

Douglas County School District Comprehensive Annual Financial Report

For the Year Ended June 30, 2019



Douglas County School District
Learn Today, Lead Tomorrow

**Douglas County
School District Re 1**
620 Wilcox Street
Castle Rock, CO 80104
www.dcsdk12.org

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
620 Wilcox Street
Castle Rock, Colorado 80104

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
For the Year Ended June 30, 2019

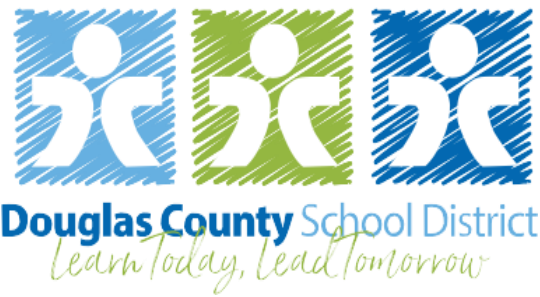


Thomas S. Tucker, Ph.D
SUPERINTENDENT

Prepared by:
Office of Business Services

Scott S. Smith
Chief Financial Officer

Jana L. Schleusner
Director of Finance



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***INTRODUCTORY
SECTION***

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
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Board of Education



From left to right: Kevin Leung, Anthony Graziano, Wendy Vogel, David Ray, Krista Holtzmann, Anne-Marie Lemieux, and Christina Ciancio-Schor

Name	Position/District	Term Expires
David Ray	President – District F	2019
Wendy Vogel	Vice President – District A	2019
Anthony Graziano	Director – District B	2021
Anne-Marie Lemieux	Treasurer – District C	2019
Christina Ciancio-Schor	Director – District D	2021
Kevin Leung	Director – District E	2021
Krista Holtzmann	Secretary – District G	2021

(As of June 30, 2019)

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
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June 30, 2019

Leadership Team

Thomas S. Tucker, Ph.D.
Superintendent

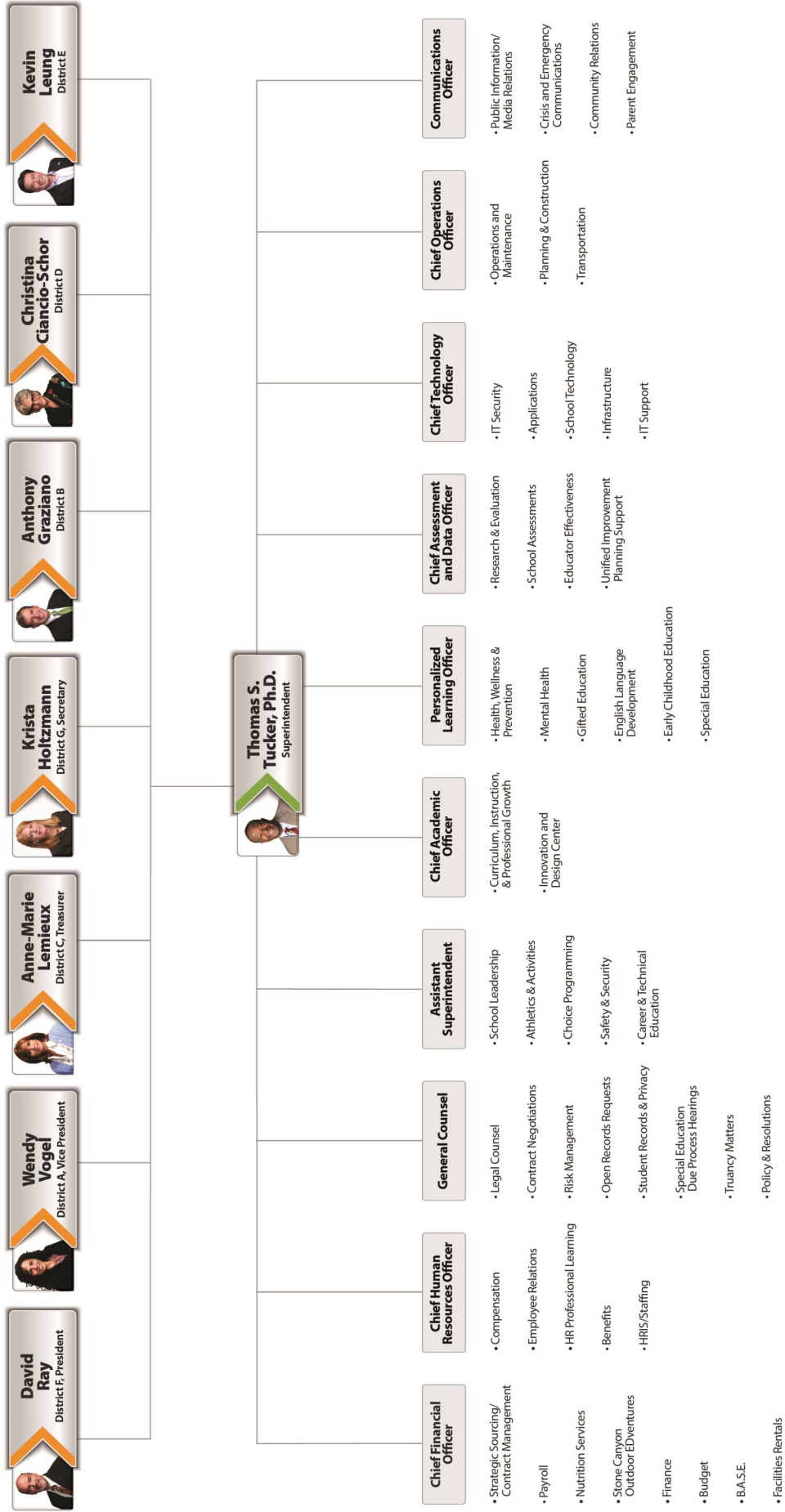


Superintendent Cabinet

Richard Cosgrove
Marlena Gross-Taylor
Nancy Ingalls
Mary Klimesh
Ted Knight
Stacy Rader
Matt Reynolds
Gautam Sethi
Scott Smith
Amanda Thompson

Chief Operations Officer
Chief Academic Officer
Personalized Learning Officer
General Counsel
Assistant Superintendent
Communications Officer
Chief Assessment and Data Officer
Chief Technology Officer
Chief Financial Officer
Chief Human Resources Officer

DOUGLAS COUNTY SCHOOL DISTRICT



DOUGLAS COUNTY SCHOOL DISTRICT RE.1
Comprehensive Annual Financial Report
June 30, 2019

Mission and Vision

MISSION

The mission of the Douglas County School District is to provide an educational foundation that allows each student to reach his or her individual potential.

VISION

The Douglas County School District (DCSD) strives to maximize the potential of every student to pursue his or her chosen endeavor in society, including but not limited to postsecondary education, career, or military service.

Board of Education Goals

Academic Excellence

(Approved at the March 20, 2018 Board of Education Meeting)

Outstanding Educators and Staff

(Approved at the May 8, 2018 Board of Education Meeting)

Safe, Positive culture and Climate

(Approved at the August 7, 2018 Board of Education Meeting)

Collaborative Parent, Family, and Community Relations

(Approved at the September 18, 2018 Board of Education Meeting)

Financial Well Being

(Approved at the October 2, 2018 Board of Education Meeting)

For more information, see the Douglas County School District website at www.dcsdk12.org.

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Thomas S. Tucker, Ph.D.
Superintendent

November 22, 2019

District Citizens and Members of the Board of Education
Douglas County School District (DCSD) RE.1
Castle Rock, Colorado 80104

It is our pleasure to submit to you the Douglas County School District RE. 1 (the District or DCSD) Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of DCSD management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect District assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the District comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Under provisions of Article 29-1-603, Colorado Revised Statutes, 1973, an independent public accounting firm must perform an annual audit of the District's accounts. CliftonLarsonAllen LLP Certified Public Accountants have issued an unmodified (clean) opinion on the District's financial statements for the year ended June 30, 2019. The independent auditor report is located immediately following this letter of transmittal. The independent audit of the District's financial statements also includes the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis involving the administration of federal awards. The results of the District's single audit for the period ending June 30, 2019, provided no instances of material weaknesses in internal controls over compliance or material violations of applicable laws, regulations, contracts and grants.

U.S. GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the Douglas County School District can be found immediately following the report of the independent auditor.

Profile of the District

The District's boundaries are largely coterminous with those of Douglas County with just a small portion of the District located in Elbert County. The District is located immediately south of the Denver metropolitan area along the eastern slope of the Rocky Mountains, and includes the towns of Castle Rock, Parker and Larkspur; the cities of Lone Tree and Castle Pines, and the unincorporated area of Highlands Ranch. The District encompasses approximately 867 square miles and has a population of about 358,000 in Douglas County in addition to a small population in Elbert County. The District receives funding from local, state and federal government sources and must comply with the requirements of each of these funding sources.

The District provides a full range of PreK-12 educational school programs and services for 67,591 students including basic education in elementary, middle and senior high schools, online educational options, vocational education, home schooled student support, and other opportunities for personalized learning designed to meet the unique needs of each individual student. About 2,069 of these students enroll in one of DCSD's online learning schools, eDCSD or HOPE Online. Both online schools enroll students from kindergarten through twelfth grade offering a valuable alternative to the traditional education environment.

The District is governed by a seven-member Board of Education (the Board or BOE), whose members are elected by the qualified electors within the District's boundaries. General duties which the Board is empowered to perform include employing and compensating all personnel necessary to maintain operations and carry out the educational programs of the District; fixing attendance boundaries; establishing annual budgets; determining the educational programs carried on in the schools of the District; and prescribing the textbooks of any course of instruction or study in such educational programs.

The District includes as discretely presented component units nineteen (19) charter schools; Academy Charter, American Academy with three sites - one in Castle Pines and two located in the Town of Parker, Apex Community School, Ascent Classical Academy, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, DCS Montessori, Global Village Academy, HOPE Online Learning Academy, Leman Classical Academy, North Star Academy, Parker Core Knowledge, Parker Performing Arts, Platte River Academy, Renaissance Secondary, SkyView Academy, STEM School Highlands Ranch, and World Compass Academy. Ascent Classical Academy and Leman Classical Academy began instructional operations in August of 2018 thus this Comprehensive Annual Financial Report includes their first full year of financial results presented in the "Component Units" section of this document starting on page 135. A charter application for Apex Community School was approved for opening in fall 2019, however the school withdrew its charter application and is no longer scheduled to open in the District.

Charter schools are public schools approved by the DCSD Board of Education and authorized by the State of Colorado to provide alternatives for parents, pupils and teachers. These schools have separate governing boards and are funded by the School Finance Act of the State of Colorado and Douglas County School District Mill Levy Override funds with revenues passing through the District. Though fiscally and programmatically independent, the District provides many supports and services for these charter schools.

Budget Process and Budgetary Controls

The annual budget serves as the foundation for the District's financial planning and control. A proposed budget is developed based on budget requests of the individual departments and schools of the District. The administration presents the proposed budget to the Board of Education for review. A public hearing is held on the proposed budget, and a final budget is adopted no later than June 30 prior to the new fiscal year that begins July 1. The Board of Education may revise the budget due to unforeseen circumstances that did not exist at the time of the original budget adoption such as emergencies or unanticipated revenues. The Board of Education may also revise the budget due to enrollment changes at October Count and/or the Mill Levy tax rate setting in December.

The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education while simultaneously providing autonomy and site level control to individual budget owners. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. The District also maintains an encumbrance accounting system. Encumbered amounts that lapse at year-end are generally re-established in the following year as an obligation against the appropriated budget of the next year.

Local Factors Affecting Financial Condition

District Leadership: DCSD began its sixtieth year of operation with a new superintendent. As of June 30, 2019, Thomas S. Tucker, Ph.D., Superintendent completed one year of service for DCSD. Dr. Tucker was formally appointed July 1, 2018, following a nationwide search. Dr. Tucker served 29 years in the Kansas and Ohio public school systems. During that time, he held the positions of classroom teacher, assistant principal, principal, director of secondary curriculum, and superintendent.

Throughout the fiscal year 2019, Dr. Tucker worked with the Board to develop five goals, also referred to as "end statements". Those end statements include Academic Excellence, Outstanding Educator and Staff, Safe Positive Climate and Culture, Collaborative Parent, Family, and Community Relations and Financial Well-Being. The Board continues to define indicators of success in each area and obtain community feedback. Finally, the District began its work on a new strategic plan bringing together a unity of purpose. This strategic plan works towards meeting our community's expectations requiring us to grow together to leverage the opportunities of the future and thrive. The plan was officially launched during the 2019-2020 school year.

The Human Resources Department, along with the DCSD Employee Council (made up of DCSD teachers, administrators, professional/technical and classified employees from across the school district) are working together on the following next steps for developing a new pay structure for our school district. A salary study is under way to provide research-based data for a multitude of staff positions, and to compare our salary structures to other districts across the state. DCSD is partnering with an outside consultant to help us determine the compensation needs of our school district. Compensation recommendations will be formed in Employee Council, with a compensation sub-group of Employee Council members, and via gathering input from our employees. Recommendations will be shared with our Superintendent and Board of Education for final decision-making. Due to the layers and complexity of creating this new system, we anticipate the development of a new compensation structure will be a work in progress for most of the 2019-2020 school year.

Demographic Trends: The population in Douglas County continues to grow. It has increased to 358,000 residents as of January 2019 representing an increase of about 3.5 percent over the past year. The economy continues to grow, yet at a slower pace than recent years. Nationally, unemployment remains low and Colorado continues to outperform national figures with a rate of 2.9 percent versus the 3.7 percent national rate. Douglas County unemployment was a comparable 3.0 percent in the first quarter of 2019. The number of jobs located in Douglas County grew about 3.6 between the fourth quarters of 2017 and 2018, adding 4,457 jobs over the year.

Douglas County School District enrollment is beginning to slow and stagnate, yet remains the third largest school district in the State of Colorado. Student growth remains an important factor in 2019-2020 and for the District's long-term future. The membership for 2019-2020 is estimated at 67,539 (charter schools are also included in pupil counts) students. The Funded Pupil Count (FPC) for 2019-2020 is projected at 65,394, of which 2,041 are online students.

Though the District is in a relatively low student growth point in its history, Douglas County School District is expected to grow substantially over the next 20 years with residential and commercial growth. The new Sterling Ranch development which broke ground in July of 2015, is expected to generate approximately 2,500 elementary students, 750 middle school students and 1,500 high school students.

The Canyons Development recently under construction in the City of Castle Pines broke ground in 2018 and is anticipated to have 2,500 residential units, which currently translates to an additional 2,400 students at buildout. The Looking Glass Development, formerly the Anthology and Hess developments in the Town of Parker, anticipates 6,100 new dwelling units and is expected to generate 4,700 students at build out.

Mill Levy Override and Bond approved by voters: In November, 2018, the voters of Douglas County approved both a \$40 million mill levy override (MLO) and a \$250 million bond, providing needed funding to the district to address salaries, staffing, student programming and capital needs in the District.

Mill levy override funds were used to address teacher/staff pay and school level funding, as well as provide counselors at elementary schools, and reduce counselor to student ratios at middle and high schools. Charter schools share in DCSD's MLO on a 100 percent, per student basis. In January of 2019, pay raises were retroactively applied to district staff to begin to close pay gaps. The District formed a Mill Bond Oversight Ad Hoc Committee, to monitor the progress of the improvements and programs being implemented, ensure MLO/Bond expenditures are in alignment with ballot language approved by voters, and periodically report to the Board of Education the status of MLO/Bond expenditures.

The \$250 million bond provided one-time funds for capital needs such as security upgrades, facility repairs, classroom furnishings, buses and technology. Total bond proceeds from the sale were approximately \$290 million. While the face value of the bonds is just under \$250 million, based on the credit strength of DCSD and the current interest rate environment, the District's bonds generated a premium, resulting in more funding for the school district to address additional capital needs.

State Education Fund Revenue Forecast: The September 2019 Office of State Planning and Budgeting (OSPB) Revenue Forecast reported the economic outlook in Colorado is still positive. Revenue to the State Education Fund will increase 3.4 percent and 5.6 percent in fiscal year 2019-2020 and fiscal year 2020-2021, respectively.

The Colorado Constitution requires that one-third of one percent of taxable income from Colorado taxpayers be credited to the State Education Fund. In addition to this revenue, policies enacted over the past several years have transferred other General Fund money to the State Education Fund.

The future of the state's PreK-12 funding remains uncertain. Without voter approval of new school finance funds, the future of education funding will be predicated on strong economic growth within the state sufficient to cover inflation and student growth.

Significant Financial Policy Changes

1. PERA Law Changes Impacting the Net Pension Liability for the School Division Trust Fund (SCHDTF):

Senate Bill (SB) 18-200

SB 18-200, signed into law June 4, 2018, significantly reformed Colorado Public Employees' Retirement Association (PERA) contributions and benefits in order to restore PERA to full funding within 30 years. The most significant changes are as follows:

- Employer contribution increase of 0.25 percent to 20.40 percent effective July 1, 2019
- Employee contribution increase of 2.00 percent total to 10.00 percent, phased in over a three-year period (0.75 percent increase beginning July 1, 2019; 0.75 percent increase beginning July 1, 2020; 0.50 percent increase beginning July 1, 2021)
- Defined contribution plan offered to State and Local PERA Divisions only (not offered to School Division)
- Retirement age raised to 64 and 30 years' service for new members only for full service retirement on new members after January 1, 2020
- Annual line item in State budget of \$225 million to directly fund PERA for 30 years
- Highest average salary calculation increased from 3 to 5 years for non-vested members
- Cost of Living Adjustment (COLA) maximum of 1.50 percent
- Automatic adjustment feature to increase employer contribution by up to 0.5 percent in one year if PERA is behind schedule for full funding

2. Full-day Kindergarten

Beginning in the 2019-2020 school year, kindergarten will be funded for full day. Before passage of the act, the school finance formula provided funding for half-day kindergarten educational programs plus a small additional amount of supplemental kindergarten funding. The act provides funding through the school finance formula for full-day kindergarten educational programs. A student enrolled in a full-day kindergarten educational program will be funded at the same amount as students enrolled full-time in other grades. A student enrolled in a half-day kindergarten educational program will be funded as a half-day student plus the existing amount of supplemental kindergarten funding. Before passage of this act, the District charged parents of the students enrolled in full-day kindergarten tuition. This change saves parents of neighborhood school kindergarten students \$5 million in tuition annually.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA), and the International Association of Business Officials (ASBO) both awarded a Certificate of Achievement for Excellence in Financial Reporting to Douglas County School District RE.1 for its comprehensive financial report for the year ended June 30, 2018. These Certificates of Achievement are prestigious national awards recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive financial report whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District has received a GFOA Certificate of Achievement for the last thirty one consecutive years (fiscal years ended 1987-2018). For the sixth year in a row, the District submitted for the ASBO International award and was successful. We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting it to GFOA as well as ASBO International to determine its eligibility for another certificate from each of these public finance entities.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Business Office. We would like to thank all those who played a part in the preparation of this report. Additionally, we express our appreciation to the members of the Board of Education for their interest and support in conducting the financial affairs of the District during the year.

Respectfully submitted,



Thomas S. Tucker, Ph.D.
Superintendent of Schools



Scott S. Smith
Chief Financial Officer



Jana L. Schleusner
Director, Finance



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Douglas County School District RE. 1

for its **Comprehensive Annual Financial Report (CAFR)**
for the **Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Douglas County School District Re. 1
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



Douglas County School District

Learn Today, Lead Tomorrow

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***FINANCIAL
SECTION***



INDEPENDENT AUDITORS' REPORT

Board of Education
Douglas County School District, No. Re.1
Douglas County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Douglas County School District, No. Re.1 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the District's Charter Schools, discretely presented component units, which represent 100 percent and 100 percent, respectively, of the assets and deferred outflows of resources and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the District's Charter Schools, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the District's Charter Schools, aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, with the exception HOPE Online Learning Academy Co-op, which was audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 12 to the financial statements, the District disclosed a change in reporting entity in accordance with GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and restated the beginning balance of the component unit Apex Community School, previously shown as a component unit of the District for the fiscal year ended June 30, 2018. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 25-37, the combined general fund budgetary comparison schedule on page 89, the schedule of the District's proportionate share of the net pension liability on page 93, the schedule of the District's proportionate share of the net OPEB liability on page 96, the schedule of pension contributions and related ratios on page 90, and the schedule of OPEB contributions and related ratios on page 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements, the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the combining component unit financial statements, the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 11, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The individual nonmajor fund financial statements and schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 22, 2019

Douglas County School District RE. 1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2019

As management of Douglas County School District RE. 1 ("the District" or "DCSD"), we offer readers this Management Discussion and Analysis (MD&A) as an overview of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider this narrative in conjunction with additional information furnished in the Letter of Transmittal located on pages 12-17 and the balance of information within this Comprehensive Annual Financial Report (the Report).

Financial Highlights

- The District reports an increase in "Net Position" of \$166,691,454 over fiscal year 2018 due mostly to the decrease in the proportionate share of the net pension liability (NPL) associated with Colorado PERA (Public Employees Retirement Association). The decreased proportionate share is directly related to the changes made in Senate Bill 18-200 which in addition to other changes, required the state to directly fund PERA in the amount of \$225 million annually. This not only decreased the total NPL, but also decreased the proportionate share for the District. With the GASB Statement No. 68 requirement to post this liability to the government-wide financial statements, the District reported an increase in net position of \$166 million, since the liability actually decreased in the current year. If not for this reporting the District would instead have reported an increase in Net Position of over \$40 million.
 - ◇ In February 2019, the District sold the \$250 million bond approved by the voters the previous November. Due to the strong interest environment and the solid credit rating of the District, the sale resulted in an additional \$40 million in bond premium. The District was able to utilize over \$16 million during the fiscal year to begin improvements on our aging buildings, buy new buses and refresh technology. Additionally, the District realized almost \$6 million in investments earnings on those unspent funds. The District plans on spending these funds on voter approved projects within the next three years. An additional \$12 million of bond proceeds was used to pay-off outstanding certificates of participation saving the general fund over \$1 million in future interest payments annually.
 - ◇ The District continues to look for efficiencies in providing health-related benefits while still offering a valued benefit to our employees. As of June 30, 2019, the Short Term Disability Insurance (STDI) fund reported a loss of over \$15 thousand and the Medical Fund a gain of over \$1.7 million. The District was able to decrease the premiums for the STDI plan for the first time since the plan was self-funded five years ago (the 50 percent plan provided by the District and a 70 percent Buy-up Plan). For the fifth year in a row, the District absorbed all increases in the projected costs for the four medical plans offered to all employees with a minimum of 0.5 Full Time Equivalent (FTE). The District continues to evaluate the appropriate net position balance for these funds to ensure the District can continue to cover all claims while maintaining reasonable premium charges for both the District and its employees. Due to the healthy net position balance in the STDI plan, the District was able to cover all employees at the 70 percent level at no additional charge to the employees and eliminate the need for a Buy-up plan for the 2020 fiscal year and going forward.
 - ◇ The Combined General Fund revenue increased by almost \$80 million. Half of this increase is due to the voters approving a \$40 million Mill Levy Override in November 2018 election. Another \$8 million is due to the District's portion of the State non-employer contribution to PERA which equally increased the Districts revenue and expenditures. Finally, PPR increased by \$458 per funded pupil count which increased revenue by about \$29 million.
 - ◇ District policy of allowing schools to carryover discretionary budget dollars into the next fiscal year continues. Schools have savings of over \$21.1 million in the General Fund. This policy has empowered schools to scrutinize their expenditures without fear of losing unspent dollars. This practice promotes good stewardship of taxpayer dollars.
- The government-wide governmental activities liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of fiscal year 2019 by \$1,007,835,093 (net deficit) due to the posting of the "Net Pension Liability" (NPL) of \$992,546,522 required pursuant to GASB Statement No. 68. The District portion of the PERA NPL decreased over fiscal year 2018 by \$1,131,699,325. The significant decrease is due to the non-employer contribution by the State required by SB 18-200 which both decreased the NPL through a direct contribution and decreased the District's proportionate share due to the State now reporting a large portion of that liability. DCSD's portion of the NPL decreased by about 0.95 percent, from 6.56 percent to 5.61 percent. In addition, PERA's NPL for the School Trust Fund decreased by \$14 billion.
 - ◇ In the prior year the NPL reported by PERA increased significantly. This was mostly due to PERA applying the GASB Statement No. 67 projection test which showed the fiduciary net position (FNP) of the SCHDTF (School Division Trust Fund) would be depleted by 2041. Because of this depletion, on years after 2041, the pension plan was required to

Financial Highlights (Continued)

discount the projected benefit payments using a presumed borrowing rate. This blended rate was calculated at 5.26 percent. PERA management reported that these assumption changes increased the SCHDTF NPL by over \$13 billion. With the SB 18-200 changes which were implemented in part during the last calendar year and will continue over the next several years, the FNP is no longer being shown as depleted in 2041 causing a significant decrease in the NPL reporting as of December 31, 2018.

