	999,132	1,611,977	61.98%

SOURCE: School District 27J Nutrition Services

School District 27J  
Full-time Equivalent School District Employees by Function  
Last Ten Years (unaudited)

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instructional	729.014	843.126	933.998	979.248	1,072.245	992.444	919.545	968.945	986.670	1,151.659
Support Services										
Pupil Services	36.391	45.795	48.925	52.183	61.404	78.105	81.368	69.388	79.278	115.275
Instructional Staff	23.763	22.688	22.977	32.834	39.484	38.561	23.580	28.838	25.930	37.481
General administration	3.400	3.600	4.000	5.400	6.400	7.070	6.570	9.850	6.100	11.000
School administration	55.125	59.313	73.750	79.188	84.006	106.301	106.094	111.577	116.000	116.763
Operations and maintenance	62.250	67.750	80.750	85.250	92.750	108.938	93.600	99.919	98.470	88.550
Pupil transportation	49.563	56.001	63.440	74.002	83.503	85.691	85.500	85.313	84.060	88.125
Business supporting services	9.000	10.000	10.000	13.000	14.000	14.750	12.000	12.000	11.250	11.400
Central supporting services	15.655	16.093	22.569	23.475	25.150	28.525	23.410	25.300	27.600	33.700
Nutrition Services	26.000	27.811	34.498	45.250	49.248	59.748	68.623	64.527	63.150	89.913
Enterprise Operations	22.932	17.461	11.786	19.945	23.790	24.325	34.616	28.065	20.560	26.625
Community Services	7.283	7.377	5.563	9.626	9.282	11.033	9.033	4.700	5.300	6.000
Facilities Acquisition/Construction	2.000	1.800	2.800	3.000	3.000	3.650	2.400	5.050	1.000	1.000
Pupil Activities	-	1.625	2.494	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Total	1,042.376	1,180.440	1,317.550	1,423.401	1,565.262	1,560.139	1,467.339	1,514.471	1,526.368	1,778.490

NOTES: FTE's include all employees paid from all funds.

SOURCE: District records

School District 27J  
Teacher/Student Ratio  
Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Teacher FTE</u>	<u>Pupil/Teacher Ratio</u>
2003/2004	484.40	17.09
2004/2005	517.79	17.88
2005/2006	545.50	19.16
2006/2007	629.12	18.42
2007/2008	656.46	19.21
2008/2009	736.13	18.63
2009/2010	755.52	19.15
2010/2011	718.10	21.01
2011/2012	767.20	20.43
2012/2013	743.40	21.77
2013/2014	792.43	20.93

SOURCE: Colorado Department of Education Statistical Reports



School District 27J  
Teacher Salaries and Education  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year			# of Teachers in Each Range		
	Master's Degree	PHD	Bachelor's Degree	Master's Degree	PHD
2004/2005	\$33,292-\$70,890	\$40,134-\$72,836	255	221	4
2005/2006	\$34,041-\$72,485	\$41,037-\$74,475	244	259	4
2006/2007	\$34,892-\$74,297	\$42,063-\$76,337	282	234	5
2007/2008	\$36,323-\$77,343	\$43,788-\$79,467	287	352	8
2008/2009	\$37,231-\$79,277	\$44,882-\$81,453	302	388	23
2009/2010	\$37,882-\$80,664	\$45,668-\$82,879	303	410	26
2010-2011	\$37,882-\$80,664	\$45,668-\$82,879	252	384	27
2011/2012	\$37,882-\$80,666	\$45,668-\$82,881	261	375	24
2012/2013	\$37,882-\$80,666	\$45,668-\$82,881	242	427	32
2013/2014	\$38,072-\$81,067	\$45,896-\$83,293	231	446	30

2004/2005

School District 27J

2005/2006

2006/2007

2007/2008

2008/2009

2009/2010

2010/2011

2011/2012

2012/2013

2013/2014

SOURCE: District Records

School District 27J  
School Building Information  
June 30, 2014  
(Unaudited)