- ◇ It is important to note that the District does not have a responsibility to pay the amount shown as the NPL. The direct liability for DCSD is limited to the annually required contributions established by the Colorado State Legislature. In addition, the District does not have any control over the investment policies associated with PERA investments. These responsibilities lie solely with the PERA Board and the PERA administration. Decisions regarding the plan benefit design and the funding policies lie solely with the Colorado State Legislature.
- ◇ Note the District's proportionate share sensitivity to the applied discount rate found in the notes on page 76. A one percent increase or decrease in the discount rate impacts the District's proportionate share by about \$225 to \$269 million.
- ◇ The government-wide governmental activities liabilities *exclusive* of the Net Pension Liability (NPL) and OPEB Liability total \$639,290,857 for the period ended June 30, 2019, an increase from the prior year of \$245,199,057. This increase is due primarily to the issuance of the 2018 General Obligation (G.O.) Bond indebtedness offset by the pay-off of the outstanding Certificates of Participation (COPs). Lease payments are accounted for in the COP Lease Payment Fund but this fund is sourced from a General Fund transfer. Contrary to this fact, G.O. bonded debt is serviced through revenues approved by the local taxpayer.
- ◇ At the close of the fiscal year, the governmental funds of the District reported a combined ending fund balance of \$434,911,231. This ending fund balance represents an overall increase of \$284,728,054 from the prior year primarily due to the 2018 bond proceeds in the Building Fund. The District continues to monitor the fund balance in the Combined General Fund. With the passing of the 2018 MLO the District was able to make significant strides in increasing pay of all employees. Due to the mid-year passage of the MLO, the District was unable to fill all of the school counselor positions made possible with the additional funding. As these positions are filled, the fund balance will appropriately adjust.

Overview of the Financial Statements

The basic financial statements of the District are comprised of three components: 1) government-wide financial statements, 2) fund financial statements inclusive of governmental, proprietary, and fiduciary funds, and 3) notes to the financial statements. The Report also contains other supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide stakeholders (e.g. taxpayers, state and federal government agencies, and the Board of Education) with a relevant and reliable overview of the District finances; to assist the reader in their assessment of how District resources are acquired and used; to determine whether current resources were sufficient to meet current costs, and to determine whether the ability to provide educational services improved or deteriorated from the previous year. With the inclusion of the Net Pension Liability (NPL), stakeholders are provided additional information regarding the unfunded liability status of Colorado PERA. Though this NPL is not the responsibility of the District, it does provide information to the Colorado State Legislature and the governmental leadership of and around the District assisting them in future decisions regarding the funding of the School Division Trust Fund associated with PERA.

Government-wide Financial Statements

The statement of net position presents information on all of the assets, liabilities, deferred inflows and deferred outflows of resources of the District. The difference between District assets and deferred outflows from District liabilities and deferred inflows represents the net position of the District. Over time, assessing the trajectory and order of magnitude of increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Though the net position of the District is negative, this occurrence is only due to the posting of the District proportionate share of the PERA unfunded liability. Again, the District does not have any control over the funding level of the PERA School Division Trust Fund (SCHDTF) nor any control over the investment policies and activities associated with this Trust.

The statement of activities presents information showing how the District net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the

Overview of the Financial Statements (Continued)

Government-wide Financial Statements (Continued)

timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation or sick leave). The governmental financial statements distinguish functions of the District that are principally supported by taxes from other functions intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the District include instruction and education support services of the District as well as payments to component units.

The government-wide financial statements are comprised of the activities of the District's "neighborhood" schools (collectively known herein as the primary government) and also nineteen (19) schools authorized under charter school contracts approved by the Douglas County School District Board of Education. Financial information for the charter schools is detailed as component units; accordingly, each is reported separately from the financial information of the primary government. Summaries of these component unit financial statements are presented from pages 136-145. All charter school audits are performed independent of each other and the District. There is one charter school operating in Douglas County that does not have a charter contract with Douglas County Board of Education. Instead, this charter school, Colorado Early Colleges Parker, has a charter contract with the Colorado Charter School Institute. The financial audit information for this charter school is not included within the Douglas County District as their School Finance Act revenues are received directly from the State of Colorado and not via a pass-through from DCSD.

The government-wide financial statements are located on pages 41-43 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental fund financial statements are a subset of the government-wide financial statements. Unlike the government-wide financial statements, however, 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 the District's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Combined General Fund, the Bond Redemption Fund, and the Building Fund, as all are considered major funds. Data from the other six governmental funds; the Nutrition Services National School Lunch Program (NSLP) Fund, the Nutrition Services Non-NSLP Fund, the Governmental Designated Purpose Grants Fund, the Athletics and Activities Fund, the Child Care Fund and the COP Lease Payment Fund are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is also provided in the form of combining statements in the Supplemental Financial Statement section of this report.

The District adopts an annual appropriated budget for its Combined General Fund as well as all the other funds. On page 89, a budgetary comparison statement is provided for the Combined General Fund to demonstrate compliance with the annually appropriated budget

Proprietary Funds

The District maintains only one type of proprietary fund, Internal Service Fund. Internal Service Funds are used to accumulate

Overview of the Financial Statements (Continued)

Proprietary Funds (Continued)

and allocate costs internally among the District's various functions. The District uses two Internal Service Funds, the Medical Fund and the Short Term Disability Insurance Fund (STDI). The Medical Fund accounts for its self-insured and fully-insured medical programs as well as dental and vision insurance, and the Short Term Disability Fund accounts for short term disability claims and insurance activity.

The Medical Fund and the STDI Fund are governmental funds activities and are included in the government-wide financial statements within governmental activities. They are not included in the governmental funds on pages 44 and 46 but are included in the proprietary fund financial statements as internal service funds. Individual fund data for the Medical Fund and the STDI Fund are provided in separate detail on pages 126-130.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The District is responsible for ensuring the assets reported in the Agency Fund, Fund 74, held on behalf of and at the discretion of students at the schools, are used only for their intended purposes. Additionally, Fund 75, Private Purpose Trust Scholarship is only used for approved scholarships at verified educational institutions. Fiduciary funds are not reflected in the government-wide financial statements because the resources of fiduciary funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. This additional *Note* detail can be found on pages 53-85.

Net Position

The following table provides a summary of the Governmental net position as of June 30, 2019. Comparative data for June 30, 2018 is also presented. This financial statement reports that liabilities plus deferred inflows of resources exceeded assets plus deferred outflow of resources by \$1,007,835,093. This negative net position is solely due to the adoption of GASB Statement No. 68. Note that in comparison to the fiscal year 2018 data, the District net position increased by \$166,691,454. This increase, however, was due to the State non-employer contribution made to PERA in accordance with Senate Bill 18-200. This contribution of \$225 million made directly to PERA both decreased the total net pension liability, and decreased the District's ownership on that liability creating pension income for the District in the amount of \$125,991,849.

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Government-wide Financial Analysis

Net Position (Continued)

Condensed Statement of Net Position

	Governmental Activities	
	2018-2019	2017-2018
Current and other assets	\$ 495,522,018	\$ 197,488,281
Capital assets	646,511,890	656,424,387
Total assets	1,142,033,908	853,912,668
Deferred outflows of resources	323,955,951	632,067,556
Current liabilities	89,215,450	80,433,669
Long-term liabilities outstanding	1,592,193,194	2,486,409,198
Total liabilities	1,681,408,644	2,566,842,867
Deferred inflows of resources	792,416,308	93,663,904
Net position:		
Net investment in capital assets	340,650,911	320,514,061
Restricted for:		
TABOR Emergency	16,600,000	15,038,500
Debt Service	60,271,834	59,288,363
Nutrition Services	1,962,156	1,593,922
Other Grants & Programs	2,843,817	2,353,308
Unrestricted	(1,430,163,811)	(1,573,314,701)
Total net position	\$ (1,007,835,093)	\$ (1,174,526,547)

Note from the table above that the largest portion of the District assets, about fifty-seven percent (57%), reflects investment in capital assets less accumulated depreciation. The largest portion of current assets, predominately cash on hand, is reported in the Building Fund resulting from the sale of the 2018 bond. These funds will be spent over the next three years for capital needs. The Combined General Fund and Bond Redemption Fund also report significant amounts of cash on hand. The Combined General Fund cash balances are held for TABOR and Board of Education required reserves as well as the carryover balances for schools. Smaller cash balances are reported in the non-major governmental funds, mostly in the Child Care Fund. This cash balance is used for normal operations of the program. Note that the cash balance in the Bond Redemption Fund is available to make the December 1, 2019 debt service payment. Property tax revenues for each fiscal year are largely received in the second semester of the school year between March and June though tax receipts continue through December 31 of the following fiscal year.

Note in the Condensed Statement of Activities below that governmental activity total revenues increased \$79,958,546 over fiscal year 2018 primarily due to the 2018 MLO revenue. However, this increase is also due in part to a slight growth in funded pupil count and the increase in per pupil revenue of \$458/student associated with the School Finance Act.

Interest earnings increased by over \$6.1 million, due to both an increasing interest rate environment nationwide as well as the new longer term investment options utilized by the District in the current year. Additionally, the District is investing the \$289 million in funds received from the 2018 no-new-taxes bond while the construction projects are ramping up. The total expenses decreased by \$458,304,620 from 2018 due to the significant decrease in the PERA NPL caused by the non-employer State contribution. Payments to component units (charter schools) increased by \$24,097,363 due to both the increase in the per pupil revenue and an increase of 938 funded pupils. Finally, almost \$33 million of the increase is due to salary and benefit increases due to July 2018 and January 2019 pay increases, increase in medial benefit cost fully absorbed by the District, PERA rate increases as well as the posting of the non-employer contribution from the state directly to PERA.

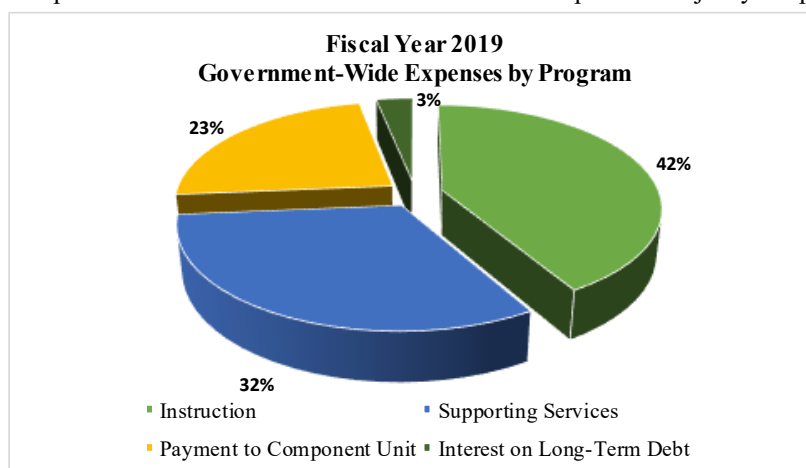
Government-wide Financial Analysis (Continued)

Net Position (Continued)

**Condensed Statement of Activities for
Fiscal Years Ended June 30, 2019 and 2018**

	Governmental Activities	
	2018-2019	2017-2018
Revenues:		
Program revenues:		
Charges for services	\$ 65,857,469	\$ 64,905,244
Operating/capital grants	48,402,673	41,319,993
General revenues:		
Property taxes	290,585,916	248,797,953
Specific ownership taxes	28,076,258	26,409,216
State equalization	319,317,806	295,788,353
Interest earnings	8,368,512	2,195,821
Grant contributions not specific to programs	5,162,745	4,999,420
Other	8,460,894	9,857,727
Total revenues	<u>774,232,273</u>	<u>694,273,727</u>
Expenses:		
Instruction	252,524,113	575,136,210
Supporting services	194,903,578	358,768,350
Payments to component units	140,793,998	116,696,635
Interest on long-term debt	19,319,130	15,244,244
Total expenses	<u>607,540,819</u>	<u>1,065,845,439</u>
Change in net position	166,691,454	(371,571,712)
NET POSITION, Beginning	(1,174,526,547)	(802,954,835)
NET POSITION, Ending	<u>\$ (1,007,835,093)</u>	<u>\$ (1,174,526,547)</u>

The chart below as well as the previous “Condensed Statement of Activities” report the majority of spend in Instruction.



Governmental Fund Financial Analysis

As noted earlier, the District uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. In addition, fund accounting is used to report on the financial position of the District to maintain transparency and provide accountability.

Governmental Fund Financial Analysis (Continued)

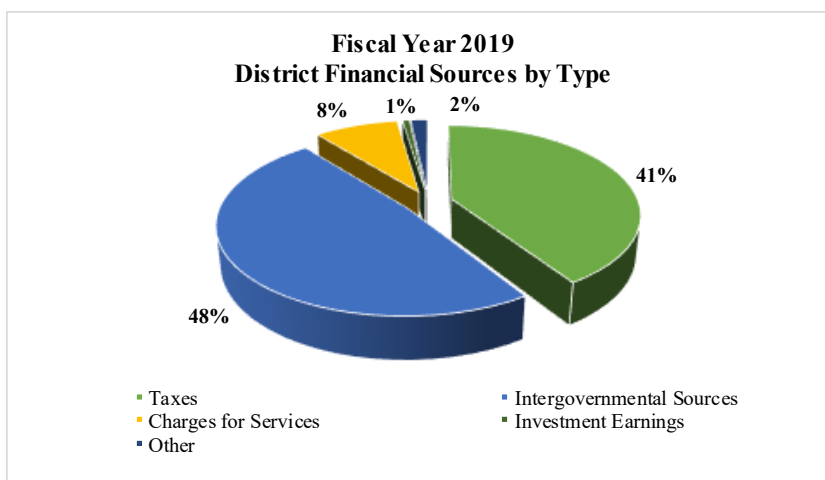
Revenues and Other Financing Sources

The District receives its revenues from local property taxes, intergovernmental sources through the state and federal government, charges for services rendered, returns on investment, issuance of bonds, COPs or capital leases, and several other minor sources. The table below is a comparative summary of the distribution of these revenues and sources for fiscal year 2019 and fiscal year 2018. The accompanying chart graphically shows the proportion of revenues from all the sources for fiscal year 2019. The largest revenue source for the District is received from state and federal intergovernmental sources at \$375,083,914, an increase of 11.3 percent from the prior year. The increase is due to an increase in PPR and slight student growth. In addition, Other State revenue increase mostly due to booking just over \$8 million for the District portion of the state non-employer contribution to PERA.

Property taxes represent the next significant source of revenue. The property tax revenue increase is due to the 2018 Mill Levy Override. Note also that there was a small increase in Specific Ownership Taxes indicative of the strong local economy.

The District charges its charter schools and students various fees. Recognize here that these charges include child care tuition and lunch charges in nutrition services. Charges for services increased 1.5 percent, this slight increase is very comparable to prior year charges in all categories.

	2018-2019		2017-2018	
Taxes	\$ 317,096,992	40.7%	\$ 275,111,761	39.8%
Intergovernmental Sources	375,083,914	48.1%	337,108,346	48.8%
Charges for Services	65,857,469	8.5%	64,905,244	9.4%
Investment Earnings	8,150,604	1.0%	1,484,563	0.2%
Other	13,107,087	1.7%	11,864,422	1.7%
	\$ 779,296,066	100%	\$ 690,474,336	100%

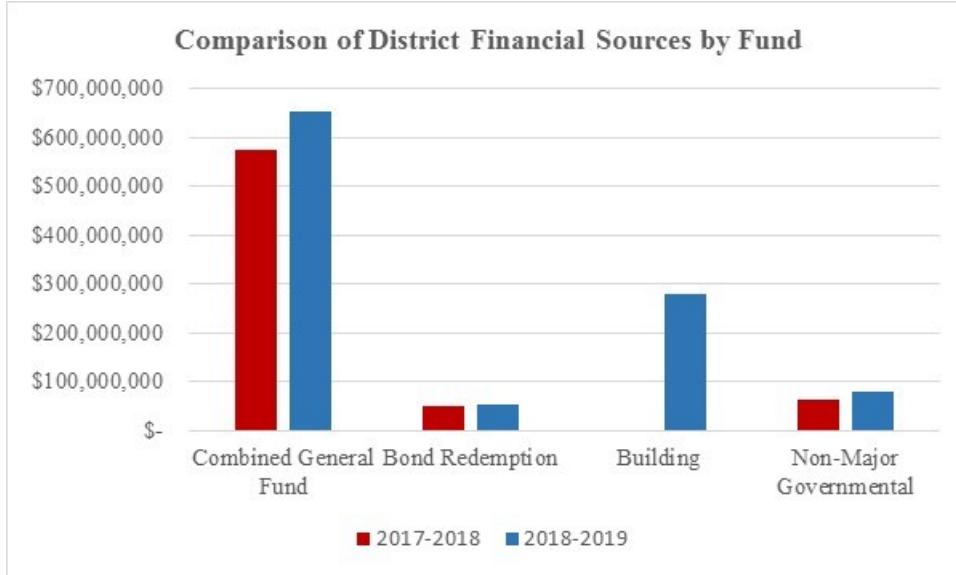


The table below and the accompanying column chart show the same total revenue and other financing sources but report these revenues by fund. Note that the majority of these revenues are accounted for in the Combined General Fund. The total Combined General Fund revenues are netted against the transfers out to the non-major governmental funds. The Building Fund revenues, the second largest reported revenues, are provided through the sales of the 2018 no-new-taxes bond associated with the recent Douglas County School District bond election. Non-major Governmental increase is due to the \$12 million transfer from the Building Fund to pay off a portion of the outstanding COP's.

	2018-2019		2017-2018		Inc/(Dec)
Combined General	\$ 652,446,466	61.0%	\$ 573,974,259	83.1%	\$ 78,472,207
Bond Redemption	52,945,266	4.9%	52,112,260	7.5%	833,006
Building	284,402,282	26.6%	20,637	0.0%	284,381,645
Non-major Governmental	80,323,360	7.5%	64,500,167	9.3%	15,823,193
Total	\$ 1,070,117,374	100%	\$ 690,607,323	100%	\$ 379,510,051

Governmental Fund Financial Analysis (Continued)

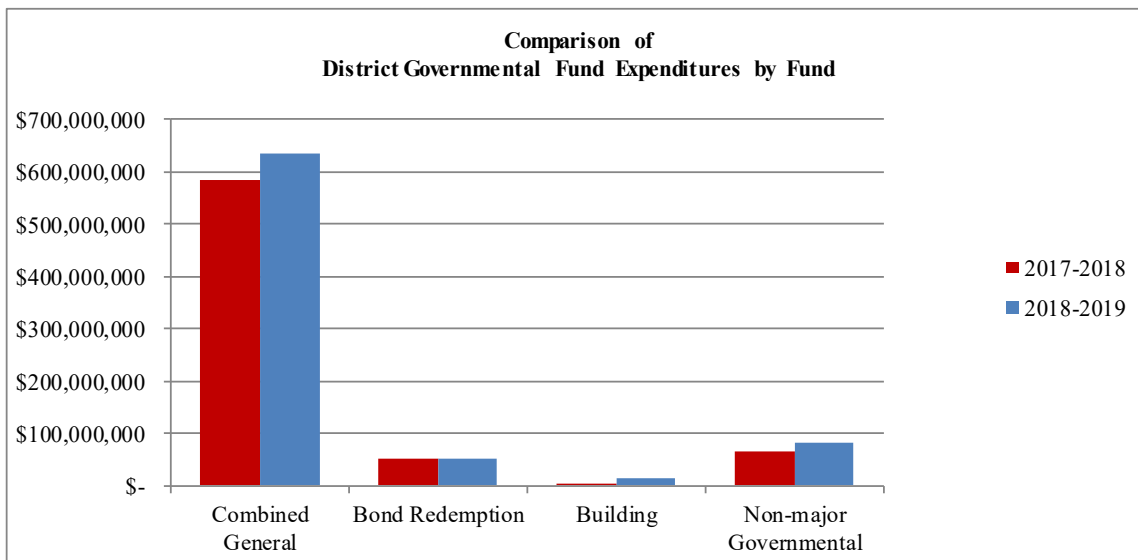
Revenues and Other Financing Sources (Continued)



Expenditures by Fund

Recall that the District uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. Fund accounting may also enhance transparency and accountability. In this analysis, Governmental Fund expenditures increased by \$85,168,860 due primarily to increases in salary and benefits and component unit payments both in accordance with the 2018 MLO. Additionally, benefits increase by about \$8 million due to the booking of the State non-employer contribution to PERA. The Building Fund increased by \$15 million due to the District beginning to spend the 2018 bond. Finally, the Non-major Governmental expenditures increased due to the District using a portion of the Bond proceeds to pay-off the 2014 COP saving the General Fund over \$1 million in interest.

	2018-2019		2017-2018		Inc/(Dec)
Combined General	\$ 635,963,305	81.0%	\$ 582,779,994	83.2%	\$ 53,183,311
Bond Redemption	51,255,870	6.5%	51,385,322	7.3%	(129,452)
Building	16,616,539	2.1%	1,562,557	0.2%	15,053,982
Non-major Governmental	81,553,606	10.4%	64,492,587	9.2%	17,061,019
Total	\$ 785,389,320	100%	\$ 700,220,460	100%	\$ 85,168,860

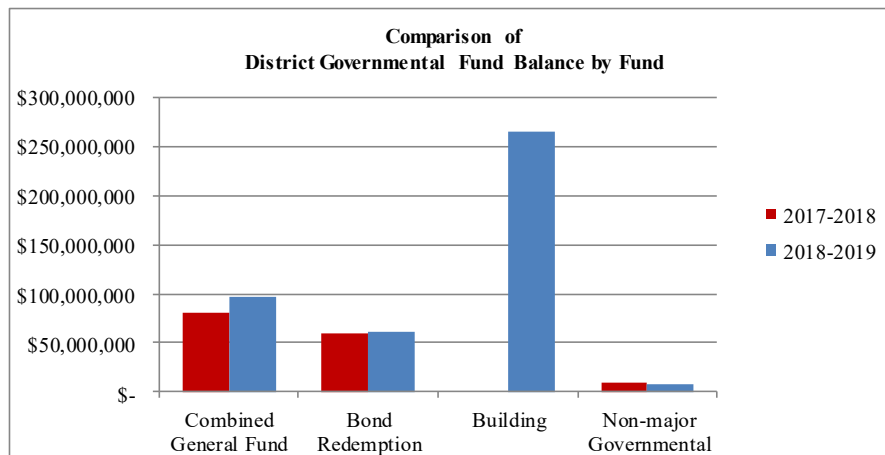


Governmental Fund Financial Analysis (Continued)

Ending Fund Balances

As of the end of the current fiscal year, the District governmental funds reported combined ending fund balances of \$434,911,231, an increase of \$284,728,054 from the prior year. This increase is primarily due to the issuance of the 2018 bonds. The General Fund increase of over \$16 million is due to the \$40 million mill levy override approved by voters in November 2018. A portion of those funds are to be used to provide counselors in elementary schools and reduce the counselor to student ratios at middle and high schools, most of these new positions will not be filled until the 2019-2020 school year.

	2018-2019		2017-2018		Inc/(Dec)
Combined General	\$ 97,647,586	22.5%	\$ 81,164,425	54.0%	\$ 16,483,161
Bond Redemption	61,833,048	14.2%	60,143,652	40.0%	1,689,396
Building	267,785,743	61.6%	-	0.0%	267,785,743
Non-major Governmental	7,644,854	1.8%	8,875,100	5.9%	(1,230,246)
Total	\$ 434,911,231	100%	\$ 150,183,177	100%	\$ 284,728,054



Combined General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year and State legislative action in the spring. Please reference the Budgetary Comparison Schedule on page 89. Note that the Amended expenditure budget shows an increase over the Adopted Budget of about \$30 million. In Colorado, districts are funded on current year student counts. The student count day is on or around October 1 of each fiscal year. Once these student counts are known, the Colorado Department of Education recalculates the state-aid for each district. In addition, the fiscal year for school districts is July 1 through June 30 but the mill levy or tax rates are not set for the current year until December. The District budget is amended to account for both the changes in student counts from projection as well as changes in assessed value and the resulting tax rate set in December. Finally, the amount of carryover available for each school is not finalized until September once the sixty-day encumbrance period associated with the payment of invoices has expired. The budget is amended to account for the carryover amounts awarded to each school. The new MLO passed in the 2018 election had the biggest impact on increased expenditures as a retroactive pay increase was given to all employees.

After the District’s financial plan is adopted in June of the prior year, budgets may be amended by the Board of Education or management. Once the budget is approved, individual sites may amend between individual expense items at any time as long as the total expenditures do not change. Total expenditures were amended by management and approved by the Board to align expenditures for changes in revenues as described above, as well as allocating funds for projects specifically identified in the Facility Acquisition and Construction category.

Note that the District expenditures were under budget in the Combined General Fund by \$8,460,237. Salaries were under budget due to the District not being able to hire all the counselors budgeted for after the passing of the MLO in addition to the higher than normal employee vacancy savings in special education, maintenance and transportation. This is offset by employee benefits being over budget due to the State non-employer contribution to PERA. Supplies and property and equipment were both under budget. Property and equipment expenditures were under due to scheduled capital projects that were not fully complete as of June 30, 2019. Recall that the Capital Projects Fund is part of the Combined General Fund. For extensive school reinvestment projects, the projects are scheduled for the summer months so that instruction is not impacted. The remaining

Combined General Fund Budgetary Highlights (Continued)

\$8,563,325 in the Capital Projects fund is either encumbered to complete projects started during fiscal year 2019 or are restricted – about \$3 million – as Cash in Lieu – dollars designated only for growth-related expenditures. The District schools continue to carefully monitor and review expenditures. This results in schools carrying over discretionary dollars in an amount of about \$21.169 million. School carryover reserves in the General Fund increased during fiscal year 2019 in an amount of about \$3 million. Finally, in Colorado, State law requires that funds be fully appropriated before any spend is authorized. Because of the site based decision model regarding the budgeting and spending of school discretionary dollars, as well as the sixty-day encumbrance period, final school spend is not known until the end of August. We fully appropriate and budget all available funds ensuring that our schools have the authority to spend their discretionary dollars.

Revenues were greater than budgeted by \$5,755,237 almost entirely due to revenue associated with the State non-employer contribution to PERA. Note, however, that even with the continued low price of gasoline, the Transportation Fund had expenditures greater than revenues (before transfers) by about \$18.2 million. The local market wage for bus drivers has continued to increase requiring the District to increase bus driver pay. In addition, increases in special education student enrollment has resulted in increased transportation needs as transportation for these students is mandated by Federal law and State statute. As previously mentioned, PPR was increased by \$458/student, which, combined with vacancy savings and benefit savings, and the additional MLO passed by voters, allowed the BOE to give additional pay increases and fully fund medical and PERA benefit increases.

Capital Asset and Debt Administration

Capital Assets

The District investment in capital assets for governmental activities as of June 30, 2019, equaled \$646,511,890, a decrease of \$9,912,498 (net of accumulated depreciation) due to \$29,162,921 in current year depreciation expense offset by an increase in building improvements and an increase in construction in progress. This investment in capital assets is in line with the improvement promises made to voters during the 2018 election such as security upgrades, facility repairs, classroom furnishings, buses and technology. Additional information on the District's capital assets is provided in Note 4 on page 63.

	Governmental Activities	
	2019	2018
Capital Assets:		
Land	\$ 13,310,241	\$ 13,310,241
Buildings and Improvements	955,179,861	942,743,830
Land Improvements	3,029,377	2,034,638
Machinery and Equipment	98,257,646	98,830,392
Construction in Progress	17,047,314	13,578,310
Accumulated Depreciation	(440,312,549)	(414,073,023)
Total Net Capital Assets	<u>\$ 646,511,890</u>	<u>\$ 656,424,388</u>

Long-Term Debt

As of June 30, 2019, the District had outstanding debt exclusive of NPL and OPEB, of \$590,649,553, an increase of \$234,639,337 from the prior year. The District issued a no-new-tax bond approved by voters in the 2018 election. Due to the strong credit rating of the District and the current interest rate environment the District was able to generate \$289 million in proceeds while the face value of the bonds are just under \$250 million. The District used a portion of these bond proceeds to pay off the 2014 COPs freeing up general fund dollars. Of the outstanding long-term debt, \$486,665,000 is G.O. bonded debt that is backed by the full faith and credit of the District taxpayers. Please also note the \$27,490,000 in outstanding COPs. Recall that the District's COP policy requires that yearly lease payment liabilities be no more than one percent of yearly general fund revenues. In reviewing the Notes on page 67, we report that our maximum yearly COP Lease payments will be \$3,402,356, an amount well below one percent of about \$648.1 million (\$6,481,516) in General Fund revenues received in fiscal year 2019.

In addition, due to GASB Statement Number 68, the District is required to report its portion of the PERA SCHATF Net Pension Liability (NPL). This proportionate NPL is reported as \$992,546,522, over 53 percent lower than the prior year.

Capital Asset and Debt Administration (Continued)

Long-Term Debt (Continued)

	Governmental Activities			
	June 30, 2019	%	June 30, 2018	%
General Obligation Bonds	\$ 486,665,000	29.8%	\$ 272,435,000	10.8%
Certificates of Participation	27,490,000	1.7%	42,510,000	1.7%
Accreted Interest	1,142,467	0.1%	779,558	0.0%
Bond Premiums	64,228,806	3.9%	28,275,838	1.1%
Extended Service Separation	266,945	0.0%	332,469	0.0%
Capital Leases	5,465,076	0.3%	6,318,769	0.2%
Compensated Absences	5,391,259	0.3%	5,358,582	0.2%
Total before NPL	590,649,553		356,010,216	
OPEB Liability	49,571,265	3.0%	48,505,220	1.9%
Net Pension Liability	992,546,522	60.8%	2,124,245,847	84.0%
Total	\$ 1,632,767,340	100%	\$ 2,528,761,283	100%

The \$27,490,000 of outstanding COPs are collateralized by specific buildings owned by the District. These COP lease payment obligations are subject to annual appropriation and are distinctly different from G.O. bonds. The issuance of G.O. bonds can only be completed upon voter approval associated with a dollar amount authorization. The aggregate yearly appropriation to Fund 39, the COP Lease Payment Fund, is just over \$3.4 million from the District and an additional amount of \$963,373 in revenues received from Aspen View Academy. See the Notes on page 65. Aspen View Academy was the first charter school to partner with the District as specified in the Board COP policy.

The District maintains credit ratings with two credit agencies as follows: Moody's Investors Services Inc. at Aa1, and Fitch, Inc. at AA+. Additional information on the District's long-term debt is provided in Note 6 starting on page 64.

At this time, identified capital projects are carefully prioritized to determine those with the greatest need or safety concern so that remaining capital projects dollars are used in the most effective way possible. The District and the LRPC (Long Range Planning Committee) continue to assess the status of facilities, to determine additional facility and technological needs based on student growth, and to update the Master Capital Plan with this information. As of June 30, 2019, the District has \$267,785,743 in proceeds remaining from the 2018 bond issuance.

Other Obligations of the District

The District maintains two capital leases that, similar to COPs, require an annual appropriation and are collateralized by the equipment received and installed. These annual lease payments are budgeted and accounted for in the Capital Projects Fund that is funded by a transfer from the District General Fund and is reported as part of the Combined General Fund.

Fund Balance Policy

Both the extent and the quality of educational services affect and are affected by the financial condition of the District. The District provides its best estimate of the end-of-year fund balances to be carried forward to the ensuing year as a beginning fund balance. At a minimum, the budget adopted by the District shall ensure that restricted General Fund or cash emergency reserves are held in the amount required under the provisions of the Colorado State Constitution. The Board of Education, by policy, mandates an additional reserve of three percent to further enhance the sustainability of the District financial position. This additional Board reserve is committed in the fund balance pursuant to GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The District maintains an ongoing three-year projection for significant operating funds.

The District continues to maintain a healthy fund balance. Our schools and departments regularly scrutinize their spend and have contributed greatly to the maintenance of this fund balance associated with the Board policy allowing school budget holders to carry unspent discretionary dollars into the new year. Compliance with and level of reserves and contingencies associated with Board policy shall be examined every year as part of the budget development process to determine if modifications are prudent in view of uncertainties in current and future revenues and expenses.

TABOR and Board of Education Reserves

The financial statements report that the State of Colorado requires each school district to reserve three percent of cash or more of fiscal year spending to use only for declared emergencies. As mentioned above, in addition to the required TABOR Reserve,

TABOR and Board of Education Reserves (Continued)

the Board of Education, by policy, requires an additional three percent of yearly spend held in reserve providing financial stability and available resources to fund any unexpected emergency. You can see on page 44 that the financial statements report the District meets the TABOR and additional Board of Education reserve policy reporting restricted and committed fund balances of \$16,600,000 and \$16,600,000 respectively. The District did not include the State non-employer contribution to PERA in the TABOR calculation since it is not the District's spend. A contingency budget line of \$5,331,667 is budgeted and appropriated each year also specified in Board policy.

Economic Factors and Subsequent Events

- State of Colorado Economy - From the September 2019 Revenue Forecast from the Office of State Planning and Budgeting, the economy in Colorado is expected to slow in the coming months. While employment and wage growth have been strong, the tight labor market is constraining business growth due to employers struggle to attract and retain talented employees.

Revenue to the State Education Fund is expected to grow 3.4 percent in fiscal year 2019-2020 and 5.6 percent in fiscal year 2020-2021.

The State School Finance Act, which has not been fully funded since fiscal year 2008-2009, has an ongoing Budget Stabilization Factor - formerly the "Negative Factor" - of about \$672 million translating to approximately \$48.2 million for DCSD. Pursuant to the Colorado School Finance Act for fiscal year 2019, the District PPR (per pupil revenue) without the Budget Stabilization factor, would have been \$8,596/student, about \$748 more than the actual PPR of \$7,848. With the constraints of TABOR and the Gallagher Amendment, Colorado does not have a sustainable plan to fund increases in PreK-12 education. PreK-12 education represents approximately 36 percent of the State General Fund. The funding of education is continually assessed against required increases in health care, Medicaid, and transportation competing for constrained State revenues.

- Douglas County Economy - The County population continues to grow increasing to 358,000 residents. This increase of 12,000 residents represents a growth rate of about 3.4 percent. Indicative of the economic recovery in the nation and the Colorado positive economic growth, unemployment in Douglas County continues to be low and as of March 2019, was reported at 3.0 percent. Employment grew 3.6 percent in Douglas County to over 126,764 workers.
- District Enrollment - The positive economic data reflected above is however not resulting in increased enrollment in Douglas County Schools. Enrollment declined about 6 students to a total enrollment of 67,591 for this reporting year. As of October 1, 2019 (fiscal year 2020), the District reported to CDE a decrease of 81 students to 67,307 students. This enrollment number is inclusive of both charter and neighborhood schools. Currently, charter school enrollment is at 16,454 representing approximately 24.3 percent of the District total enrollment.
- Fiscal Year 2020 School Finance Act Approved Increases and New District-wide Allocations - In July 2019, the District adopted a budget that includes an increase in per pupil revenue of \$347/student from \$7,848 to \$8,195. Based on projected funded pupil count, this change will result in an additional \$16.67 million in new revenue for neighborhood schools. This projected increase is offset by a decreasing student count in neighborhood schools in pockets of the community.

The Colorado Legislature passed HB 19-1272 to fund free full day kindergarten. This means the calculation of kindergarten funded pupils will be at 1.00 funding instead of 0.58. Which also means the District will no longer be charging tuition for the full day kindergarten students.

The Human Resources Department, along with the DCSD Employee Council (made up of DCSD teachers, administrators, professional/technical and classified employees from across the school district) are working together to develop a new pay structure for our teachers and staff. The District is also committed to absorbing the \$2.1 million increase in medical benefit premiums as well as the 0.25 percent increase in the PERA contribution. The District is also covering all employees at 70 percent for short term disability coverage thereby eliminating the need for the buy-up plan.

Though our growth rate of student enrollment has decreased over the past few years, we continue to see significant growth in students with special education needs. Due to this growth, we allocated out an additional \$2.55 million to fund these student needs to include the required special transportation needs through outside vendors. Finally, in continued support of our students and schools, we have allocated an additional \$1.13 million to career and technical education as well as \$0.93 million additional school based budgeting dollars for ESL and alternative school support.

- Colorado Governors Budget Request for Fiscal Year 2021 - Based on the November 2019 Revised Budget Request, Governor Jared Polis submitted his fiscal year 2021 budget request to the Joint Budget Committee. This budget request calls for an average per pupil revenue increase of about \$210/student for a total PPR amount of \$8,687 which translates to a \$206/student increase for Douglas County students to \$8,410/student.

Economic Factors and Subsequent Events (Continued)

The Governor's proposed budget includes a decrease to the Budget Stabilization Factor of \$52 million to a total of \$520 million from \$572 million. It is important to note that the continued portion for DCSD of the Budget Stabilization Factor is projected to be \$37.5 million. At the end of fiscal year 2021, the budget proposal by the governor will result in a cumulative loss for DCSD of eleven years totaling more than \$612.5 million.

The Governor's budget request must be considered and approved by the legislature.

Component Units

Only summary information regarding component units appear in the District's financial statements. The District has nineteen component units, all of which are charter schools. This number includes the first year audited financial activity for Ascent Classical Academy and Leman Academy of Excellence that opened their doors in August 2018. Apex Community Charter School withdrew its application due to lack on enrollment. Each charter school is represented in the Component Unit section of this Comprehensive Annual Financial Report and is presented in the aggregate in a separate column in the Government-wide Statement of Net Position and in the Statement of Activities.

After a yearly review of the Foundation for Douglas County Schools financial activities, the District business administration has determined that its financial activities, due to the level of materiality and the independence of their activity in relation to the District, shall not be considered a component unit of the District. The financial activity of the Educational Foundation is not included in this report.

Requests for Information.

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the financial status of the District. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Chief Financial Officer, Mr. Scott Smith, [701 Prairie Hawk Drive, Castle Rock, Colorado 80109](https://www.douglascountyschools.org/701-Prairie-Hawk-Drive-Castle-Rock-CO-80109).



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***BASIC FINANCIAL
STATEMENTS***



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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Net Position
June 30, 2019

	Primary Governmental Activities	Component Units Charter Schools
Cash and Investments	\$ 137,203,026	\$ 46,227,607
Receivables:		
Property Taxes	13,767,599	-
Other	5,789,979	801,384
Inventories	1,585,355	11,624
Prepaid Costs and Other Assets	4,664,021	1,003,245
Restricted Cash and Investments	332,512,038	19,050,712
Capital Assets:		
Non-Depreciable	30,357,555	18,331,278
Depreciable, Net	616,154,335	167,890,074
Total Assets	1,142,033,908	253,315,924
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	309,206,914	73,574,353
OPEB Related Amounts	2,765,085	1,647,839
Deferred Amount on Refunding	11,983,952	7,278,666
Total Deferred Outflows of Resources	323,955,951	82,500,858
LIABILITIES		
Accounts Payable	11,594,730	3,810,813
Accrued Compensation	25,577,442	4,451,415
Unearned Revenues	2,657,580	708,539
Accrued Insurance Claims	4,960,080	-
Accrued Interest Payable	1,274,851	2,266,096
Non-Current Liabilities:		
Due within One Year	43,150,767	5,184,447
Due in More than One Year:		
Accrued Insurance Claims	2,576,621	-
Other Non-Current Liabilities	547,498,786	219,467,437
OPEB Liability	49,571,265	9,990,666
Net Pension Liability	992,546,522	199,580,683
Total Liabilities	1,681,408,644	445,460,096
DEFERRED INFLOWS OF RESOURCES		
OPEB Related Amounts	1,050,268	2,118,619
Pension Related Amounts	791,366,040	148,103,190
Total Deferred Inflows of Resources	792,416,308	150,221,809
NET POSITION		
Net Investment in Capital Assets	340,650,911	(28,870,453)
Restricted:		
TABOR Emergency Reserve	16,600,000	4,733,743
Debt Service/Lease Obligation	60,271,834	14,033,055
Other Grants and Programs	2,843,817	803,395
Nutrition Services	1,962,156	-
Unrestricted (deficit)	(1,430,163,811)	(250,564,863)
Total Net Position (deficit)	\$ (1,007,835,093)	\$ (259,865,123)

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Instruction	\$ 252,524,113	\$ 65,857,469	\$ 10,054,422	\$ -
Supporting Services	194,903,578	-	38,348,251	-
Funding to Component Units - Unallocated	140,793,998	-	-	-
Interest on Long-Term Debt	19,319,130	-	-	-
Total Governmental Activities	607,540,819	65,857,469	48,402,673	-
Component Units				
Charter Schools	\$ 179,264,883	\$ 16,173,726	\$ 5,182,889	\$ 3,952,553

GENERAL REVENUES

Property Taxes

Specific Ownership Taxes - Unrestricted

State Equalization

Investment Earnings

Grants and Contributions not specific to Programs

Cash in Lieu of Land

Other

Total General Revenues

Change in Net Position

NET POSITION, Beginning, restated

NET POSITION, Ending

See accompanying notes to the financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Component Units
\$ (176,612,222)	\$ -
(156,555,327)	-
(140,793,998)	-
(19,319,130)	-
<u>(493,280,677)</u>	<u>-</u>
<u>-</u>	<u>(153,955,715)</u>
290,585,916	-
28,076,258	-
319,317,806	135,543,357
8,368,512	848,173
5,162,745	1,943,024
1,635,402	-
6,825,492	4,426,973
<u>659,972,131</u>	<u>142,761,527</u>
166,691,454	(11,194,188)
<u>(1,174,526,547)</u>	<u>(248,670,935)</u>
<u>\$ (1,007,835,093)</u>	<u>\$ (259,865,123)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Governmental Funds
Balance Sheet
June 30, 2019

	Combined General	Bond Redemption	Building	Non-Major Governmental	Total Governmental
ASSETS					
Cash and Investments	\$ 115,400,712	\$ -	\$ -	\$ 9,249,621	\$ 124,650,333
Receivables:					
Property Taxes, Net of Allowance for Uncollectable Taxes	12,289,376	1,478,223	-	-	13,767,599
Other	1,237,937	293,479	1,781,792	2,476,771	5,789,979
Prepaid Costs	1,559,682	-	-	-	1,559,682
Inventories, at Cost	1,137,752	-	-	447,603	1,585,355
Restricted Cash and Investments	-	60,917,450	271,594,588	-	332,512,038
Total Assets	\$ 131,625,459	\$ 62,689,152	\$ 273,376,380	\$ 12,173,995	\$ 479,864,986
LIABILITIES					
Accounts Payable	\$ 5,249,758	\$ -	\$ 5,590,637	\$ 754,114	\$ 11,594,509
Accrued Compensation	24,132,785	-	-	1,444,657	25,577,442
Unearned Revenues	327,210	-	-	2,330,370	2,657,580
Total Liabilities	29,709,753	-	5,590,637	4,529,141	39,829,531
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	4,268,120	856,104	-	-	5,124,224
FUND BALANCES					
Nonspendable:					
Inventories & Prepaid Costs	2,697,434	-	-	-	2,697,434
Restricted:					
TABOR Emergency Reserve	16,600,000	-	-	-	16,600,000
Restricted Fund Balance	2,843,817	61,833,048	267,785,743	1,962,156	334,424,764
Committed:					
3% Board Reserves	16,600,000	-	-	-	16,600,000
Assigned:					
Extended Service Severance	266,945	-	-	-	266,945
Facility Use Revenue Share	1,474,007	-	-	-	1,474,007
Cash in Lieu	3,044,936	-	-	-	3,044,936
Master Capital Plan Projects	386,857	-	-	-	386,857
School Carryover	23,604,353	-	-	-	23,604,353
Subfund Carryover	4,907,630	-	-	5,682,698	10,590,328
Unassigned	25,221,607	-	-	-	25,221,607
Total Fund Balances	97,647,586	61,833,048	267,785,743	7,644,854	434,911,231
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 131,625,459	\$ 62,689,152	\$ 273,376,380	\$ 12,173,995	\$ 479,864,986

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2019

Fund Balances of Governmental Funds		\$ 434,911,231
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		646,511,890
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.		5,124,224
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.		11,618,411
Deferred inflows and outflows of resources that represent an acquisition or consumption of net position that applies to future periods and therefore is not reported in the funds:		
Deferred Amount on Refunding	\$ 11,983,952	
Deferred outflows of resources, pension-related amounts	309,206,914	
Deferred outflows of resources, other post employment benefit-related amounts	2,765,085	
Deferred inflows of resources, pension-related amounts	(791,366,040)	
Deferred inflows of resources, other post employment benefit-related amounts	<u>(1,050,268)</u>	(468,460,357)
Long-term liabilities, including long-term debt are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(486,665,000)	
Certificates of Participation	(27,490,000)	
Accreted Interest	(1,142,467)	
Bond Premiums	(64,228,806)	
Accrued Interest Payable	(1,274,851)	
Net Pension Liability	(992,546,522)	
Other Post Employment Benefit Liability	(49,571,265)	
Accrued Insurance Claims Payable	(3,498,301)	
Capital Leases	(5,465,076)	
Extended Service Severance	(266,945)	
Compensated Absences	<u>(5,391,259)</u>	<u>(1,637,540,492)</u>
Net Position (deficit) of Governmental Activities		<u><u>\$ (1,007,835,093)</u></u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	Combined General	Bond Redemption	Building	Non-Major Governmental	Total Governmental
REVENUES					
Property Taxes	\$237,203,322	\$ 51,817,412	\$ -	\$ -	\$289,020,734
Specific Ownership Tax	28,076,258	-	-	-	28,076,258
Intergovernmental	357,666,057	-	-	17,417,857	375,083,914
Charges for Services	28,357,995	-	-	37,499,474	65,857,469
Fundraisers and Donations	3,071,997	-	-	2,090,748	5,162,745
Investment Earnings	1,378,942	1,127,854	5,643,808	-	8,150,604
Other	6,608,831	-	-	1,335,511	7,944,342
Total Revenues	662,363,402	52,945,266	5,643,808	58,343,590	779,296,066
EXPENDITURES					
Current:					
Instruction	302,835,768	-	-	35,584,303	338,420,071
Supporting Services	192,333,539	-	-	29,475,970	221,809,509
Intergovernmental - Charter Schools	140,793,998	-	-	-	140,793,998
Capital Outlay	-	-	15,202,621	-	15,202,621
Debt Service/Lease Payments:					
Principal	-	35,745,000	-	15,020,000	50,765,000
Debt Issuance Cost	-	-	1,413,918	-	1,413,918
Interest and Fiscal Charges	-	15,510,870	-	1,473,333	16,984,203
Total Expenditures	635,963,305	51,255,870	16,616,539	81,553,606	785,389,320
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,400,097	1,689,396	(10,972,731)	(23,210,016)	(6,093,254)
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	-	-	249,975,000	-	249,975,000
Bond Premium	-	-	40,816,808	-	40,816,808
Proceeds from Sale of Capital Asset	17,500	-	-	12,000	29,500
Transfers In	-	-	-	21,967,770	21,967,770
Transfers Out	(9,934,436)	-	(12,033,334)	-	(21,967,770)
Total Other Financing Sources (Uses)	(9,916,936)	-	278,758,474	21,979,770	290,821,308
NET CHANGES IN FUND BALANCES	16,483,161	1,689,396	267,785,743	(1,230,246)	284,728,054
FUND BALANCES, Beginning	81,164,425	60,143,652	-	8,875,100	150,183,177
FUND BALANCES, Ending	\$ 97,647,586	\$ 61,833,048	\$267,785,743	\$ 7,644,854	\$434,911,231

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Net change in fund balances of governmental funds \$ 284,728,054

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds 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 net capital outlays exceeded loss on disposal of capital assets and depreciation.