	Enrollment for the 2013/14 School Year	Recommended Capacity <sup>1</sup>	Capacity Used in 2013/14	Years Constructed/ Renovated <sup>2</sup>
Brantner (K-5)	345	409	84.35%	1969/1998
Henderson (PK-5)	494	801	61.67%	1998
North (PK-5)	392	557	70.38%	1973/1999
Northeast (PK-6)	584	681	85.76%	2003
Pennock (K-5)	659	816	80.76%	2003
Second Creek (PK-5)	694	816	85.05%	1969/2000
South (K-5)	508	549	92.53%	1963/1995
Southeast (K-6)	620	748	82.89%	2002
Thimmig PK-5)	691	816	84.68%	2008
Turnberry (PK-5)	882	826	106.78%	2007
Westridge (PK-5)	740	816	90.69%	2012
Total Elementary Schools	<u>6,609</u>	<u>7,835</u>	<u>84.35%</u>	
<u>MIDDLE SCHOOLS (6-8)</u>				
Vikan	572	588	97.28%	1961/2002
Overland Trail	650	680	95.59%	1984/2000/2005
Prairie View Middle School	821	882	93.08%	2008
Stuart Middle School	621	882	70.41%	2009
Total Middle Schools	<u>2,664</u>	<u>3,032</u>	<u>87.86%</u>	
<u>HIGH SCHOOL (9-12)</u>				
Brighton High School	1,843	1,709	107.84%	1953/1992/1975
Prairie View High School	1,795	1,804	99.50%	1982/2005
Brighton Heritage Academy	112	493	22.72%	2006
Total for High School	<u>3,750</u>	<u>4,106</u>	<u>91.33%</u>	1926/1955/1970/2002
Total in District Buildings (PK-12)	<u>13,023</u>	<u>14,973</u>	<u>86.98%</u>	
Charters (Not In District Buildings)	3,531	3,600	98.08%	
27J Preschool at the BLARC	112	128	87.50%	
BOLT Academy at the BLARC	32	32	100.00%	
Total not in District Buildings (PK-12)	<u>3,675</u>	<u>3,760</u>	<u>97.74%</u>	

1 Recommended capacity equals the maximum class size and includes modular classroom space and preschool classes.

2 Includes initial year of construction and years of major additions and renovations.

NOTES: The above figures do not take into consideration half-time students and various methods of utilizing classrooms at the secondary level. This table demonstrates that for the current school year, the District's schools are very close to capacity.

Acquisition of school sites can be the most difficult part of acquiring additional student space. Based on long-term projections of growth, the District has aggressively pursued acquiring school sites. The District has obtained land by dedication from developers or purchase for 20 elementary school sites, 2 middle school sites and 2 high school sites totaling over 365 acres. The District is in the process of obtaining additional school sites through land dedication.

In addition to the school buildings and their contents, the District owns or leases the following facilities and properties: the Heritage Community Plaza, the District Educational Services Center, a technology building & annex, a facilities building, utility/storage buildings, an indoor swimming pool, and 138 vehicles, of which 116 are buses or multi-passenger vans.

SOURCE: District Records

School District 27J  
Enrollment and Funded Pupil Count by Grade  
Last Ten Fiscal Years  
(Unaudited)

Grade	Oct 1 2005	Oct 1 2006	Oct 1 2007	Oct 1 2008	Oct 1 2009	Oct 1 2010	Oct 1 2011	Oct 1 2012	Oct 1 2013	Ten Year Average Class Size
Colo. Preschool Proj.	145.0	190.0	206.0	371.0	339.0	333.0	337.0	319.0	393.0	273.1
Special Ed. Preschool	186.0	183.0	186.0	229.0	218.0	228.0	217.0	175.0	162.0	194.3
K	955.0	991.0	1,123.0	1,237.0	1,303.0	1,361.0	1,355.0	1,356.0	1,323.0	1,184.6
1	1,004.0	1,065.0	1,126.0	1,220.0	1,318.0	1,369.0	1,415.0	1,399.0	1,414.0	1,219.3
2	907.0	1,022.0	1,104.0	1,185.0	1,253.0	1,333.0	1,352.0	1,440.0	1,398.0	1,177.0
3	834.0	975.0	1,094.0	1,150.0	1,219.0	1,286.0	1,307.0	1,336.0	1,449.0	1,143.1
4	855.0	916.0	1,040.0	1,130.0	1,171.0	1,221.0	1,298.0	1,288.0	1,337.0	1,098.6
5	831.0	954.0	957.0	1,106.0	1,141.0	1,190.0	1,216.0	1,304.0	1,318.0	1,072.3
6	753.0	873.0	965.0	983.0	1,093.0	1,152.0	1,207.0	1,191.0	1,301.0	1,027.1
7	836.0	832.0	920.0	947.0	996.0	1,087.0	1,142.0	1,191.0	1,196.0	990.5
8	822.0	881.0	843.0	929.0	981.0	974.0	1,098.0	1,143.0	1,225.0	964.5
9	804.0	976.0	1,109.0	1,019.0	1,131.0	1,151.0	1,017.0	1,131.0	1,183.0	1,015.6
10	581.0	740.0	858.0	898.0	846.0	966.0	1,038.0	995.0	1,114.0	859.1
11	505.0	471.0	624.0	704.0	758.0	714.0	931.0	952.0	922.0	704.0
12	432.0	500.0	453.0	603.0	702.0	698.0	719.0	943.0	963.0	640.5
Ungraded	-	-	-	-	-	-	-	-	-	0.0
Total Enrollment	10,550.0	283,354,173.0	12,608.0	13,711.0	14,469.0	15,063.0	15,649.0	16,163.0	16,698.0	28,347,834.0
Adjustments to calculate Funded Pupil Count										
CPP (.5 FTE)	(72.5)	(92.5)	(101.0)	(183.0)	(167.0)	(159.5)	(156.0)	(158.5)	(193.5)	(133.3)
Spec Ed Preschool (.5 FTE)	(92.5)	(91.5)	(93.0)	(114.5)	(109.0)	(114.0)	(108.5)	(87.5)	(81.0)	(97.1)
Kindergarten (.5 FTE)	(477.0)	(495.0)	(560.0)	(616.0)	(650.0)	(680.5)	(677.5)	(675.5)	(661.0)	(591.4)
Full Day Kinder Factor .08	-	-	-	98.6	104.0	108.9	108.4	108.1	109.8	63.8
Part-time students (.5 FTE)	(17.5)	(7.5)	(4.5)	(10.5)	(9.5)	(3.0)	(4.0)	(9.0)	(15.5)	(9.6)
Out-of-district students	26.0	16.0	24.0	-	-	-	-	-	-	9.7
Non-eligible students	(21.0)	(42.0)	(72.0)	(63.0)	(57.0)	(67.0)	(70.0)	(62.0)	(57.0)	(52.1)
Other students	67.0	87.5	86.0	66.5	60.0	80.5	80.5	74.0	78.5	73.2
Total FPC	<u>9,962.5</u>	<u>283,353,548.0</u>	<u>11,887.5</u>	<u>12,889.1</u>	<u>13,640.5</u>	<u>14,228.4</u>	<u>14,821.9</u>	<u>15,352.6</u>	<u>15,878.3</u>	<u>28,347,097.3</u>