Capital Outlay	\$ 20,284,345	
Depreciation	(29,162,921)	
Proceeds on Sale of Capital Assets	(29,500)	
Loss on Sale of Capital Assets	<u>(1,004,422)</u>	(9,912,498)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds. This amount represents the change in unavailable property tax revenue. 1,565,182

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal Payments - General Obligation Bonds	35,745,000	
Issuance of Bond	(249,975,000)	
Premiums on Issuance of Bond	(40,816,808)	
Principal Lease Payments - Certificates of Participation	15,020,000	
Change in Accreted Interest	(362,909)	
Change in Accrued Interest	(558,100)	
Principal Payments Capital Leases	853,693	
Amortization of Bond Premium and Deferred Charges	<u>3,218,512</u>	(236,875,612)

In the statement of activities, certain operating expenses - compensated absences (sick leave), pension benefits, special termination benefits (extended service severance) and liability claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). This amount represents the net effect of compensated absences, pension expense and claims payable on the statement of activities:

Pension Income	125,991,849	
Other Post Employment Benefit Expense	(577,250)	
Change in Compensated Absence	(32,677)	
Change in Extended Service Severance	65,524	
Liability Claims	<u>(29,627)</u>	125,417,819

Internal Service Funds are used by management to charge the cost of medical insurance and short term disability to individual funds. The net revenue (expense) of the Internal Service Funds are reported with governmental activities. 1,768,509

Change in net position (deficit) of governmental activities \$ 166,691,454

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Proprietary Fund
Statement of Net Position
June 30, 2019

	Governmental Activities
	Internal Service Funds
	<u> </u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 12,552,693
Prepaid Costs	<u>3,104,339</u>
Total Assets	<u>\$ 15,657,032</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 221
Accrued Insurance Claims	<u>4,038,400</u>
Total Current Liabilities	<u>4,038,621</u>
NET POSITION	
Unrestricted	<u>11,618,411</u>
Total Net Position	<u>11,618,411</u>
Total Liabilities and Net Position	<u>\$ 15,657,032</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Proprietary Fund
 Statement of Revenues, Expenses and Changes in Net Position
 For the Fiscal Year Ended June 30, 2019

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Premium Revenue	\$ 50,606,840
Other	<u>33,687</u>
Total Operating Revenues	<u>50,640,527</u>
OPERATING EXPENSES	
Insurance and Claims	47,963,707
Salaries and Benefits	30,157
Purchased Services	1,090,866
Other	<u>34,823</u>
Total Operating Expenses	<u>49,119,553</u>
OPERATING INCOME	<u>1,520,974</u>
NON-OPERATING REVENUES	
Investment Earnings	<u>247,535</u>
Total Non-Operating Revenues	<u>247,535</u>
CHANGE IN NET POSITION	1,768,509
NET POSITION, Beginning	<u>9,849,902</u>
NET POSITION, Ending	<u>\$ 11,618,411</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Proprietary Fund
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2019

	Governmental Activities
	Internal Service Funds
	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 50,325,589
Payments to Suppliers	(48,628,809)
Payments to Employees	<u>(30,157)</u>
Net Cash Provided to Operating Activities	<u>1,666,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Earnings on Investments	<u>247,535</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,914,158
CASH AND CASH EQUIVALENTS, Beginning	<u>10,638,535</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 12,552,693</u>
RECONCILIATION OF OPERATING INCOME TO	
NET CASH PROVIDED TO (USED BY) OPERATING ACTIVITIES:	
Operating Income	\$ 1,520,974
Changes in Assets and Liabilities:	
Change in Prepaid Costs	(391,547)
Change in Accounts Payable	(6,964)
Change in Accrued Insurance Claims	<u>544,160</u>
Total Adjustments	<u>145,649</u>
NET CASH PROVIDED TO OPERATING ACTIVITIES	<u>\$ 1,666,623</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fiduciary Funds
Statement of Net Position
June 30, 2019

	Agency Fund 74	Private Purpose Trust Scholarship Fund 75
	<u> </u>	<u> </u>
ASSETS		
Cash and Investments	\$ 1,171,016	\$ 34,012
Total Assets	<u>1,171,016</u>	<u>34,012</u>
LIABILITIES		
Accounts Payable	17,287	-
Assigned Student Related Activities	<u>1,153,729</u>	<u>-</u>
Total Liabilities	<u>\$ 1,171,016</u>	<u>-</u>
NET POSITION		
Held in Trust for Scholarships		<u>34,012</u>
Total Net Position		<u>\$ 34,012</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Private Purpose Trust Scholarship</u>
ADDITIONS	
Contributions	<u>\$ 56,600</u>
Total Additions	<u>56,600</u>
DEDUCTIONS	
Grants and Scholarships	<u>58,500</u>
Total Deductions	<u>58,500</u>
CHANGE IN NET POSITION	(1,900)
NET POSITION, Beginning	<u>35,912</u>
NET POSITION, Ending	<u><u>\$ 34,012</u></u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

The Douglas County School District RE.1 (the District) is a political subdivision of the State of Colorado governed by an elected seven-member board of education. The accompanying financial statements represent the District and the component units for which the District is considered to be financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the District.

Discretely Presented Component Units - The District's charter schools consist of nineteen separately authorized charters: Academy, American Academy, Ascent Classical Academy, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, DCS Montessori, Global Village Academy, Hope Online Learning Academy Co-Op, Leman Classical Academy, North Star Academy, Parker Core Knowledge, Parker Performing Arts, Platte River Academy, Renaissance Secondary, SkyView Academy, STEM School Highlands Ranch, and World Compass Academy. Ascent Classical Academy and Leman Classical Academy began instructional operations in the fall of 2018. Apex Community School was scheduled to open in the fall of 2019 and has since withdrawn its application due to lack on enrollment, see Note 12.

Charter schools are public schools authorized by the District to provide educational alternatives for parents, pupils and teachers. The schools have separate governing boards but are fiscally dependent on the District for the majority of funding, and their exclusion would render the District's financial statements incomplete. Charter schools are considered discretely presented component units for external financial reporting purposes. The District considers each of the component units to be non-major component units because none of the schools individually has a financial relationship with the District that is significant enough to require separate reporting within the basic financial statements. Combining schedules are included within the supplementary section of this comprehensive annual financial report. The charter schools report within their reporting entities various foundations formed for fund-raising or debt administration. Separate financial statements for all charter schools are available at each school location and online.

Joint Venture (Parker Joint Service Facility) - In September 1991, the District and the South Metro Fire Rescue (South Metro) entered into a joint venture agreement for the construction and operation of a transportation facility (the Facility). Currently, the District acts in the capacity of administrator under the joint control of the District Board and the governing body of South Metro. The District share of operating costs for the Facility is 45 percent.

The Facility is solely responsible for transportation operations, maintenance and services of the District and South Metro. The Facility is funded through the budgetary process of both parties to the joint venture in proportion to their respective shares and anticipated usage. The District records operating payments for transportation operations and usage as transportation expenditures in the Combined General Fund. The District does not have an equity interest in the Facility; therefore, it is not reflected within the basic financial statements as an investment. Separate financial statements for this joint venture can be obtained at its office; 17801 East Plaza Drive, Parker, Colorado.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Exceptions to this general rule are charges for inter-fund services which are reasonably equivalent to the services provided to external organizations. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District does not report any business type activities.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Government-wide and Fund Financial Statements (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of the given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include; charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues. The District does not allocate indirect expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the District government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except grant revenues which are considered to be available if they are collected within 90 days. Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Alternatively, debt service and lease payment expenditures, as well as expenditures related to compensated absences and risk management claims are recorded only when payment is due.

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

The District reports the following major and non-major governmental funds:

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Major governmental funds:

The *Combined General Fund* is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The Capital Projects Fund has been included in the Combined General Fund as most resources come from a general fund transfer.

The *Bond Redemption Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Building Fund* accounts for only the acquisition and construction of major capital facilities and equipment funded by the sale of general obligation bonds or certificates of participation.

Non-major governmental funds:

The *Nutrition Services National School Lunch Program Fund (NSLP)*, accounts for the financial resources that are restricted for activities associated with the District elementary, middle, and some charter school lunch program's.

The *Governmental Designated Purpose Grants Fund* accounts for financial activities associated with most of its State and Federal grants.

The *Athletics and Activities Fund* accounts for the financial resources restricted for activities associated with athletics and other CHSSA governed programs.

The *Nutrition Services Non-National School Lunch Program Fund (Non-NSLP)*, accounts for the activities restricted for the District's school lunch programs not funded by the National School Lunch Program (high schools and two charter schools).

The *Child Care Fund* known as B.A.S.E. (Before and After School Enterprise), accounts for the financial resources that are restricted for activities associated with the District's tuition based child care programs. There are presently 43 elementary B.A.S.E. programs, 3 Pre-K B.A.S.E. programs, and 1 middle school B.A.S.E. program.

The *Certificates of Participation (COP) Lease Payment Fund* accounts for the yearly appropriated resources required to meet the principal and interest payments scheduled for outstanding certificates of participation.

The District reports the following other fund types:

The *Medical Fund, an internal service fund*, accounts for health activities associated with a self-funded health insurance plan, a fully insured Kaiser option, as well as other employee health benefits including dental and vision.

The *Short Term Disability Fund, an internal service fund*, accounts for short term disability activities associated with a self-funded disability insurance plan.

The *Agency Fund* is used to account for resources held on behalf of students associated with various student activities. The District holds all resources in a purely custodial capacity.

The *Private-Purpose Trust Scholarship Fund* accounts for the activities of various scholarship accounts. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, and other governments and are therefore not available to support the District's own programs.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance**Cash and Investments

The pooled cash concept is used whereby cash balances of each of the District funds are pooled and invested in certain investments. All pooled cash investment income is allocated to the General Fund. The following are considered to be cash and cash equivalents: cash on hand; cash in the bank; and highly liquid investments which have a maturity of three months or less when purchased or which are subject to withdrawal.

As of June 30, 2019, the District investments in Colorado Statewide Investment Pool (CSIP) and Colorado Surplus Asset Fund (CSafe), both external investment pools. The District also invests proceeds from the 2018 bonds in various U.S. Treasury Notes, Federal Agency Bond Notes, Corporate Notes, Commercial paper and certificates of deposit. CSIP Term funds are reported at Net Asset Value (NAV). CSafe and CSIP LGIP funds are reported at amortized cost. All other securities are recorded at fair value.

Fair Value Measurement and Application

The District adopted GASB 72, which addresses accounting and financial reporting issues related to fair value measurements. The fair value is the price that would be received by the District to sell an asset or paid by the District to transfer a liability in an orderly transaction between market participants and the measurement date. The fair value measurement for financial reporting at fiscal year end June 30, 2019 and the application used is determined by a hierarchy of one of three levels. Level one is the most reliable and is quoted prices in active markets for identical assets or liabilities, level two is reliable and consists of quoted prices for similar assets or liabilities, other observable inputs, interest rates, credit spreads, condition of the asset, activity level of markets for observable input, and level three is least reliable which is based on unobservable inputs. All donated assets are measured at the estimated acquisition value.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either *due to* or *due from other funds* (i.e., the current portion of inter-fund loans).

Property taxes are levied on December 15. Property taxes are payable in full by April 30, or in two equal installments due February 28 and June 15. The County bills and collects property taxes for all taxing districts within the County. Property tax receipts are remitted to the District in the subsequent month. Delinquent property taxes are subject to sale of tax certificates in the following November. Property taxes levied in the current year but not received at year-end are identified as *property taxes, net of allowance for uncollectible taxes*. Any taxes not collected within 60 days after year-end are recorded as a *deferred inflow of resources* in the governmental fund financial statements.

Specific ownership taxes are collected by the County for motor vehicles registered in the District's assessment area. Tax receipts collected by the County are remitted to the District in the subsequent month. Specific ownership taxes are recorded as receivables and revenues when collected by the County.

Inventories and Prepaid Costs

All inventories are valued at cost using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. The District records prepaid costs using the purchase method.

Restricted Assets

The District and its component units restrict cash and investments representing debt service reserves and unspent bond, certificates of participation, or capital lease proceeds.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance**
(Continued)Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an individual or aggregate cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

First year depreciation is calculated at one-half year regardless of the purchase date. Property and equipment of the District, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20 - 40
Land Improvements	5 - 20
Portable classrooms	25
Vehicles	8
Office equipment	7 - 10
Computer equipment	5

Unearned Revenue

Unearned revenue in the government-wide and the fund financial statements consists primarily of unearned tuition, fees, or prepaid student lunch accounts.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first is the deferred charge on refunding which results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is shown as pension-related amounts and includes items related to the District's portion of the Colorado Public Employees Retirement Association (PERA) benefit plan. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, and the net difference between projected and actual investment earnings on pension plan investments. Additional information on pension-related amounts is included in Note 9. The third amount is shown as other post-employment benefit (OPEB) related amounts and includes items related to the District's portion of the Health Care Trust Fund administered by PERA. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, and the net difference between projected and actual investment earnings on OPEB plan investments. Additional information on OPEB-related amounts is included in Note 10.

Compensated Absences

It is District policy to permit employees to accumulate earned but unused sick pay benefits. Unused sick leave

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance
(Continued)

Compensated Absences (Continued)

is paid to employees, up to a maximum of 130 days, upon termination after completing ten years of service. Vacation time must be used the same fiscal year it is earned. The current and long-term liabilities for sick time are accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bond issuance costs are expensed in the year they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in the year they are incurred.

Fund Balance/Net Position

In the fund financial statements, governmental funds report the following classification of fund balance:

Nonspendable - includes amounts that cannot be spent because they are either not spendable in form - such as inventories - or are legally or contractually required to be maintained intact.

Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision such as Colorado TABOR or enabling legislation.

Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Fund balance of the District may be committed for a specific source by formal action of the Board of Education. Amendments or modifications of the committed fund balance must also be approved by formal action of the Board of Education.

Assigned - includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted fund balance. Under the District's adopted policy, the Board delegates authority to the Superintendent or the Chief Financial Officer to determine these assignments.

Unassigned - includes all other spendable amounts and negative fund balances in other governmental funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, assigned fund balance, and lastly, unassigned fund balance.

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets of \$340,650,911 consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond and COP proceeds. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance**
(Continued)Fund Balance/Net Position (Continued)

other governments. As of June 30, 2019, the District has \$16,600,000 and the charter schools have \$4,733,743 restricted for TABOR emergency reserves.

Pensions

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).

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

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

Deferred Benefit Other Post Employment Benefit (OPEB) Plan

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

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 2: DEPOSITS AND INVESTMENTS

At June 30, 2019, deposits and investments were reported in the financial statements as follows:

Governmental Activities *	\$ 469,715,064
Private Purpose Trust Scholarship	34,012
Agency	<u>1,171,016</u>
Total	<u>\$ 470,920,092</u>

* Governmental Activities include Governmental Funds and the Internal Service Funds.

Cash and investments at June 30, 2019, consisted of the following:

Deposits*	\$ (3,012,413)
Cash on Hand	37,776
Cash with Fiscal Agent	76,000
Investment	<u>473,818,729</u>
Total	<u>\$ 470,920,092</u>

*The Negative balance reflects outstanding checks as of June 30, 2019. Subsequent to year end funds were transferred from investment accounts to cover all balances prior to those checks clearing the bank.

Deposits

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. 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 statutes. The State regulatory commissioners regulate the 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 equal to at least 102 percent of the uninsured deposits. At June 30, 2019, the District bank deposits were covered by FDIC Insurance or fell under the provisions of PDPA.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include:

- United States Treasury obligations and certain U.S. agency securities
- Corporate bonds
- Mutual bonds
- Short term certificates of deposit
- Bankers' acceptances of certain banks
- Commercial paper
- Repurchase agreements
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District's investment policy does not further restrict its investment options.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2019, the District had the following investments:

Investment Type	S&P/Fitch Ratings	Amortized Cost	Net Asset Value	Fair Market Value	Total	Investment Maturities (In Years)		
						12 Months or less	13-24 Months	25-60 Months
CSafe Funds	AAAm	\$ 22,998,780	\$ -	\$ -	\$ 22,998,780	\$ 22,998,780	\$ -	\$ -
CSIP LGIP	AAAm	97,256,227	-	-	97,256,227	97,256,227	-	-
CSIP Term	AAAf	-	160,000,000	-	160,000,000	160,000,000	-	-
US Treasury Note	AA+	-	-	103,616,116	103,616,116	-	9,720,000	93,896,116
Federal Agency Bond/Note	AA+	-	-	58,136,730	58,136,730	-	-	58,136,730
Corporate Note	AA+/AA-	-	-	5,822,118	5,822,118	-	-	5,822,118
Commercial Paper	A-1	-	-	17,309,502	17,309,502	17,309,502	-	-
Certificates of Deposit	A-1	-	-	8,679,256	8,679,256	8,679,256	-	-
Total		\$ 120,255,007	\$ 160,000,000	\$ 193,563,722	\$ 473,818,729	\$ 306,243,765	\$ 9,720,000	\$ 157,854,964

Local Government Investment Pools - At June 30, 2019, the District had dollars invested in local government investment pools with \$257,256,227 invested in CSIP, Colorado Statewide Investment Program. Term investments are measured at Net Asset Value (NAV) and LGIP investments are measured at amortized cost. CSIP is a statutory trust organized and existing under the laws of the State of Colorado intended solely for the use of Colorado local governments. Investments of the trust are limited to those allowed by State statutes. The District also had \$22,998,780 invested in the Colorado Surplus Asset Fund (CSafe) at June 30, 2019. CSafe is similar to a money market fund, with each share valued at \$1.00 and is measured at amortized cost. The State Securities Commissioner administers and enforces all state statutes governing CSafe.

CSIP is a statutory trust organized and existing under the laws of the State of Colorado intended solely for the use of Colorado local governments. Investments of the trust are limited to those allowed by State statutes. CSIP's sole purpose is to serve government entities in Colorado to meet their daily cash management needs with an emphasis on 1) safety, 2) liquidity, 3) transparency and 4) competitive yields. CSIP is a local government investment pool trust fund organized under C.R.S. § 24-75-701, *et seq.*, registered as such with the Colorado Securities Commissioner pursuant to the Local Government Investment Pool Trust Fund Administration and Enforcement Act, C.R.S. § 11-51-901, *et seq.* As such a trust, CSIP pools and invests the funds of Colorado local government participants within the investment policies and limitations set forth in CSIP's Indenture of Trust and C.R.S. § 24-75-601, *et seq.* Participants include municipalities, counties, school districts and special districts.

CSIP offers two investment options, 1) CSIP Liquid Portfolio and 2) CSIP Term Portfolio. The CSIP Liquid Portfolio is a fully liquid, variable rate investment option, rated AAAM by Standard and Poor's. There are no unfunded commitments, the redemption frequency is daily and there is a one-day redemption notice. The CSIP Term Portfolio offers the ability for participants to invest in shares of fixed-rate, fixed-term investments, rated AAAF by Fitch Ratings. There are no unfunded commitments, the redemption period is planned at maturity, and the redemption period is a sixty-day minimum and one-year maximum.

Custodial Credit Risk - There is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District's investments are subject to custodial risk.

Interest Rate Risk - State statutes limit investments in U.S. Agency securities to an original maturity of five years, unless the governing board authorizes the investment for a period in excess of five years.

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

The District's investment policy and State statutes limit investments in money market funds to those with the highest rating issued by NRSROs and with a constant share price, or to money market funds that invest only in specified securities.

Concentration of Credit Risk - State statutes and the District's investment policy do not limit the amount the District may invest in one issuer. As of June 30, 2019, the investments of Fannie Mae Notes \$35,439,920 individually garner greater than five percent of total investments.

Fair Value

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

The District has the following fair value measurements as of June 30, 2019:

Fair Value Measurements Using

<u>Investment by fair value level:</u>	<u>6/30/2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
US Treasury Notes	\$ 103,616,116	\$ -	\$ 103,616,116	\$ -
Federal Agency Bond/Note	58,136,730	-	58,136,730	-
Corporate Note	5,822,118	-	5,822,118	-
Commercial Paper	17,309,502	-	17,309,502	-
Certificates of Deposit	8,679,256	-	8,679,256	-
Total Investments by fair value level	<u>\$ 193,563,722</u>	<u>\$ -</u>	<u>\$ 193,563,722</u>	<u>\$ -</u>

NOTE 3: INTER-FUND BALANCES AND TRANSFERS

Inter-fund balances are created when there is a liability of one fund due to another fund. There are no inter-fund balances for the year ended June 30, 2019.

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the allocating system and (3) payments between funds are made. The interfund receivables and payables are expected to be collected/paid in the subsequent year.

Transfers are used to move revenues from the fund that collects them to specific programs accounted for in other funds in accordance with budget authorization. Transferred funds are without recourse. Transfers during the fiscal year ended June 30, 2019 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Nutrition Services NSLP Fund	\$ 351,634
General Fund	Nutrition Services Non-NSLP Fund	93,718
General Fund	Child Care Fund	487,045
General Fund	COP Lease Payment Fund	3,494,975
General Fund	Student Athletics & Activities Fund	5,507,064
Bond Fund	COP Lease Payment Fund	12,033,334
	Total	<u>\$ 21,967,770</u>

All transfers were made from the General Fund to support the operations of various other funds that statute or budget requires to expend them. The transfer from the Bond Fund was for acquisition of property through paying off a Certificate of Participation..

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 4: CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2019 was as follows:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2019</u>
Governmental Activities					
Land	\$ 13,310,241	\$ -	\$ -	\$ -	\$ 13,310,241
Construction in Progress (CIP)	13,578,310	16,862,174	-	(13,393,170)	17,047,314
Total Capital Assets (Not Depreciated)	26,888,551	16,862,174	-	(13,393,170)	30,357,555
Buildings and Improvements	942,743,830	95,000	(48,819)	12,389,850	955,179,861
Land Improvements	2,034,638	739,533	(8,120)	263,326	3,029,377
Machinery and Equipment	98,830,392	2,587,638	(3,900,378)	739,994	98,257,646
Total Depreciable Capital Assets	1,043,608,860	3,422,171	(3,957,317)	13,393,170	1,056,466,884
<u>Accumulated Depreciation</u>					
Building and Improvements	(349,775,186)	(20,634,841)	9,764	-	(370,400,263)
Land Improvements	(310,911)	(458,144)	8,120	-	(760,935)
Machinery and Equipment	(63,986,926)	(8,069,936)	2,905,511	-	(69,151,351)
Total Accumulated Depreciation	(414,073,023)	(29,162,921)	2,923,395	-	(440,312,549)
Net Depreciated Capital Assets	629,535,837	(25,740,750)	(1,033,922)	13,393,170	616,154,335
Net Capital Assets with Land and CIP	<u>\$ 656,424,388</u>	<u>\$ (8,878,576)</u>	<u>\$ (1,033,922)</u>	<u>\$ -</u>	<u>\$ 646,511,890</u>

For the year ended June 30, 2019, depreciation expense was charged to functions of the District as follows:

Governmental Activities:

Instruction	\$ 1,749,775
Supporting Services	27,413,146
Total	<u>\$ 29,162,921</u>

**Discretely Presented Component Units-
Charter Schools**

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Land	\$ 17,700,735	\$ -	\$ -	\$ 17,700,735
Construction in Progress (CIP)	6,061,213	2,355,138	(7,785,808)	630,543
Total Capital Assets (Not Depreciated)	23,761,948	2,355,138	(7,785,808)	18,331,278
Buildings and Improvements	195,137,427	8,797,619	-	203,935,046
Machinery and Equipment	7,054,159	385,211	(717,000)	6,722,370
Total Depreciable Capital Assets	202,191,586	9,182,830	(717,000)	210,657,416
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	(31,586,968)	(5,847,957)	-	(37,434,925)
Machinery and Equipment	(5,073,044)	(976,373)	717,000	(5,332,417)
Total Accumulated Depreciation	(36,660,012)	(6,824,330)	717,000	(42,767,342)
Net Depreciated Capital Assets	171,617,572	2,358,500	-	167,890,074
Net Capital Assets with Land and CIP	<u>\$ 195,379,520</u>	<u>\$ 4,713,638</u>	<u>\$ (7,785,808)</u>	<u>\$ 186,221,352</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 5: ACCRUED COMPENSATION

Salaries and benefits of certain contractually employed personnel are paid over a 12-month period from August to July, but are earned during a school year of approximately 9 to 10 months. Accordingly, the accrued compensation is reflected as a liability of the respective funds in the accompanying financial statements. The salaries and benefits earned but unpaid at June 30, 2019 are recorded in the funds as follows:

Governmental Activities:	
Combined General Fund	\$ 24,132,785
Non-major Governmental Funds	<u>1,444,657</u>
Total	<u>\$ 25,577,442</u>

Accrued compensation for the charter schools as of June 30, 2019, is \$4,451,415.

NOTE 6: LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2019, is as follows:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 272,435,000	\$ 249,975,000	\$ 35,745,000	\$ 486,665,000	\$ 31,615,000
Certificates of Participation	42,510,000	-	15,020,000	27,490,000	2,525,000
Accreted Interest	779,558	362,909	-	1,142,467	512,765
Bond Premiums	28,275,838	40,816,808	4,863,840	64,228,806	7,124,139
Extended Service Severance	332,469	-	65,524	266,945	65,000
Capital Leases	6,318,769	-	853,693	5,465,076	907,963
Compensated Absences	5,358,582	441,538	408,861	5,391,259	400,900
OPEB Liability	48,505,220	1,066,045	-	49,571,265	-
Net Pension Liability	2,124,245,847	-	1,131,699,325	992,546,522	-
Total	<u>\$ 2,528,761,283</u>	<u>\$ 292,662,300</u>	<u>\$ 1,188,656,243</u>	<u>\$ 1,632,767,340</u>	<u>\$ 43,150,767</u>

General Obligation Bonds

The District issues general obligation (G.O.) bonds and certificates of participation (COP) to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The legal debt limit and debt margin as of June 30, 2019 are \$1,293,824,122 and \$708,832,773, respectively. Management of the District believes it is in compliance with the legal debt limits.

G.O. Bonds outstanding at June 30, 2019, consist of the following:

\$87,310,000 G.O. Refunding Bonds, Series 2009; interest ranging from 2% to 5.25% payable semiannually; principal payable annually beginning December 2009. The final payment is due December 2025. \$ 66,390,000

\$85,845,000 G.O. Refunding Bonds, Series 2010; interest ranging from 2% to 5% payable semiannually; principal payable annually beginning December 2010. The final payment is due December 2025. 61,610,000

(Continue on next page)

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 6: LONG-TERM LIABILITIES (Continued)

\$70,995,000 G.O. Refunding Bonds, Series 2012; yielding 0.28% to 2.86%; interest compounds semiannually; principal payable annually beginning December 2015. The final payment is due December 2030. 67,595,000

\$100,000 G.O. Capital Appreciation Bonds, Series 2012; yielding 3.2% to 3.35%; interest compounds semiannually; principal payable annually beginning December of 2022. The final payment is due December 2023. 100,000

\$31,020,000 G.O. Refunding Bonds, Series 2013, yielding 0.25% to 2.72%; interest compounds semiannually; principal payable annually beginning December 2013. The final payment is due December 2028. 30,050,000

\$40,665,000 G.O. Refunding Bonds, Series 2014, yielding 0.17% to 1.35%; interest compounds semiannually; principal payable annually beginning December 2014. The final payment is due December 2019. 10,945,000

\$249,975,000 G.O. Bond, Series 2019, yielding 1.660% to 3.080%; interest compounds semiannually; principal payable annually beginning December 2019. The final payment is due December 2038. 249,975,000

Total General Obligation Bonds \$ 486,665,000

Certificates of Participation

Certificate of participation obligations are satisfied using general operating funds. District buildings are held as collateral on the debt.

COPs outstanding at June 30, 2019, consist of the following:

\$15,500,000 Certificates of Participation, Series 2012; interest ranging from 2% to 3.5% payable semiannually; principal payable annually beginning January 2016. The final payment is due January 2037. \$ 13,600,000

\$6,470,000 Refunding Certificates of Participation, Series 2015; interest ranging from 2% to 3% payable semiannually; principal payable annually beginning December 2015. The final payment is due December 2021. 3,835,000

\$12,100,000 Refunding Certificates of Participation, Series 2016; interest ranging from 2% to 4% payable semiannually; principal payable annually beginning January 2017. The final payment is due January 2031. 10,055,000

Total Certificates of Participation \$ 27,490,000

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 6: LONG-TERM LIABILITIES (Continued)

Capital Leases

Copier equipment lease beginning November 2017 in the amount of \$130,059. Monthly payments including interest at 2.4% are due beginning November 2017. The final payment is due October 2022.

\$ 60,553

Energy Performance Capital Lease Refinance beginning September 2016 in the amount of \$7,333,188. Semi-annual payments ranging from \$425,355 to \$543,230 are due beginning March 2017, including interest at 1.91%. Final payment is due September 2027.

5,404,523

Total Capital Leases

\$ 5,465,076

The net book value of the leased assets are as follows:

Equipment (Energy Performance Contracts and Copiers) \$ 13,303,235

Less: Accumulated Depreciation 3,060,821

Total

\$ 10,242,414

Accreted Interest

Accreted compound interest on capital appreciation bonds, due and payable upon final payment of each respective bond.

\$ 1,142,467

Future Debt Service/Lease Obligations

The following schedule represents the District's debt service and lease payment obligations to maturity for outstanding bonded debt, registered coupons and certificates of participation and capital leases at June 30, 2019:

General Obligation Bonds

June 30,	Principal	Interest	Total
2020	\$ 31,615,000	\$ 21,879,625	\$ 53,494,625
2021	35,465,000	20,467,581	55,932,581
2022	36,635,000	18,691,206	55,326,206
2023	35,860,000	19,511,438	55,371,438
2024	38,130,000	17,257,581	55,387,581
2025-2029	166,805,000	51,976,738	218,781,738
2030-2034	66,190,000	24,959,750	91,149,750
2035-2039	75,965,000	9,141,825	85,106,825
Total	\$ 486,665,000	\$ 183,885,744	\$ 670,550,744

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 6: LONG-TERM LIABILITIES (Continued)**Future Debt Service/Lease Obligations (Continued)****Certificates of Participation**

June 30,	Principal	Interest	Total
2020	\$ 2,525,000	\$ 877,356	\$ 3,402,356
2021	2,580,000	819,656	3,399,656
2022	2,640,000	757,781	3,397,781
2023	1,375,000	709,081	2,084,081
2024	1,415,000	670,906	2,085,906
2025-2029	7,835,000	2,564,531	10,399,531
2030-2034	6,230,000	1,031,069	7,261,069
2035-2039	2,890,000	204,576	3,094,576
Total	\$ 27,490,000	\$ 7,634,956	\$ 35,124,956

Capital Lease

June 30,	Principal	Interest	Total
2020	\$ 907,963	\$ 101,405	\$ 1,009,368
2021	933,247	82,568	1,015,815
2022	975,434	64,580	1,040,014
2023	1,040,822	45,638	1,086,460
2024	331,273	29,131	360,404
2025-2029	1,276,337	49,219	1,325,556
Total	\$ 5,465,076	\$ 372,541	\$ 5,837,617

Compensated Absences

Compensated absences are expected to be liquidated with revenues of the General Fund.

Extended Service Severance

During the 2012 fiscal year, the District initiated a phase out of an extended service severance benefit offered within the DCFT, division of AFT, certified and classified contracts. Employees who were eligible to retire by June 30, 2012, June 30, 2013 and June 30, 2014 were eligible to take advantage of this benefit phase out. The total liability was calculated at about \$6.2 million of which \$5.93 million was paid out in October of the past six years (2012-2018) leaving a liability of \$266,945. This liability is reported in the government-wide financial statements only, as none of it is expected to be liquidated with expendable available financial resources.

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 6: LONG-TERM LIABILITIES (Continued)**Charter School Long-term Liabilities**

Charter school long-term liability activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018 (Restated)*	Additions	Reductions	Balance June 30, 2019	Due Within One Year
<u>Charter Schools:</u>					
Loans	\$ 226,149,387	\$ 404,000	\$ (4,333,433)	\$ 222,219,954	\$ 4,956,958
Capital Lease	473,694	201,016	(201,016)	473,694	176,589
Discount	(118,334)	-	3,818	(114,516)	-
Premium	1,904,184	-	(81,140)	1,823,044	-
Compensated Absences	198,842	104,716	(53,850)	249,708	50,900
	<u>\$ 228,607,773</u>	<u>\$ 709,732</u>	<u>\$ (4,665,621)</u>	<u>\$ 224,651,884</u>	<u>\$ 5,184,447</u>

* Restatement is due to the removal of APEX debt in the amount of \$11,671,800. See Note 12 for further information.

Charter School Capital Leases and Loans

Colorado Educational and Cultural Facilities Authority (Authority) has issued Charter School Revenue Bonds on behalf of the Charter Schools. The Charter Schools make monthly payments to the Authority under various lease agreements. Additionally, American Academy leases technology under a capital lease. Minimum lease payments to maturity for capital leases and loans, net of discounts and premiums, are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 5,133,547	\$ 9,910,641	\$ 15,044,188
2021	16,838,024	9,707,129	26,545,153
2022	4,945,548	8,866,404	13,811,952
2023	5,112,453	8,679,564	13,792,017
2024	19,573,439	7,814,971	27,388,410
2025-2029	77,130,637	28,615,145	105,745,782
2030-2034	22,747,200	17,665,553	40,412,753
2035-2039	22,499,800	12,926,451	35,426,251
2040-2034	19,765,000	8,728,571	28,493,571
2035-2039	21,718,000	4,680,750	26,398,750
2040-2059	7,230,000	682,319	7,912,319
Total	<u>\$ 222,693,648</u>	<u>\$ 118,277,498</u>	<u>\$ 340,971,146</u>

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 6: LONG-TERM LIABILITIES (Continued)**Charter School Operating Leases**

Charter School operating lease expenses for the year ending June 30, 2019 are \$4,843,225.

Charter School Long Term Lease Commitments

Year Ended June 30,	Total
2020	\$ 6,690,243
2021	6,639,406
2022	6,723,033
2023	6,380,670
2024	6,330,836
2025-2029	32,482,628
2030-2034	19,655,098
2035-2039	12,427,349
	<u>\$ 97,329,263</u>

NOTE 7: SHORT-TERM DEBT

Due to the cyclical nature of property tax cash flow that school district significantly rely on for operation, the State Treasurer is authorized to issue short term debt in order to make interest-free loans to participating Colorado school district.

During the fiscal year ended June 30, 2019, the District borrowed \$50,800,000 from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year. None of the amount borrowed was outstanding at June 30, 2019.

NOTE 8: RISK MANAGEMENT

The deductible for all perils, including flood, windstorm and earthquake, is subject to a per occurrence deductible of \$100,000. The District has no excess coverage for physical damage and collision, upset or overturning of vehicles off premises. Further, the Colorado Governmental Immunity Act provides local governments with immunity from liability in excess of \$387,000 per person per occurrence and \$1,093,000 aggregate per occurrence. The District is self-insured for its medical and property/workers' compensation claims.

The District purchases commercial insurance for claims in excess of the District's self-insured retention. Settled claims for the past three fiscal years have not exceeded the commercial coverage.

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The claims liability was determined actuarially. The property claims liability is based on the current reserves. The claims liability is considered to be reasonably estimated (measurable) and probable of assertion.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 8: RISK MANAGEMENT (Continued)

The following represents the change in the claims liability for the District during the fiscal year ended June 30, 2019.

	Medical	Property/Workers Compensation	Total
Claims Liability June 30, 2017	4,359,013	4,055,275	8,414,288
Claims Incurred and Adjusted	23,844,351	835,049	24,679,400
Claims Payments	(24,709,124)	(1,421,652)	(26,130,776)
Claims Liability June 30, 2018	3,494,240	3,468,672	6,962,912
Claims Incurred and Adjusted	27,383,933	1,812,577	29,196,510
Claims Payments	(26,839,773)	(1,782,948)	(28,622,721)
Claims Liability June 30, 2019	\$ 4,038,400	\$ 3,498,301	\$ 7,536,701

The District's property and workers' compensation activity is reported within the General Fund. The claims liability for property and workers' compensation is only reported in the government-wide Statement of Net Position as the liability is not a matured liability under the modified accrual basis of accounting.

The District utilizes the Medical Fund, an internal service fund, for the accounting and reporting of its health insurance claims. Accordingly, the claims are expensed as they are incurred and the full medical claim liability of \$4,038,400 is reported within the Medical Fund as a current liability because District expects to pay full balance within a year.

NOTE 9: PENSION PLAN**Defined Benefit Pension Plan**

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

Benefits provided as of December 31, 2018 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 9: PENSION PLAN (Continued)**Defined Benefit Pension Plan (Continued)**

remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2019: Eligible employees, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019.

Employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2019
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.50%	5.50%
Total Employer Contribution Rate to the SCHDTF	19.13%	19.13%

¹Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101 (42).

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 9: PENSION PLAN (Continued)**Defined Benefit Pension Plan (Continued)**

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$62.0 million for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year 2018 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, the District reported a liability of \$992,546,522 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 992,546,522
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District.	135,716,953
Total	\$ 1,128,263,475

At December 31, 2018, the District's proportion was approximately 5.605 percent, which was a decrease of approximately 0.964 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension income of \$90,336,677 and revenue of \$35,655,172 for support from the State as a nonemployer contributing entity, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$33,668,284	-
Changes of assumptions or other inputs	\$185,263,145	\$617,257,177
Net difference between projected and actual earnings on pension plan investments	\$54,099,983	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$3,415,244	\$174,108,863
Contributions subsequent to the measurement date	\$32,760,258	N/A
Total	\$309,206,914	\$791,366,040

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 9: PENSION PLAN (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

\$32,760,258 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Effect of Deferred Inflows/ Outflows on Pension Expense
2020	\$ (104,337,200)
2021	(264,841,425)
2022	(175,334,497)
2023	29,593,738
Total	\$ (514,919,384)

Actuarial Assumptions - The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% - 9.70%
Long-term Investment Rate of Return, Net of Pension Plan Investment Expenses Including Price Inflation	7.25%
Discount Rate	5.26%
Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	2.00% compounded annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve (AIR)

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

Discount Rate	7.25%
Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	0% through 2019 and 1.5% compounded annually, thereafter
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve (AIR)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 9: PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 9: PENSION PLAN (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 9: PENSION PLAN (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability	\$1,261,853,106	\$992,546,522	\$766,552,882

Pension Plan Fiduciary Net Position: Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Pension PlanVoluntary Investment Program

Plan Description - Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2019 program members contributed \$7,256,169.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**Other Post Employment Benefits (OPEB)**

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**Other Post Employment Benefits (OPEB) (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$3,309,741 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$49,571,265 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 3.643 percent, which was a decrease of approximately 0.089 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$577,250. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$179,916	\$75,457
Changes of assumptions and other inputs	347,735	-
Net difference between projected and actual earnings on pension plan investments	285,067	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$205,621	974,811
Contributions subsequent to the measurement date	\$1,746,746	-
Total	\$2,765,085	\$1,050,268

\$1,746,746 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Effect of Deferred Inflows/ Outflows on Pension Expense
2019	(\$23,343)
2020	(23,343)
2021	(23,270)
2022	174,645
2023	(130,995)
2024	(5,623)
Total	(\$31,929)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Actuarial Assumptions - The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases Including Wage Inflation	3.50% in aggregate
Long-term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Health Care Cost Trend Rates	
PERA Benefit Structure:	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.25% for 2018, gradually rising to 5.00% in 2025

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

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums

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

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

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A Trend Rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$47,279,387	\$49,571,265	\$51,145,692

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicated the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net OPEB liability	\$55,465,928	\$49,571,265	\$44,531,876

OPEB plan fiduciary net position

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

NOTE 11: COMMITMENTS AND CONTINGENCIES**Claims and Judgments**

The 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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Judgments (Continued)

appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2019, varying amounts of grant expenditures have not been audited by federal and state agencies, but the District believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on the overall financial position of the District.

Committed Construction

At June 30, 2019, the District had contractual commitments for the construction of various major capital projects and facilities of \$13,801,287. Bonds, investment earnings, and general funds will provide funding for these immediate future expenditures.

Litigation

The District's contract with the Douglas County Federation of Teachers (the Union) expired July 1, 2012. On that date the District created new Certified and Classified Compensation and Benefit Program documents representing the fringe benefits and employee policies governing most employees of the District. This document has been updated and approved by the Board each year since July 1, 2012. The District has maintained their ongoing contract with ATU, the Amalgamated Transport Union.

During fiscal year 2013, a claim was filed in connection with certain benefits associated with the former union contract. The District believes this claim, once decided, will not have a material impact on the financial statements of the District.

The District is involved in various other litigation matters in which the outcome cannot be predicted at this time.

TABOR Amendment

In November 1992, Colorado voters passed Article X, Section 20 (TABOR Amendment), to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. In November 1998, voters within the District authorized the District to collect, retain, and spend all District revenues received in 1998 and each year thereafter, notwithstanding the limitations of the TABOR Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The TABOR Amendment requires the District to establish a reserve of 3 percent for emergencies. At June 30, 2019, the District and charter school reserves of \$16,600,000 and \$4,733,743 respectively, were recorded as a restricted fund balance in the Combined General Fund.

In addition to this TABOR Reserve, Board policy requires an additional 3 percent be held as a prudent reserve providing evidence of financial stability and maintaining the high credit rating the District presently enjoys. This policy also mandates a 1 percent contingency budget to be appropriated each year providing readily available resources in the event of unforeseen circumstances.

NOTE 12: RESTATEMENT OF FUND BALANCE (APEX CHARTER SCHOOL)

On November 15, 2016, the District Board approved a charter application from Apex Community School (Apex) to begin operations in the Fall of 2018 subject to Apex's compliance with certain conditions, including enrollment benchmarks. In February 2019, it was determined that Apex did not meet its enrollment benchmarks and Apex submitted a letter withdrawing its charter application.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 12: RESTATEMENT OF FUND BALANCE (APEX CHARTER SCHOOL) (Continued)

Subsequent to Apex’s withdrawal, the existing Board of ACS Building Corporation resigned and the Corporation was taken over by Colorado Springs Early Colleges who now holds the title and related debt to all property formally held by Apex Board.

In accordance with GASB No. 62, *Change in Reporting Entity*, the District is restating the beginning balance of APEX, previously shown as a component unit of the District. For the fiscal year ended June 30, 2018, the District showed an ending fund balance of \$(1,291,910) for APEX Building Corporation. This balance will be restated as \$0 as of July 1, 2018.

	Discretely Presented Component Units
Beginning net position, as originally reported	\$ (249,962,845)
Change in Reporting Entity	1,291,910
Beginning net position, as restated	<u>\$ (248,670,935)</u>

* Includes small adjustment for Lemman Academy unaudited prior year information.

NOTE 13: NEW GASB PRONOUCEMENTS FOR FUTURE IMPLEMENTATION

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017 will be effective for the District with its year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee’s right to use the leased asset. In addition, the District must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

NOTE 14: SUBSEQUENT EVENTS

On October 1, 2019, the Arizona Industrial Development Authority (AZIDA) issued \$33,505,000 of Education Facility Revenue Bonds, Series 2019. Bond proceeds were loaned to the Lemman Academy of Excellence, Douglas County, Colorado for the purpose of financing the purchase of the school facilities. The Building Corp. will be reported as a blended component unit of the charter school beginning with fiscal year ending June 2020.



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***REQUIRED
SUPPLEMENTARY
INFORMATION***



Douglas County School District
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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2019

	2019			Variance with Budget
	Adopted Budget	Amended Budget	Actual	
REVENUES				
Taxes:				
Local Property Taxes	\$ 199,731,464	\$ 238,573,399	\$ 237,203,322	(1,370,077)
Specific Ownership Taxes	26,329,116	29,382,644	28,076,258	(1,306,386)
Total Taxes	<u>226,060,580</u>	<u>267,956,043</u>	<u>265,279,580</u>	<u>(2,676,463)</u>
Intergovernmental State Funding:				
State Equalization	329,297,487	319,433,868	319,317,806	(116,062)
Special Education	12,067,621	12,363,903	12,365,317	1,414
Vocational Education	665,500	800,293	816,227	15,934
Other	14,722,245	16,804,703	25,166,707	8,362,004
Total Intergovernmental State Funding	<u>356,752,853</u>	<u>349,402,767</u>	<u>357,666,057</u>	<u>8,263,290</u>
Other:				
Investment Income	864,441	1,062,088	1,378,942	316,854
Charges for Services	26,708,730	27,871,086	28,357,995	486,909
Fundraisers and Donations	-	-	3,071,997	3,071,997
Other	8,752,395	10,316,181	6,608,831	(3,707,350)
Total Other	<u>36,325,566</u>	<u>39,249,355</u>	<u>39,417,765</u>	<u>168,410</u>
Total Revenues	<u>619,138,999</u>	<u>656,608,165</u>	<u>662,363,402</u>	<u>5,755,237</u>
EXPENDITURES				
Current Operating:				
Instructional Services	300,543,701	297,397,092	302,835,768	(5,438,676)
Intergovernmental - Charter Schools	133,963,381	140,597,371	140,793,998	(196,627)
Supporting Services:				
Pupil Support Services	75,995,613	91,445,606	88,479,689	2,965,917
Operations and Maintenance	61,980,003	71,459,068	66,851,329	4,607,739
Central Supporting Services	33,386,884	35,546,095	33,685,555	1,860,540
Facility Acquisition and Construction	8,538,188	7,978,310	3,316,966	4,661,344
Total Expenditures	<u>614,407,770</u>	<u>644,423,542</u>	<u>635,963,305</u>	<u>8,460,237</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,731,229</u>	<u>12,184,623</u>	<u>26,400,097</u>	<u>14,215,474</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	17,500	17,500
Transfers Out	(8,962,846)	(9,934,436)	(9,934,436)	-
Total Other Financing (Uses)	<u>(8,962,846)</u>	<u>(9,934,436)</u>	<u>(9,916,936)</u>	<u>17,500</u>
NET CHANGE IN FUND BALANCES	<u>\$ (4,231,617)</u>	<u>\$ 2,250,187</u>	16,483,161	<u>\$ 14,232,974</u>
FUND BALANCE, Beginning			<u>81,164,425</u>	
FUND BALANCE, Ending			<u>\$ 97,647,586</u>	

See accompanying independent auditor's report and note to required supplementary information

Douglas County School District Re. 1
Schedule of the District's Contributions-PERA
For The Last Ten Years

	Fiscal Year				
	2019	2018	2017	2016	2015
Contractually required contributions	\$ 62,073,862	\$ 57,670,732	\$ 54,817,551	\$ 54,252,218	\$ 50,941,245
Contributions in relation to the contractually required contribution	62,073,862	57,670,732	54,817,551	54,252,218	50,941,245
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 324,484,391	\$ 305,474,654	\$ 298,405,538	\$ 305,938,048	\$ 301,705,262
Contributions as a percentage of covered payroll	19.13%	18.88%	18.37%	17.73%	16.88%

See accompanying independent auditor's report and note to required supplementary information

2014	2013	2012	2011	2010
\$ 47,195,796	\$ 42,826,213	\$ 39,172,115	\$ 37,624,529	\$ 37,755,336
47,195,796	42,826,213	39,172,115	37,624,529	37,755,336
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 295,363,179	\$ 282,878,082	\$ 276,125,761	\$ 283,120,987	\$ 304,983,533
15.98%	15.14%	14.19%	13.29%	12.38%



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Douglas County School District Re. 1
Schedule of the District's Proportionate
Share of Net Pension Liability
Last Ten Years⁽¹⁾

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	5.605%	6.569%	6.525%	6.601%	6.666%
District's proportionate share of the net pension liability	\$ 992,546,522	\$ 2,124,245,847	\$ 1,942,879,251	\$ 1,009,505,041	\$ 903,520,866
State's Proportionate Share of the Net Pension Liability associated with the District	\$ 135,716,953	\$ -	\$ -	\$ -	\$ -
Total	1,128,263,475	2,124,245,847	1,942,879,251	1,009,505,041	903,520,866
District's covered payroll	\$ 323,494,720	\$ 319,201,229	\$ 309,240,235	\$ 304,134,938	\$ 296,685,729
District's proportionate share of the net pension liability as a percentage of its covered payroll	306.82%	665.49%	628.28%	331.93%	304.54%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.13%	59.16%	62.84%

* The amounts presented for each year were determined as of December 31, the measurement date used by PERA.