NOTES: FPC is the District's funded pupil count as defined by the Colorado School Finance Act.  
Full day Kinder Factor additional funding began in 2008

SOURCE: Colorado Department of Education pupil membership by county, district and grade report.

**THIS PAGE INTENTIONALLY LEFT BLANK**



## Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014

# Compliance Section



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2014

	Federal CFDA Number	Federal Expenditures
<i>US Department of Agriculture:</i>		
Passed through Colorado Department of Human Services	10.555	\$ 313,663
Passed through State Department of Education:		
School Breakfast Program	10.553	577,829
National School Lunch Program	10.555	2,211,596
Summer Food Service Program for Children	10.559	68,426
Fresh Fruits and Vegetables Program	10.582	15,871
<b>Child Nutrition Cluster Subtotal</b>		<u>2,873,722</u>
<b>Total US Department of Agriculture</b>		<u><u>3,187,385</u></u>
 <i>US Department of Education:</i>		
Passed through State Department of Education:		
Title I , Part A (4010)	84.010	1,164,840
Title IIA - Teacher Quality (4367)	84.367	176,765
Title III - English Language (4365)	84.365	202,154
Race to the Top (4413)	84.413A	10,218
Title VIB - Handicapped / IDEA - Part B (4027)	84.027	2,159,693
Title VIB - Handicapped / IDEA - Preschool (4173)	84.173	31,211
Passed through Colorado Community College System/MEP Youth Advocate Aurora		
Carl Perkins (4048)	84.048	86,650
Passed through Metro Migrant Education Program		
Education of Migrant Children (4011)	84.011	34,009
<b>Total US Department of Education</b>		<u><u>3,865,541</u></u>
 <i>US Department of Interior</i>		
Passed through Adams County:		
U.S. Fish and Wildlife Service	15.227	113,326
<b>Total Federal Assistance</b>		<u><u>7,166,252</u></u>

## **SCHOOL DISTRICT 27J, COLORADO**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2014**

**NOTE 1:**      **Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Brighton School District 27J, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts reported in, or used in the preparation of, the basic financial statements.

**NOTE 2:**      **Non-Cash Assistance**

Commodities donated to the School District by the U.S. Department of Agriculture (USDA) are valued based on the June 2012 USDA's Donated Commodity Price List and by values provided by the USDA. The commodities are recognized as revenue and expenses when received. Commodity donations of \$313,663 were recorded as a federal source of school lunch revenue in the Food Service Fund. Commodity donations of \$313,663 were recorded as food and milk expenses in the Food Service Fund.



# DEPARTMENT OF FINANCE

School District 27J

18551 E. 160th Avenue | Brighton, CO 80601