(1) Schedule is intended to include information for ten years. Additional information will be displayed as it becomes available.

See accompanying independent auditor's report and note to required supplementary information

Douglas County School District Re. 1
Schedule of the District's Contributions-OPEB
For The Last Ten Years

	Fiscal Year				
	2019	2018	2017	2016	2015
Contractually required contributions	\$ 3,309,741	\$ 3,115,841	\$ 3,043,736	\$ 3,120,568	\$ 3,077,393
Contributions in relation to the contractually required contribution	3,309,741	3,115,841	3,043,736	3,120,568	3,077,393
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 324,484,391	\$ 305,474,654	\$ 298,405,538	\$ 305,938,048	\$ 301,705,262
Contributions as a percentage of payroll	1.02%	1.02%	1.02%	1.02%	1.02%

See accompanying independent auditor's report and note to required supplementary information

2014	2013	2012	2011	2010
\$ 3,033,567	\$ 2,885,356	\$ 2,816,483	\$ 2,887,834	\$ 3,110,832
3,033,567	2,885,356	2,816,483	2,887,834	3,110,832
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 295,363,179	\$ 282,878,082	\$ 276,125,761	\$ 283,120,987	\$ 304,983,533
1.02%	1.02%	1.02%	1.02%	1.02%

Douglas County School District Re. 1
Schedule of the District's Proportionate
Share of OPEB Liability
Last Ten Years⁽¹⁾

	2018	2017	2016
District's proportion of the OPEB liability	3.643%	3.732%	3.708%
District's proportionate share of the net OPEB liability	\$ 49,571,265	\$ 48,505,220	\$ 48,084,618
District's covered payroll	\$ 323,494,720	\$ 319,201,229	\$ 309,240,235
District's proportionate share of the OPEB liability as a percentage of its covered payroll	15.32%	15.20%	15.55%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%

* The amounts presented for each year were determined as of December 31, the measurement date used by PERA.

(1) Schedule is intended to include information for ten years. Additional information will be displayed as it becomes available.

See accompanying independent auditor's report and note to required supplementary information

***SUPPLEMENTARY
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Combined General Funds

Comparative Balance Sheets
Combining Balance Sheet
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Schedule of Expenditures by Object
Schedule of Expenditures by Program
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and Investments	\$ 115,400,712	\$ 96,640,645
Receivables:		
Property Taxes, Net of Allowance for Uncollectible Taxes	12,289,376	9,989,600
Other	1,237,937	1,223,852
Inventories	1,137,752	1,062,901
Due from Other Funds	-	1,696,744
Prepaid Costs	1,559,682	1,009,079
Total Assets	<u>\$ 131,625,459</u>	<u>\$ 111,622,821</u>
LIABILITIES		
Accounts Payable	\$ 5,249,758	\$ 4,709,605
Accrued Compensation	24,132,785	22,298,504
Unearned Revenues	327,210	532,265
Total Liabilities	<u>29,709,753</u>	<u>27,540,374</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	<u>4,268,120</u>	<u>2,918,022</u>
FUND BALANCES		
Nonspendable:		
Inventories & Prepaid Costs	2,697,434	2,071,980
Restricted:		
TABOR Emergency Reserve	16,600,000	15,038,500
Medicaid Grant	2,843,817	2,168,188
Committed:		
3% Board Reserves	16,600,000	15,038,500
Assigned:		
School Carryover	23,604,353	20,065,678
Extended Service Severance	266,945	332,469
Facility Use Revenue Share	1,474,007	882,904
Cash In Lieu	3,044,936	2,490,830
Master Capital Plan Projects in Process	386,857	3,988,524
Full Day Kindergarten Scholarships	-	144,950
Sub-fund Carryover	4,907,630	4,237,024
Unassigned	<u>25,221,607</u>	<u>14,704,878</u>
Total Fund Balances	<u>97,647,586</u>	<u>81,164,425</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 131,625,459</u>	<u>\$ 111,622,821</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
Combining Balance Sheet
June 30, 2019

	General Fund 10	Outdoor Education Fund 13	Capital Projects Fund 14	Full Day Kindergarten Fund 15	Transportation Fund 25	Combined General Fund
ASSETS						
Cash and Investments	\$103,092,618	\$ 359,374	\$ 8,814,124	\$ 1,671,969	\$ 1,462,627	\$115,400,712
Receivables:						
Property Taxes, Net of Allowance for Uncollectible Taxes	12,289,376	-	-	-	-	12,289,376
Other	943,274	6,713	1,850	47,384	238,716	1,237,937
Inventories	323,995	-	-	-	813,757	1,137,752
Prepaid Costs	1,559,682	-	-	-	-	1,559,682
Total Assets	\$118,208,945	\$ 366,087	\$ 8,815,974	\$ 1,719,353	\$ 2,515,100	\$131,625,459
LIABILITIES						
Accounts Payable	\$ 4,726,531	\$ 89,234	\$ 252,649	\$ 6,415	\$ 174,929	\$ 5,249,758
Accrued Compensation	22,990,120	22,002	-	391,810	728,853	\$ 24,132,785
Unearned Revenues	164,125	163,085	-	-	-	327,210
Total Liabilities	27,880,776	274,321	252,649	398,225	903,782	29,709,753
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	4,268,120	-	-	-	-	4,268,120
FUND BALANCES						
Nonspendable:						
Inventories & Prepaid Costs	1,883,677	-	-	-	813,757	2,697,434
Restricted:						
TABOR Emergency Reserve	16,600,000	-	-	-	-	16,600,000
Medicaid Grant	2,843,817	-	-	-	-	2,843,817
Committed:						
3% Board Reserves	16,600,000	-	-	-	-	16,600,000
Assigned:						
School Carryover	21,169,996	-	1,113,229	1,321,128	-	23,604,353
Extended Service Severance	266,945	-	-	-	-	266,945
Facility Use Revenue Share	1,474,007	-	-	-	-	1,474,007
Cash In Lieu	-	-	3,044,936	-	-	3,044,936
Master Capital Plan Projects in Process	-	-	386,857	-	-	386,857
Subfund Carryover	-	91,766	4,018,303	-	797,561	4,907,630
Unassigned	25,221,607	-	-	-	-	25,221,607
Total Fund Balances	86,060,049	91,766	8,563,325	1,321,128	1,611,318	97,647,586
Total Liabilities and Fund Balances	\$118,208,945	\$ 366,087	\$ 8,815,974	\$ 1,719,353	\$ 2,515,100	\$131,625,459

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	General Fund 10	Outdoor Education Fund 13	Capital Projects Fund 14	Full Day Kindergarten Fund 15	Transportation Fund 25	Combined General Fund
REVENUES						
Property Taxes	\$237,203,322	\$ -	\$ -	\$ -	\$ -	\$237,203,322
Specific Ownership Tax	28,076,258	-	-	-	-	28,076,258
Intergovernmental State Sources:						
Equalization	319,317,806	-	-	-	-	319,317,806
Special Education	12,365,317	-	-	-	-	12,365,317
Vocational Education	816,227	-	-	-	-	816,227
Other State	20,490,126	-	-	-	4,676,581	25,166,707
Charges for Services	21,299,994	1,194,600	-	4,747,344	1,116,057	28,357,995
Contributions and Donations	3,022,368	-	46,397	3,232	-	3,071,997
Investment Earnings	1,378,942	-	-	-	-	1,378,942
Other	4,181,281	-	1,667,363	6,922	753,265	6,608,831
Total Revenues	648,151,641	1,194,600	1,713,760	4,757,498	6,545,903	662,363,402
EXPENDITURES						
Current Operating:						
Instructional Services	296,965,265	-	1,012,435	4,858,068	-	302,835,768
Intergovernmental - Charter Schools	140,793,998	-	-	-	-	140,793,998
Supporting Services:						
Pupil Support Services	86,433,942	1,244,001	370,440	431,306	-	88,479,689
Operations and Maintenance	41,535,001	39,689	570,665	-	24,705,974	66,851,329
Central Supporting Services	33,362,613	-	322,942	-	-	33,685,555
Facility Acquisition and Construction	290,686	-	3,019,444	-	6,836	3,316,966
Total Expenditures	599,381,505	1,283,690	5,295,926	5,289,374	24,712,810	635,963,305
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	48,770,136	(89,090)	(3,582,166)	(531,876)	(18,166,907)	26,400,097
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Capital Asset	-	-	-	-	17,500	17,500
Transfers In/Out	(30,349,723)	123,084	1,493,791	389,255	18,409,157	(9,934,436)
Total Other Financing Sources (Uses)	(30,349,723)	123,084	1,493,791	389,255	18,426,657	(9,916,936)
NET CHANGE IN FUND BALANCES	18,420,413	33,994	(2,088,375)	(142,621)	259,750	16,483,161
FUND BALANCES, Beginning	67,639,636	57,772	10,651,700	1,463,749	1,351,568	81,164,425
FUND BALANCES, Ending	<u>\$ 86,060,049</u>	<u>\$ 91,766</u>	<u>\$ 8,563,325</u>	<u>\$ 1,321,128</u>	<u>\$ 1,611,318</u>	<u>\$ 97,647,586</u>

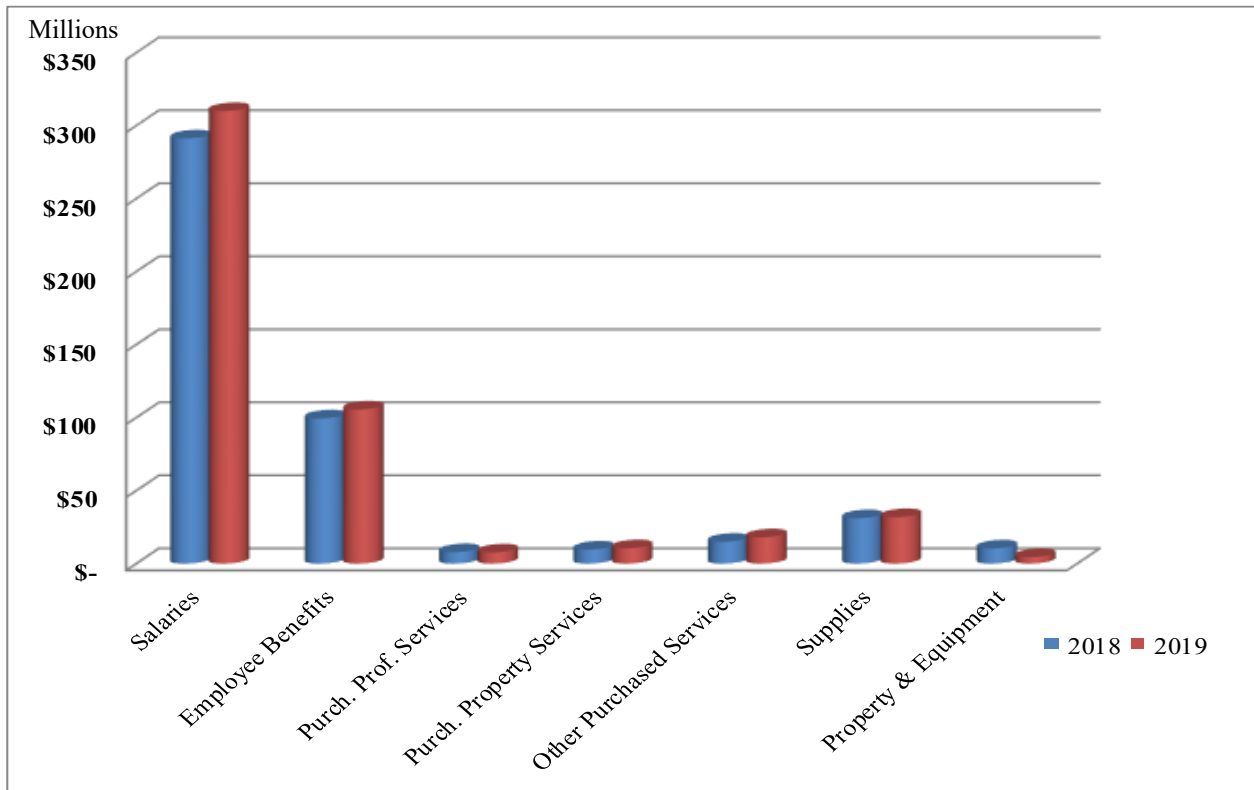
DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
 Schedule of Expenditures by Object - Budget to Actual
 For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019			Variance with Budget	2018 Actual
	Adopted Budget	Amended Budget	Actual		
EXPENDITURES					
Salaries	\$ 303,352,110	\$ 318,231,291	\$ 309,956,416	\$ 8,274,875	\$ 291,222,596
Employee Benefits	101,746,150	106,181,813	113,608,440	(7,426,627)	99,455,440
Purchased Professional Services	7,718,477	7,481,987	7,646,742	(164,755)	7,867,490
Purchased Property Services	9,956,950	9,925,434	10,546,520	(621,086)	9,623,745
Other Purchased Services	12,595,573	16,863,967	18,009,180	(1,145,213)	14,965,276
Supplies	36,441,649	34,322,375	31,839,079	2,483,296	31,106,369
Property & Equipment	5,118,885	6,834,022	4,467,594	2,366,428	10,394,962
Other, Chargebacks/Credits	3,514,595	3,985,282	(904,664)	4,889,946	1,447,481
Total Expenditures	<u>480,444,389</u>	<u>503,826,171</u>	<u>495,169,307</u>	<u>8,656,864</u>	<u>466,083,359</u>
Intergovernmental - Charter School	133,963,381	140,597,371	140,793,998	(196,627)	116,696,635
Interfund Transfers, net	8,962,846	9,934,436	9,934,436	-	8,576,023
Total Expenditures	<u>\$ 623,370,616</u>	<u>\$ 654,357,978</u>	<u>\$ 645,897,741</u>	<u>\$ 8,460,237</u>	<u>\$ 591,356,017</u>

Fiscal Year 2019 and 2018
 Combined General Fund Expenditures by Object



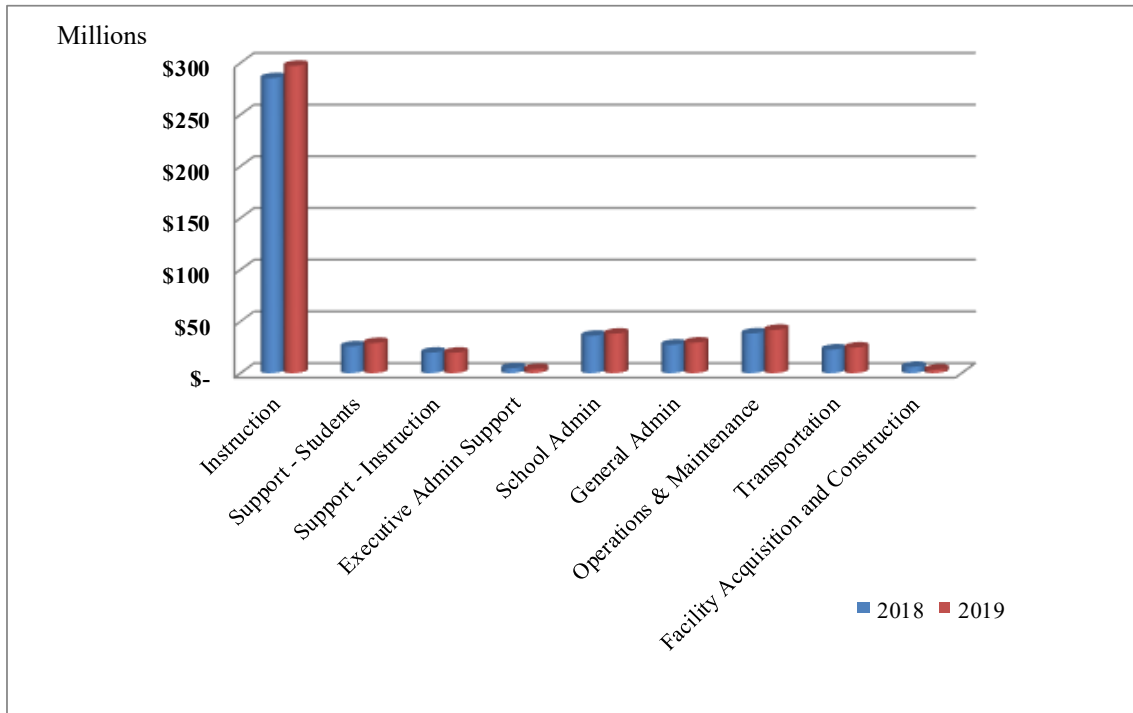
DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
 Schedule of Expenditures by Program - Budget to Actual
 For the Fiscal Year Ended June 30, 2019
 (With Comparative Actual Information for the Year Ended June 30, 2018)

	2019				2018 Actuals
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
EXPENDITURES					
Instructional:					
Instruction	\$ 300,543,701	\$ 297,397,092	\$ 302,835,768	\$ (5,438,676)	\$ 285,203,836
Support - Students	20,712,162	26,974,175	29,649,823	(2,675,648)	25,757,514
Support - Instruction	20,851,522	22,158,820	19,996,426	2,162,394	19,773,020
Support Services:					
Executive Admin Support	3,386,905	3,684,545	3,927,837	(243,292)	4,676,267
School Admin	34,431,929	42,312,611	38,833,440	3,479,171	36,067,799
General Admin	29,999,979	31,861,550	29,757,718	2,103,832	27,416,372
Operations & Maintenance	40,815,222	45,436,430	42,196,401	3,240,029	38,375,912
Transportation	21,164,781	26,022,638	24,654,928	1,367,710	22,759,698
Facility Acquisition and Construction*	8,538,188	7,978,310	3,316,966	4,661,344	6,052,941
Total Expenditures	480,444,389	503,826,171	495,169,307	8,656,864	466,083,359
Intergovernmental - Charter Schools	133,963,381	140,597,371	140,793,998	(196,627)	116,696,635
Interfund Transfers, net (for Instructional Programs)	4,702,369	5,135,451	5,135,451	-	4,547,640
Interfund Transfers, net (for Support Programs)	4,260,477	4,798,985	4,798,985	-	4,028,383
Total Expenditures	\$ 623,370,616	\$ 654,357,978	\$ 645,897,741	\$ 8,460,237	\$ 591,356,017

*Construction Funds were allocated for the entire project yet those projects were still in progress at year-end causing a variance to budget.

**Fiscal Year 2019 and 2018
 Combined General Fund Expenditures by Program**



DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
 Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
REVENUES		
Taxes	\$ 265,279,580	\$ 223,682,011
Intergovernmental:		
State Equalization	319,317,806	295,788,353
Special Education	12,365,317	11,967,184
Vocational Education	816,227	660,442
Other State	25,166,707	12,191,604
Charges for Services	28,357,995	29,134,356
Contributions and Donations	3,071,997	2,835,173
Investment Earnings	1,378,942	781,416
Other	6,608,831	5,376,756
Total Revenues	<u>662,363,402</u>	<u>582,417,295</u>
EXPENDITURES		
Current Operating:		
Instructional Services	302,835,768	285,203,836
Intergovernmental - Charter Schools	140,793,998	116,696,635
Supporting Services:		
Pupil Support Services	88,479,689	81,598,333
Operations and Maintenance	66,851,329	61,135,610
Central Supporting Services	33,685,555	32,092,639
Facility Acquisition and Construction	3,316,966	6,052,941
Total Expenditures	<u>635,963,305</u>	<u>582,779,994</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>26,400,097</u>	<u>(362,699)</u>
OTHER FINANCING SOURCES (USES)		
Compensation for Loss of Asset	-	2,900
Proceeds from Sale of Capital Asset	17,500	-
Proceeds from Issuance of Capital Lease	-	130,087
Transfers Out	(9,934,436)	(8,576,023)
Total Other Financing Sources (Uses)	<u>(9,916,936)</u>	<u>(8,443,036)</u>
NET CHANGE IN FUND BALANCE	16,483,161	(8,805,735)
FUND BALANCE, Beginning	<u>81,164,425</u>	<u>89,970,160</u>
FUND BALANCE, Ending	<u>\$ 97,647,586</u>	<u>\$ 81,164,425</u>



Douglas County School District

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Non-Major Governmental Funds

*Combining Balance Sheet
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances*

*Nutrition Services National School Lunch
Program (NSLP) Fund
Governmental Designated Purpose Grants Fund
Athletics and Activities Fund
Nutrition Services Non-National School Lunch
Program (NSLP) Fund
Child Care Fund
Certificates of Participation Lease Payment Fund*

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019

	Nutrition Services NSLP Fund 21	Governmental Designated Purpose Grants Fund 22	Athletics and Activities Fund 26	Nutrition Services Non-NSLP Fund 28	Child Care Fund 29	COP Lease Payment Fund 39	Total Non-Major Governmental Funds
ASSETS							
Cash and Investments	\$1,855,535	\$ 356,485	\$ 1,934,110	\$ 452,261	\$4,631,015	\$ 20,215	\$ 9,249,621
Accounts Receivable	382,149	2,092,048	128	2,446	-	-	2,476,771
Inventories	447,603	-	-	-	-	-	447,603
Total Assets	\$2,685,287	\$ 2,448,533	\$ 1,934,238	\$ 454,707	\$4,631,015	\$ 20,215	\$ 12,173,995
LIABILITIES							
Accounts Payable	\$ 107,384	\$ 258,777	\$ 374,791	\$ 5,511	\$ 7,651	\$ -	\$ 754,114
Accrued Compensation	145,684	573,583	56,910	89,816	578,664	-	1,444,657
Unearned Revenues	470,063	1,616,173	115	244,019	-	-	2,330,370
Total Liabilities	723,131	2,448,533	431,816	339,346	586,315	-	4,529,141
FUND BALANCES							
Restricted	1,962,156	-	-	-	-	-	1,962,156
Assigned	-	-	1,502,422	115,361	4,044,700	20,215	5,682,698
Total Fund Balances	1,962,156	-	1,502,422	115,361	4,044,700	20,215	7,644,854
Total Liabilities and Fund Balances	\$2,685,287	\$ 2,448,533	\$ 1,934,238	\$ 454,707	\$4,631,015	\$ 20,215	\$ 12,173,995

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	Nutrition Services Fund 21	Governmental Designated Purpose Grants Fund 22	Athletics and Activities Fund 26	Nutrition Services Non-NSLP Fund 28	Child Care Fund 29	COP Lease Payment Fund 39	Total Non-Major Governmental Funds
REVENUES							
Intergovernmental	\$ 3,445,735	\$ 13,972,122	\$ -	\$ -	\$ -	\$ -	\$ 17,417,857
Charges for Services	9,905,722	-	9,387,599	6,519,585	11,686,568	-	37,499,474
Aspen View COP Lease Payment	-	-	-	-	-	963,373	963,373
Fundraising and Donations	-	-	2,090,748	-	-	-	2,090,748
Other	122,461	56,376	169,780	-	13,559	9,962	372,138
Total Revenues	13,473,918	14,028,498	11,648,127	6,519,585	11,700,127	973,335	58,343,590
EXPENDITURES							
Current Operating:							
Instruction	-	9,492,376	14,794,222	-	11,297,705	-	35,584,303
Supporting Services	13,469,318	4,721,242	2,336,763	6,527,610	2,421,037	-	29,475,970
Lease Payments:							
Principal Retirement	-	-	-	-	-	15,020,000	15,020,000
Interest and Fiscal Charges	-	-	-	-	-	1,473,333	1,473,333
Total Expenditures	13,469,318	14,213,618	17,130,985	6,527,610	13,718,742	16,493,333	81,553,606
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,600	(185,120)	(5,482,858)	(8,025)	(2,018,615)	(15,519,998)	(23,210,016)
OTHER FINANCING SOURCES							
Transfers In	351,634	-	5,507,064	93,718	487,045	15,528,309	21,967,770
Proceeds from Sale of Capital Assets	12,000	-	-	-	-	-	12,000
Total Other Financing Sources	363,634	-	5,507,064	93,718	487,045	15,528,309	21,979,770
NET CHANGE IN FUND BALANCES	368,234	(185,120)	24,206	85,693	(1,531,570)	8,311	(1,230,246)
FUND BALANCE, Beginning	1,593,922	185,120	1,478,216	29,668	5,576,270	11,904	8,875,100
FUND BALANCE, Ending	\$ 1,962,156	\$ -	\$ 1,502,422	\$ 115,361	\$ 4,044,700	\$ 20,215	\$ 7,644,854

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 21

Nutrition Services NSLP Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019				2018 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Intergovernmental:					
Federal Government Lunch Program	\$ 2,550,000	\$ 2,550,000	\$ 2,552,199	\$ 2,199	\$ 2,494,580
Commodity Contribution	735,329	735,329	738,879	3,550	732,440
State Match	140,000	140,000	154,657	14,657	120,844
Food Sales	9,248,700	9,698,700	9,905,722	207,022	9,325,411
Other	105,000	105,000	122,461	17,461	105,862
Total Revenues	<u>12,779,029</u>	<u>13,229,029</u>	<u>13,473,918</u>	<u>244,889</u>	<u>12,779,137</u>
EXPENDITURES					
Supporting Services:					
Food Purchases	5,222,329	5,322,329	5,288,027	34,302	5,057,568
Salaries and Benefits	5,893,588	6,245,222	6,247,705	(2,483)	5,694,845
Purchased Services	422,200	422,200	415,556	6,644	451,727
Supplies and Equipment	685,380	792,380	748,147	44,233	689,732
Capital Outlay	80,000	73,000	62,498	10,502	302,910
Other	702,229	702,229	707,385	(5,156)	668,722
Total Expenditures	<u>13,005,726</u>	<u>13,557,360</u>	<u>13,469,318</u>	<u>88,042</u>	<u>12,865,504</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(226,697)</u>	<u>(328,331)</u>	<u>4,600</u>	<u>332,931</u>	<u>(86,367)</u>
OTHER FINANCING SOURCES					
Transfers In	-	351,634	351,634	-	-
Proceeds from Sale of Capital Assets	<u>5,000</u>	<u>5,000</u>	<u>12,000</u>	<u>7,000</u>	<u>-</u>
Total Other Financing Sources	<u>5,000</u>	<u>356,634</u>	<u>363,634</u>	<u>7,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (221,697)</u>	<u>\$ 28,303</u>	<u>368,234</u>	<u>\$ 339,931</u>	<u>(86,367)</u>
FUND BALANCE, Beginning			<u>1,593,922</u>		<u>1,680,289</u>
FUND BALANCE, Ending			<u>\$ 1,962,156</u>		<u>\$ 1,593,922</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 22

Governmental Designated Purpose Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019				2018 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Intergovernmental:					
Federal	\$ 12,763,447	\$ 13,621,397	\$ 12,907,722	\$ (713,675)	\$ 12,156,741
State and Local	973,304	2,593,993	1,064,400	(1,529,593)	996,158
Other	210,917	134,274	56,376	(77,898)	78,752
Total Revenues	<u>13,947,668</u>	<u>16,349,664</u>	<u>14,028,498</u>	<u>(2,321,166)</u>	<u>13,231,651</u>
EXPENDITURES					
Instruction:					
Salaries and Benefits	139,094	7,714,220	7,942,655	(228,435)	7,679,748
Purchased Services	695,351	1,642,452	1,392,461	249,991	1,459,407
Supplies and Materials	215,852	123,902	120,183	3,719	47,831
Capital Outlay	60,450	1,503,208	37,077	1,466,131	116,983
Other	15,070	-	-	-	2,998
Support Services:					
Salaries and Benefits	10,567,805	3,443,259	2,976,373	466,886	2,588,881
Purchased Services	1,326,929	1,006,231	843,862	162,369	573,924
Supplies and Materials	414,093	331,731	285,169	46,562	199,242
Other	698,144	769,781	615,838	153,943	562,637
Total Expenditures	<u>14,132,788</u>	<u>16,534,784</u>	<u>14,213,618</u>	<u>2,321,166</u>	<u>13,231,651</u>
NET CHANGE IN FUND BALANCE	<u>\$ (185,120)</u>	<u>\$ (185,120)</u>	<u>(185,120)</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCE, Beginning			<u>185,120</u>		<u>185,120</u>
FUND BALANCE, Ending			<u>\$ -</u>		<u>\$ 185,120</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 26

Athletics and Activities Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019				2018 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Charges for Services:					
Student Fees	\$ 3,533,711	\$ 3,788,659	\$ 3,438,720	\$ (349,939)	\$ 3,404,433
Gate Fees	883,857	877,905	1,175,929	298,024	846,180
Merchandise Sales	3,809,071	4,209,071	4,772,950	563,879	4,569,823
Fundraising and Donations	2,596,863	2,313,465	2,090,748	(222,717)	2,164,247
Other	330,916	330,916	169,780	(161,136)	325,108
Total Revenues	<u>11,154,418</u>	<u>11,520,016</u>	<u>11,648,127</u>	<u>128,111</u>	<u>11,309,791</u>
EXPENDITURES					
Instructional:					
Salaries and Benefits	6,121,642	6,112,877	6,537,261	(424,384)	6,371,543
Purchased Services	2,425,388	2,436,070	4,337,319	(1,901,249)	3,834,788
Supplies	3,884,492	5,025,346	3,591,546	1,433,800	3,471,059
Capital Outlay	92,641	92,641	104,836	(12,195)	126,534
Other	436,267	526,541	223,260	303,281	373,581
Supporting Services:					
Salaries and Benefits	813,657	856,100	452,215	403,885	414,818
Purchased Services	2,031,232	2,737,482	975,607	1,761,875	891,407
Supplies	2,727,123	599,554	577,668	21,886	556,164
Capital Outlay	75,000	88,279	238,856	(150,577)	67,778
Other	89,464	30,406	92,417	(62,011)	102,646
Total Expenditures	<u>18,696,906</u>	<u>18,505,296</u>	<u>17,130,985</u>	<u>1,374,311</u>	<u>16,210,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,542,488)</u>	<u>(6,985,280)</u>	<u>(5,482,858)</u>	<u>1,502,422</u>	<u>(4,900,527)</u>
OTHER FINANCING SOURCES					
Transfers In	<u>5,467,871</u>	<u>5,507,064</u>	<u>5,507,064</u>	<u>-</u>	<u>5,226,023</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,074,617)</u>	<u>\$ (1,478,216)</u>	24,206	<u>\$ 1,502,422</u>	325,496
FUND BALANCE, Beginning			<u>1,478,216</u>		<u>1,152,720</u>
FUND BALANCE, Ending			<u>\$ 1,502,422</u>		<u>\$ 1,478,216</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 28

Nutrition Services Non-NSLP Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019			Variance with Budget	2018 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Food Sales	\$ 6,267,000	\$ 6,517,000	\$ 6,519,585	\$ 2,585	\$ 5,928,223
Total Revenues	6,267,000	6,517,000	6,519,585	2,585	5,928,223
EXPENDITURES					
Supporting Services:					
Food Purchases	2,375,000	2,535,000	2,526,389	8,611	2,297,067
Salaries and Benefits	3,048,555	3,142,273	3,088,046	54,227	2,713,051
Purchased Services	387,050	477,050	468,734	8,316	430,391
Supplies and Equipment	241,620	241,620	236,703	4,917	220,275
Capital Outlay	25,000	25,000	40,470	(15,470)	-
Other	166,755	166,755	167,268	(513)	164,236
Total Expenditures	6,243,980	6,587,698	6,527,610	60,088	5,825,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,020	(70,698)	(8,025)	62,673	103,203
OTHER FINANCING SOURCES					
Transfers In	-	93,718	93,718	-	-
Total Other Financing Sources	-	93,718	93,718	-	-
NET CHANGE IN FUND BALANCE	\$ 23,020	\$ 23,020	85,693	\$ 62,673	103,203
FUND BALANCE, Beginning			29,668		(73,535)
FUND BALANCE, Ending			\$ 115,361		\$ 29,668

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 29

Child Care Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019			Variance with Budget	2018 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Charges for Services	\$ 12,090,353	\$ 12,090,353	\$ 11,686,568	\$ (403,785)	\$ 11,696,818
Other	15,000	15,000	13,559	(1,441)	13,269
Total Revenues	<u>12,105,353</u>	<u>12,105,353</u>	<u>11,700,127</u>	<u>(405,226)</u>	<u>11,710,087</u>
EXPENDITURES					
Instructional:					
Salaries and Benefits	8,615,920	9,065,391	9,026,982	38,409	8,546,206
Purchased Services	1,148,892	1,148,892	1,235,707	(86,815)	1,212,840
Supplies	6,384,764	6,257,932	623,099	5,634,833	740,302
Capital Outlay	-	10,700	5,516	5,184	-
Other	732,975	732,975	406,401	326,574	375,828
Supporting Services:					
Salaries and Benefits	568,665	606,239	595,405	10,834	528,706
Purchased Services	-	-	20,948	(20,948)	20,303
Supplies	78,634	35,256	8,426	26,830	9,386
Other	311,283	311,283	1,796,258	(1,484,975)	463,218
Total Expenditures	<u>17,841,133</u>	<u>18,168,668</u>	<u>13,718,742</u>	<u>4,449,926</u>	<u>11,896,789</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>(5,735,780)</u>	<u>(6,063,315)</u>	<u>(2,018,615)</u>	<u>4,044,700</u>	<u>(186,702)</u>
OTHER FINANCING SOURCES					
Transfers In	-	487,045	487,045	-	-
Total Other Financing Sources	<u>-</u>	<u>487,045</u>	<u>487,045</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,735,780)</u>	<u>\$ (5,576,270)</u>	<u>(1,531,570)</u>	<u>\$ 4,044,700</u>	<u>(186,702)</u>
FUND BALANCE, Beginning			<u>5,576,270</u>		<u>5,762,972</u>
FUND BALANCE, Ending			<u>\$ 4,044,700</u>		<u>\$ 5,576,270</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 39

Certificates of Participation Lease Payment Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019				2018 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Aspen View COP Lease Payment	\$ 963,373	\$ 963,373	\$ 963,373	\$ -	\$ 963,756
Investment Earnings	1,540	9,540	9,962	422	1,499
Total Revenues	964,913	972,913	973,335	422	965,255
EXPENDITURES					
Lease Payments:					
Principal Retirement	3,075,000	15,020,000	15,020,000	-	3,005,000
Interest and Fiscal Charges	1,378,555	1,468,583	1,468,583	-	1,451,555
Other	6,333	6,750	4,750	2,000	6,750
Total Expenditures	4,459,888	16,495,333	16,493,333	2,000	4,463,305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,494,975)	(15,522,420)	(15,519,998)	2,422	(3,498,050)
OTHER FINANCING SOURCES					
Transfers In	3,494,975	15,528,309	15,528,309	-	3,350,000
Total Other Financing Sources	3,494,975	15,528,309	15,528,309	-	3,350,000
NET CHANGE IN FUND BALANCE	\$ -	\$ 5,889	8,311	\$ 2,422	(148,050)
FUND BALANCE, Beginning			11,904		159,954
FUND BALANCE, Ending			\$ 20,215		\$ 11,904



Douglas County School District
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Bond Redemption Fund

*Comparative Balance Sheets
Schedule of Revenues, Expenditures and
Changes in Fund Balance*

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 31
Bond Redemption Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	2019	2018
ASSETS		
Receivables:		
Property Taxes, Net of Allowance for Uncollectible Taxes	\$ 1,478,223	\$ 1,330,972
Accrued Interest on Investments	293,479	229,106
Restricted Cash and Investment	60,917,450	59,224,594
Total Assets	\$ 62,689,152	\$ 60,784,672
DEFERRED INFLOWS OF RESOURCES		
Unavailable - Property Taxes	\$ 856,104	\$ 641,020
FUND BALANCES		
Restricted:		
Debt Service	61,833,048	60,143,652
Total Fund Balances	61,833,048	60,143,652
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 62,689,152	\$ 60,784,672

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 31

Bond Redemption Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019			Variance with Budget	2018 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Property Taxes	\$46,992,350	\$ 52,192,832	\$ 51,817,412	\$ (375,420)	\$ 51,429,750
Investment Earnings	587,440	1,221,187	1,127,854	(93,333)	682,510
Total Revenues	47,579,790	53,414,019	52,945,266	(468,753)	52,112,260
EXPENDITURES					
Debt Service:					
Principal Retirement	35,745,000	35,745,000	35,745,000	-	32,624,570
Interest and Fiscal Charges	11,247,350	15,509,341	15,509,341	-	18,758,743
Other	4,699	4,699	1,529	3,170	2,009
Total Expenditures	46,997,049	51,259,040	51,255,870	3,170	51,385,322
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	582,741	2,154,979	1,689,396	(465,583)	726,938
NET CHANGE IN FUND BALANCE					
	\$ 582,741	\$ 2,154,979	1,689,396	\$ (465,583)	726,938
FUND BALANCE, Beginning					
			60,143,652		59,416,714
FUND BALANCE, Ending					
			\$ 61,833,048		\$ 60,143,652



Douglas County School District
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Building Fund

*Comparative Balance Sheet
Schedule of Revenues, Expenditures and
Changes in Fund Balance*

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 41
 Building Fund
 Comparative Balance Sheet
 June 30, 2019 and 2018

	2019	2018
ASSETS		
Restricted Cash and Investments	\$ 271,594,588	\$ -
Interest Receivable	1,781,792	-
Total Assets	\$ 273,376,380	\$ -
LIABILITIES		
Accounts Payable	\$ 5,194,428	\$ -
Retainage Payable	396,209	-
Total Liabilities	5,590,637	-
FUND BALANCES		
Restricted:		
Building Expenditures	267,785,743	-
Total Fund Balances	267,785,743	-
Total Liabilities and Fund Balances	\$ 273,376,380	\$ -

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 41

Building Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019				2018 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Investment Earnings	\$ -	\$ 2,491,153	\$ 5,643,808	\$ 3,152,655	\$ -
Total Revenues	-	2,491,153	5,643,808	3,152,655	-
EXPENDITURES					
Capital Outlay:					
Building and Building Improvements	-	36,778,776	10,056,842	26,721,934	-
Equipment	-	-	5,145,779	(5,145,779)	-
Underwriter Discount	-	1,062,394	1,062,394	-	-
Debt Issuance Cost	-	351,524	351,524	-	-
Total Expenditures	-	38,192,694	16,616,539	21,576,155	-
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(35,701,541)	(10,972,731)	24,728,810	-
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Bond	-	249,975,000	249,975,000	-	-
Bond Premium	-	40,816,808	40,816,808	-	-
Transfers Out for Acquisition of Property	-	(12,033,334)	(12,033,334)	-	-
Total Financing Sources	-	278,758,474	278,758,474	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 243,056,933	267,785,743	\$ 24,728,810	-
FUND BALANCE, Beginning			-		-
FUND BALANCE, Ending			\$ 267,785,743		\$ -



Douglas County School District
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Internal Service Funds

Combining Balance Sheet
Combining Schedule of Revenues, Expenses and
Changes in Fund Net Position
Combining Statement of Cash Flows

Medical Fund
Short Term Disability Fund

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Internal Service Funds
Combining Balance Sheet
June 30, 2019

	Medical Fund 65	Short Term Disability Fund 66	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Investments	\$ 11,880,060	\$ 672,633	\$ 12,552,693
Prepaid Costs	3,001,339	103,000	3,104,339
Total Assets	\$ 14,881,399	\$ 775,633	\$ 15,657,032
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 221	\$ -	\$ 221
Accrued Insurance Claims	4,038,400	-	4,038,400
Total Current Liabilities	4,038,621	-	4,038,621
NET POSITION			
Unrestricted	10,842,778	775,633	11,618,411
Total Net Position	10,842,778	775,633	11,618,411
Total Liabilities and Net Position	\$ 14,881,399	\$ 775,633	\$ 15,657,032

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Internal Service Funds
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Medical Fund 65	Short Term Disability Fund 66	Total Internal Service Funds
REVENUES			
Premium Revenue	\$ 50,040,389	\$ 566,451	\$ 50,606,840
Other	33,687	-	33,687
Total Revenues	<u>50,074,076</u>	<u>566,451</u>	<u>50,640,527</u>
EXPENSES			
Insurance and Claims	46,928,374	414,555	47,342,929
Stop Loss Premiums	620,778	-	620,778
Salaries and Benefits	30,157	-	30,157
Purchased Services	923,858	167,008	1,090,866
Supplies	34,823	-	34,823
Total Expenses	<u>48,537,990</u>	<u>581,563</u>	<u>49,119,553</u>
OPERATING INCOME (LOSS)	<u>1,536,086</u>	<u>(15,112)</u>	<u>1,520,974</u>
NON-OPERATING REVENUES			
Investment Earnings	247,535	-	247,535
Total Non-Operating Revenues	<u>247,535</u>	<u>-</u>	<u>247,535</u>
CHANGE IN NET POSITION	1,783,621	(15,112)	1,768,509
NET POSITION, Beginning	<u>9,059,157</u>	<u>790,745</u>	<u>9,849,902</u>
NET POSITION, Ending	<u>\$ 10,842,778</u>	<u>\$ 775,633</u>	<u>\$ 11,618,411</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Internal Service Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2019

	Medical Fund 65	Short Term Disability Fund 66	Total Internal Services Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 49,759,138	\$ 566,451	\$ 50,325,589
Payments to Suppliers	(47,970,637)	(658,172)	(48,628,809)
Payments to Employees	(30,157)	-	(30,157)
Net Cash Provided to (Used by) Operating Activities	<u>1,758,344</u>	<u>(91,721)</u>	<u>1,666,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Earnings on Investments	<u>247,535</u>	<u>-</u>	<u>247,535</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,005,879	(91,721)	1,914,158
CASH AND CASH EQUIVALENTS, Beginning	<u>9,874,181</u>	<u>764,354</u>	<u>10,638,535</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 11,880,060</u>	<u>\$ 672,633</u>	<u>\$ 12,552,693</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) PROVIDED TO OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 1,536,086	\$ (15,112)	\$ 1,520,974
Changes in Assets and Liabilities:			
Change in Prepaid Costs	(314,938)	(76,609)	(391,547)
Change in Accounts Payable	(6,964)	-	(6,964)
Change in Accrued Insurance Claims	544,160	-	544,160
Total Adjustments	<u>222,258</u>	<u>(76,609)</u>	<u>145,649</u>
NET CASH PROVIDED TO (USED BY) OPERATING ACTIVITIES	<u>\$ 1,758,344</u>	<u>\$ (91,721)</u>	<u>\$ 1,666,623</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 65

Medical Fund

Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019			Variance with Budget	2018 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Health Revenue	\$ 46,552,710	\$ 46,552,710	\$ 46,920,697	\$ 367,987	\$ 44,961,024
Dental Revenue	3,147,700	3,147,700	3,119,692	(28,008)	3,084,814
Other	9,500	28,968	33,687	4,719	6,235
Total Revenues	49,709,910	49,729,378	50,074,076	344,698	48,052,073
EXPENSES					
Health Plan	45,204,460	43,814,460	43,775,724	38,736	40,230,570
Dental Plan	3,116,900	3,147,700	3,152,650	(4,950)	3,121,024
Stop Loss Premiums	624,217	624,217	620,778	3,439	554,178
Salaries and Benefits	44,870	44,870	30,157	14,713	30,601
Purchased Services	980,150	960,150	923,858	36,292	934,859
Supplies	20,500	30,500	34,823	(4,323)	12,228
Total Expenses	49,991,097	48,621,897	48,537,990	83,907	44,883,460
OPERATING INCOME (LOSS)	(281,187)	1,107,481	1,536,086	428,605	3,168,613
NON-OPERATING REVENUES					
Investment Earnings	97,000	216,689	247,535	30,846	124,655
Total Non-Operating Revenues	97,000	216,689	247,535	30,846	124,655
CHANGE IN NET POSITION	\$ (184,187)	\$ 1,324,170	1,783,621	\$ 459,451	3,293,268
NET POSITION, Beginning			9,059,157		5,765,889
NET POSITION, Ending			\$ 10,842,778		\$ 9,059,157

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 66

Short Term Disability Fund

Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019				2018 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Short Term Disability Revenue	\$ 585,000	\$ 585,000	\$ 566,451	\$ (18,549)	\$ 843,030
Total Revenues	<u>585,000</u>	<u>585,000</u>	<u>566,451</u>	<u>(18,549)</u>	<u>843,030</u>
EXPENSES					
Claims	480,000	450,000	414,555	35,445	419,872
Purchased Services	<u>190,000</u>	<u>190,000</u>	<u>167,008</u>	<u>22,992</u>	<u>164,046</u>
Total Expenses	<u>670,000</u>	<u>640,000</u>	<u>581,563</u>	<u>58,437</u>	<u>583,918</u>
OPERATING (LOSS) INCOME	<u>(85,000)</u>	<u>(55,000)</u>	<u>(15,112)</u>	<u>39,888</u>	<u>259,112</u>
CHANGE IN NET POSITION	<u>\$ (85,000)</u>	<u>\$ (55,000)</u>	<u>(15,112)</u>	<u>\$ 39,888</u>	<u>259,112</u>
NET POSITION, Beginning			<u>790,745</u>		<u>531,633</u>
NET POSITION, Ending			<u>\$ 775,633</u>		<u>\$ 790,745</u>

Fiduciary Funds

Agency Fund
Private Purpose Trust Scholarship Fund

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 74
Agency Fund

Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2019

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
<u>Student Activity Funds</u>				
ASSETS				
Cash and Investments	\$ 1,210,322	\$ 1,619,704	\$ 1,659,010	\$ 1,171,016
LIABILITIES				
Accrued Liabilities:				
Accounts Payable	10,895	17,287	10,895	17,287
Due to Student Groups	1,199,427	1,602,417	1,648,115	1,153,729
Total Liabilities	\$ 1,210,322	\$ 1,619,704	\$ 1,659,010	\$ 1,171,016

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 75

Private Purpose Trust Scholarship

Schedule of Changes in Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Information for the Year Ended June 30, 2018)

	2019				2018 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
ADDITIONS					
Contributions	\$ 61,600	\$ 59,600	\$ 56,600	\$ (3,000)	\$ 60,600
Total Additions	61,600	59,600	56,600	(3,000)	60,600
DEDUCTIONS					
Grants and Scholarships	60,000	59,000	58,500	500	60,000
Total Deductions	60,000	59,000	58,500	500	60,000
CHANGE IN NET POSITION	\$ 1,600	\$ 600	(1,900)	\$ (2,500)	600
NET POSITION, Beginning			35,912		35,312
NET POSITION, Ending			\$ 34,012		\$ 35,912



Douglas County School District
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Component Units (Charter Schools)

Component units (Charter Schools) have separate governing boards but are dependent upon the District for the majority of their funding. Charter Schools are responsible for their own audits.

*Discretely Presented Component Units
(Charter Schools)*

*Combining Statement of Net Position
Combining Statement of Activities*

DOUGLAS COUNTY SCHOOL DISTRICT REI

Discretely Presented Component Units

Combining Statement of Net Position

June 30, 2019

	Academy Charter School	American Academy	Apex Community School (Restated)	Ascent Classical Academy
ASSETS				
Cash and Investments	\$ 4,416,018	\$ 6,207,084	\$ -	\$ 253,215
Accounts Receivable	50	211,738	-	82,073
Inventories	-	-	-	-
Prepaid Costs & Other Assets	-	485,107	-	-
Deposits	-	-	-	-
Restricted Cash and Investments	598,911	3,429,183	-	-
Capital Assets, Not Being Depreciated	1,354,756	3,657,167	-	-
Capital Assets, Net of Accumulated Depreciation	4,811,874	47,484,919	-	-
Total Assets	11,181,609	61,475,198	-	335,288
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	2,903,385	4,722,149	-	-
Related to OPEB	22,296	305,558	-	-
Loss on Debt Refunding	428,676	2,662,989	-	-
Total Deferred Outflows of Resources	3,354,357	7,690,696	-	-
LIABILITIES				
Accounts Payable	264	220,515	-	148,515
Accrued Liabilities	-	910,567	-	-
Accrued Compensation	323,435	-	-	-
Accrued Interest Payable	9,385	221,254	-	-
Unearned Revenues	-	378,975	-	19,477
Non-Current Liabilities:				
Due Within One Year	220,000	1,476,589	-	329,000
Due in More Than One Year	5,885,683	63,197,105	-	-
Pension Liability	9,512,821	34,121,427	-	-
OPEB Liability	475,103	1,704,157	-	-
Total Liabilities	16,426,691	102,230,589	-	496,992
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	2,298	1,969,226	-	-
Related to OPEB	6,437,162	21,415,846	-	-
Total Deferred Inflows of Resources	6,439,460	23,385,072	-	-
NET POSITION				
Net Investment in Capital Assets	659,858	(10,394,925)	-	-
Restricted for:				
Emergencies	176,000	800,000	-	95,000
Debt Service, Repairs	-	3,137,488	-	20,000
Capital Projects	-	-	-	-
Unrestricted	(9,166,043)	(49,992,612)	-	(276,704)
Total Net Position	\$ (8,330,185)	\$ (56,450,049)	\$ -	\$ (161,704)

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Discretely Presented Component Units (Continued)
 Combining Statement of Net Position
 June 30, 2019

	Aspen View Academy	Ben Franklin Academy Charter School	Challenge to Excellence Charter School	DCS Montessori Charter School
ASSETS				
Cash and Investments	\$ 2,778,740	\$ 5,533,686	\$ 2,939,846	\$ 1,681,288
Accounts Receivable	59,108	355	2,381	4,150
Inventories	-	-	-	11,624
Prepaid Costs & Other Assets	-	-	9,425	18,326
Deposits	-	-	-	-
Restricted Cash and Investments	-	1,985,829	29,114	1,147,152
Capital Assets, Not Being Depreciated	2,000,000	-	1,010,419	508,415
Capital Assets, Net of Accumulated Depreciation	13,128,123	17,228,726	3,126,407	5,904,745
Total Assets	17,965,971	24,748,596	7,117,592	9,275,700
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	3,727,324	3,927,333	2,342,441	2,566,404
Related to OPEB	49,124	78,442	27,268	28,133
Loss on Debt Refunding	-	-	191,194	362,106
Total Deferred Outflows of Resources	3,776,448	4,005,775	2,560,903	2,956,643
LIABILITIES				
Accounts Payable	100,957	33,318	6,607	43,276
Accrued Liabilities	388,172	98,164	28,025	-
Accrued Compensation	-	714,390	204,670	181,949
Accrued Interest Payable	-	404,250	16,485	163,258
Unearned Revenues	-	6,439	-	108,058
Non-Current Liabilities:	-	-	-	-
Due Within One Year	597,350	340,000	157,184	280,000
Due in More Than One Year	11,852,006	19,098,006	5,331,217	7,563,399
Pension Liability	605,473	583,792	353,325	389,072
OPEB Liability	12,123,046	11,688,948	7,074,444	7,790,178
Total Liabilities	25,667,004	32,967,307	13,171,957	16,519,190
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	8,299,532	8,717,439	5,422,965	6,231,324
Related to OPEB	922	889	538	9,251
Total Deferred Inflows of Resources	8,300,454	8,718,328	5,423,503	6,240,575
NET POSITION				
Net Investment in Capital Assets	2,678,767	(2,166,428)	(1,160,381)	(1,068,133)
Restricted for:	-	-	-	-
Emergencies	250,000	257,078	151,000	166,605
Debt Service, Repairs	-	1,538,727	12,629	985,608
Capital Projects	-	-	-	-
Unrestricted	(15,153,806)	(12,560,641)	(7,920,213)	(10,611,502)
Total Net Position	\$ (12,225,039)	\$ (12,931,264)	\$ (8,916,965)	\$ (10,527,422)

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Discretely Presented Component Units (Continued)
Combining Statement of Net Position
June 30, 2019

	Global Village Academy	Hope Online Learning Academy Co-op	Leman Classical Academy	North Star Academy
ASSETS				
Cash and Investments	\$ 286,919	\$ 309,337	\$ 468,465	\$ 2,312,179
Accounts Receivable	40,063	129,631	-	-
Inventories	-	-	-	-
Prepaid Costs & Other Assets	3,357	248,349	2,909	26,842
Deposits	11,200	94,596	386	-
Restricted Cash and Investments	-	556,225	-	1,374,653
Capital Assets, Not Being Depreciated	-	-	-	537,145
Capital Assets, Net of Accumulated Depreciation	158,945	299,054	-	7,401,177
Total Assets	500,484	1,637,192	471,760	11,651,996
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	1,394,398	6,132,509	5,759,648	3,241,680
Related to OPEB	73,727	123,389	184,342	85,020
Loss on Debt Refunding	-	-	-	2,042,005
Total Deferred Outflows of Resources	1,468,125	6,255,898	5,943,990	5,368,705
LIABILITIES				
Accounts Payable	41,515	785,012	24,942	36,499
Accrued Liabilities	-	82,831	-	289,096
Accrued Compensation	105,989	-	121,098	-
Accrued Interest Payable	-	-	-	80,719
Unearned Revenues	7,600	24,955	-	-
Non-Current Liabilities:				
Due Within One Year	-	-	-	395,000
Due in More Than One Year	-	85,354	-	12,228,778
Pension Liability	3,098,093	15,685,032	4,431,494	9,779,901
OPEB Liability	230,447	783,381	221,326	488,449
Total Liabilities	3,483,644	17,446,565	4,798,860	23,298,442
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	2,655,302	13,434,285	2,755,912	6,751,906
Related to OPEB	351	45,276	337	744
Total Deferred Inflows of Resources	2,655,653	13,479,561	2,756,249	6,752,650
NET POSITION				
Net Investment in Capital Assets	158,945	299,054	-	(2,724,170)
Restricted for:				
Emergencies	100,293	556,225	129,000	200,243
Debt Service, Repairs	-	-	-	1,272,439
Capital Projects	-	-	-	102,214
Unrestricted	(4,429,926)	(23,888,315)	(1,268,359)	(11,881,117)
Total Net Position	\$ (4,170,688)	\$ (23,033,036)	\$ (1,139,359)	\$ (13,030,391)

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Discretely Presented Component Units (Continued)
 Combining Statement of Net Position
 June 30, 2019

	Parker Core Knowledge	Parker Performing Arts	Platte River Academy	Renaissance Secondary School
ASSETS				
Cash and Investments	\$ 3,391,607	\$ 688,681	\$ 2,118,768	\$ 522,637
Accounts Receivable	9,409	-	17,962	206,196
Inventories	-	-	-	-
Prepaid Costs & Other Assets	-	2,213	-	17,966
Deposits	18,236	-	-	-
Restricted Cash and Investments	312,341	-	1,048,973	1,105,313
Capital Assets, Not Being Depreciated	469,270	-	553,332	-
Capital Assets, Net of Accumulated Depreciation	7,997,814	334,734	3,489,916	10,443,064
Total Assets	<u>12,198,677</u>	<u>1,025,628</u>	<u>7,228,951</u>	<u>12,295,176</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	3,847,826	5,197,575	2,633,251	5,563,105
Related to OPEB	48,004	106,599	33,257	135,540
Loss on Debt Refunding	673,776	-	917,920	-
Total Deferred Outflows of Resources	<u>4,569,606</u>	<u>5,304,174</u>	<u>3,584,428</u>	<u>5,698,645</u>
LIABILITIES				
Accounts Payable	226,164	85,102	3,105	38,808
Accrued Liabilities	230,665	-	-	-
Accrued Compensation	-	288,104	389,440	161,409
Accrued Interest Payable	26,363	-	82,367	55,962
Unearned Revenues	2,500	-	-	24,764
Non-Current Liabilities:				
Due Within One Year	230,362	75,000	133,800	205,000
Due in More Than One Year	8,985,604	-	5,874,667	12,005,000
Pension Liability	11,199,829	9,456,211	8,140,777	4,739,461
OPEB Liability	559,367	471,101	406,582	184,986
Total Liabilities	<u>21,460,854</u>	<u>10,375,518</u>	<u>15,030,738</u>	<u>17,415,390</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	8,564,598	11,140,477	6,715,680	2,947,435
Related to OPEB	8,337	44,724	16,679	282
Total Deferred Inflows of Resources	<u>8,572,935</u>	<u>11,185,201</u>	<u>6,732,359</u>	<u>2,947,717</u>
NET POSITION				
Net Investment in Capital Assets	87,663	334,734	(511,330)	(661,623)
Restricted for:				
Emergencies	231,000	227,000	157,203	108,000
Debt Service, Repairs	285,978	-	446,926	-
Capital Projects	-	-	164,126	-
Unrestricted	(13,870,147)	(15,792,651)	(11,206,643)	(1,815,663)
Total Net Position	<u>\$ (13,265,506)</u>	<u>\$ (15,230,917)</u>	<u>\$ (10,949,718)</u>	<u>\$ (2,369,286)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Discretely Presented Component Units (Continued)
 Combining Statement of Net Position
 June 30, 2019

	Sky View Academy Charter School	STEM School	World Compass Academy	Totals
ASSETS				
Cash and Investments	\$ 2,406,878	\$ 8,187,854	\$ 1,724,405	\$ 46,227,607
Accounts Receivable	23,052	15,216	-	801,384
Inventories	-	-	-	11,624
Prepaid Costs & Other Assets	10,127	17,455	32,251	874,327
Deposits	-	-	4,500	128,918
Restricted Cash and Investments	3,305,190	1,422,983	2,734,845	19,050,712
Capital Assets, Not Being Depreciated	3,609,299	2,631,475	2,000,000	18,331,278
Capital Assets, Net of Accumulated Depreciation	18,804,989	10,752,001	16,523,586	167,890,074
Total Assets	<u>28,159,535</u>	<u>23,026,984</u>	<u>23,019,587</u>	<u>253,315,924</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	6,113,953	9,945,993	7,231,559	73,574,353
Related to OPEB	96,490	171,140	-	1,647,839
Loss on Debt Refunding	-	-	77,497	7,278,666
Total Deferred Outflows of Resources	<u>6,210,443</u>	<u>10,117,133</u>	<u>7,309,056</u>	<u>82,500,858</u>
LIABILITIES				
Accounts Payable	129,544	235,067	66,989	2,226,481
Accrued Liabilities	-	299,851	82,174	1,584,332
Accrued Compensation	550,567	499,797	-	4,451,415
Accrued Interest Payable	758,951	132,806	314,296	2,266,096
Unearned Revenues	-	-	135,771	708,539
Non-Current Liabilities:				
Due Within One Year	425,162	320,000	-	5,184,447
Due in More Than One Year	28,005,488	16,230,484	23,210,000	219,467,437
Pension Liability	19,224,447	23,526,595	7,987,979	9,990,666
OPEB Liability	960,144	1,175,010	398,951	199,580,683
Total Liabilities	<u>50,054,303</u>	<u>42,419,610</u>	<u>32,196,160</u>	<u>445,460,096</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	14,466,672	16,734,601	5,412,054	148,103,190
Related to OPEB	1,462	16,696	607	2,118,619
Total Deferred Inflows of Resources	<u>14,468,134</u>	<u>16,751,297</u>	<u>5,412,661</u>	<u>150,221,809</u>
NET POSITION				
Net Investment in Capital Assets	(5,935,712)	(3,167,008)	(5,000,710)	(28,641,399)
Restricted for:				
Emergencies	389,581	546,515	193,000	4,733,743
Debt Service, Repairs	2,308,238	1,290,177	2,734,845	14,033,055
Capital Projects	238,001	-	-	574,341
Unrestricted	(27,152,567)	(24,696,474)	(8,881,480)	(250,564,863)
Total Net Position	<u>\$ (30,152,459)</u>	<u>\$ (26,026,790)</u>	<u>\$ (10,954,345)</u>	<u>\$ (259,865,123)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Discretely Presented Component Units
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Academy Charter School	American Academy	Apex Community School (Restated)	Ascent Classical Academy
EXPENSES				
Instruction	\$ 3,950,768	\$ 23,859,081	\$ -	\$ 2,882,054
Supporting Services	1,013,516	17,005,983	-	711,157
Interest on Long-Term Debt	237,860	-	-	-
Business Type Activities	-	4,670,529	-	-
Total Expenses	<u>5,202,144</u>	<u>45,535,593</u>	<u>-</u>	<u>3,593,211</u>
PROGRAM REVENUES				
Charges for Services	345,925	4,710,172	-	129,225
Capital Grants and Contributions	173,044	725,135	-	97,192
Operating Grants and Contributions	137,595	133,483	-	301,012
Total Program Revenues	<u>656,564</u>	<u>5,568,790</u>	<u>-</u>	<u>527,429</u>
Net Program Expenses	<u>(4,545,580)</u>	<u>(39,966,803)</u>	<u>-</u>	<u>(3,065,782)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	4,734,712	18,821,391	-	2,522,840
Mill Levy	721,242	2,877,779	-	385,693
Investment Earnings	24,676	98,669	-	-
Contributions and Grants	-	439,405	-	-
Other	31,825	4,000,232	-	1,407
Total General Revenues and Transfers	<u>5,512,455</u>	<u>26,237,476</u>	<u>-</u>	<u>2,909,940</u>
CHANGE IN NET POSITION	966,875	(13,729,327)	-	(155,842)
NET POSITION, Beginning, as restated	<u>(9,297,060)</u>	<u>(42,720,722)</u>	<u>-</u>	<u>(5,862)</u>
NET POSITION, Ending	<u>\$ (8,330,185)</u>	<u>\$ (56,450,049)</u>	<u>\$ -</u>	<u>\$ (161,704)</u>
	-	-	-	-

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Discretely Presented Component Units (Continued)
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Aspen View Academy	Ben Franklin Academy	Challenge to Excellence Charter School	DCS Montessori Charter School
EXPENSES				
Instruction	\$ 6,034,911	\$ 2,976,912	\$ 2,338,954	\$ 2,304,942
Supporting Services	2,005,495	3,682,426	1,298,085	1,926,426
Interest on Long-Term Debt	448,116	-	-	-
Business Type Activities	178,472	1,396,670	426,306	826,251
Total Expenses	<u>8,666,994</u>	<u>8,056,008</u>	<u>4,063,345</u>	<u>5,057,619</u>
PROGRAM REVENUES				
Charges for Services	857,971	962,449	373,115	1,762,590
Capital Grants and Contributions	212,572	264,356	146,670	125,128
Operating Grants and Contributions	233,143	26,608	52,599	30,556
Total Program Revenues	<u>1,303,686</u>	<u>1,253,413</u>	<u>572,384</u>	<u>1,918,274</u>
Net Program Expenses	<u>(7,363,308)</u>	<u>(6,802,595)</u>	<u>(3,490,961)</u>	<u>(3,139,345)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	6,367,037	6,854,530	3,815,634	3,255,074
Mill Levy	977,347	1,049,436	582,039	496,742
Investment Earnings	-	59,147	51,308	76,021
Contributions and Grants	91,790	8,701	-	201,509
Other	120,909	3,430	10,858	43,336
Total General Revenues and Transfers	<u>7,557,083</u>	<u>7,975,244</u>	<u>4,459,839</u>	<u>4,072,682</u>
CHANGE IN NET POSITION	193,775	1,172,649	968,878	933,337
NET POSITION, Beginning, as restated	<u>(12,418,814)</u>	<u>(14,103,913)</u>	<u>(9,885,843)</u>	<u>(11,460,759)</u>
NET POSITION, Ending	<u>\$ (12,225,039)</u>	<u>\$ (12,931,264)</u>	<u>\$ (8,916,965)</u>	<u>\$ (10,527,422)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Discretely Presented Component Units (Continued)
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Global Village Academy	Hope Online Learning Academy Co-op	Leman Academy of Excellence	North Star Academy
EXPENSES				
Instruction	\$ 1,815,744	\$ 14,259,402	\$ 2,836,572	\$ 3,571,728
Supporting Services	1,959,919	3,021,283	3,006,262	1,423,154
Interest on Long-Term Debt	-	-	-	-
Business Type Activities	-	-	-	1,094,531
Total Expenses	<u>3,775,663</u>	<u>17,280,685</u>	<u>5,842,834</u>	<u>6,089,413</u>
PROGRAM REVENUES				
Charges for Services	68,384	-	182,781	497,755
Capital Grants and Contributions	107,430	-	131,479	191,638
Operating Grants and Contributions	130,821	2,914,132	429,504	34,495
Total Program Revenues	<u>306,635</u>	<u>2,914,132</u>	<u>743,764</u>	<u>723,888</u>
Net Program Expenses	<u>(3,469,028)</u>	<u>(14,366,553)</u>	<u>(5,099,070)</u>	<u>(5,365,525)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	2,811,034	15,825,270	3,411,901	4,980,327
Mill Levy	426,319	-	521,945	760,677
Investment Earnings	-	6,937	-	48,430
Contributions and Grants	-	-	1,830	234,242
Other	8,702	-	15,806	-
Total General Revenues and Transfers	<u>3,246,055</u>	<u>15,832,207</u>	<u>3,951,482</u>	<u>6,023,676</u>
CHANGE IN NET POSITION	(222,973)	1,465,654	(1,147,588)	658,151
NET POSITION, Beginning, as restated	<u>(3,947,715)</u>	<u>(24,498,690)</u>	<u>8,229</u>	<u>(13,688,542)</u>
NET POSITION, Ending	<u>\$ (4,170,688)</u>	<u>\$ (23,033,036)</u>	<u>\$ (1,139,359)</u>	<u>\$ (13,030,391)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Discretely Presented Component Units (Continued)
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Parker Core Knowledge	Parker Performing Arts	Platte River Academy	Renaissance Secondary School
EXPENSES				
Instruction	\$ 3,716,266	\$ 6,791,039	\$ 2,994,505	\$ 2,917,771
Supporting Services	2,043,934	4,322,895	686,203	2,944,235
Interest on Long-Term Debt	-	25,504	-	681,381
Business Type Activities	682,561	-	438,475	-
Total Expenses	<u>6,442,761</u>	<u>11,139,438</u>	<u>4,119,183</u>	<u>6,543,387</u>
PROGRAM REVENUES				
Charges for Services	1,140,393	634,140	285,651	1,295,243
Capital Grants and Contributions	200,208	219,976	154,377	102,554
Operating Grants and Contributions	17,748	61,222	10,926	313,974
Total Program Revenues	<u>1,358,349</u>	<u>915,338</u>	<u>450,954</u>	<u>1,711,771</u>
Net Program Expenses	<u>(5,084,412)</u>	<u>(10,224,100)</u>	<u>(3,668,229)</u>	<u>(4,831,616)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	5,176,600	5,745,975	3,995,727	2,731,963
Mill Levy	794,496	872,939	612,621	408,160
Investment Earnings	59,530	-	109,557	27,760
Contributions and Grants	200,139	76,980	92,442	3,329
Other	2,236	14,585	10,413	18,389
Total General Revenues and Transfers	<u>6,233,001</u>	<u>6,710,479</u>	<u>4,820,760</u>	<u>3,189,601</u>
CHANGE IN NET POSITION	1,148,589	(3,513,621)	1,152,531	(1,642,015)
NET POSITION, Beginning, as restated	<u>(14,414,095)</u>	<u>(11,717,296)</u>	<u>(12,102,249)</u>	<u>(727,271)</u>
NET POSITION, Ending	<u>\$ (13,265,506)</u>	<u>\$ (15,230,917)</u>	<u>\$ (10,949,718)</u>	<u>\$ (2,369,286)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Discretely Presented Component Units (Continued)

Combining Statement of Activities

For the Fiscal Year Ended June 30, 2019

Functions/Programs	SkyView Academy Charter School	STEM School	World Compass Academy	Totals
EXPENSES				
Instruction	\$ 5,995,095	\$ 9,935,809	\$ 3,683,849	\$ 102,865,402
Supporting Services	3,567,015	6,705,281	2,421,010	59,744,279
Interest on Long-Term Debt	-	-	-	1,392,861
Business Type Activities	2,441,823	1,480,637	1,626,086	15,262,341
Total Expenses	<u>12,003,933</u>	<u>18,121,727</u>	<u>7,730,945</u>	<u>179,264,883</u>
PROGRAM REVENUES				
Charges for Services	1,479,098	645,060	803,774	16,173,726
Capital Grants and Contributions	368,181	552,886	179,727	3,952,553
Operating Grants and Contributions	106,862	196,258	51,951	5,182,889
Total Program Revenues	<u>1,954,141</u>	<u>1,394,204</u>	<u>1,035,452</u>	<u>25,309,168</u>
Net Program Expenses	<u>(10,049,792)</u>	<u>(16,727,523)</u>	<u>(6,695,493)</u>	<u>(153,955,715)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	9,599,241	14,368,201	4,667,749	119,685,206
Mill Levy	1,462,260	2,195,235	713,221	15,858,151
Investment Earnings	43,351	157,456	85,331	848,173
Contributions and Grants	376,422	140,119	76,116	1,943,024
Other	70,100	20,158	54,587	4,426,973
Total General Revenues and Transfers	<u>11,551,374</u>	<u>16,881,169</u>	<u>5,597,004</u>	<u>142,761,527</u>
CHANGE IN NET POSITION	1,501,582	153,646	(1,098,489)	(11,194,188)
NET POSITION, Beginning, as restated	<u>(31,654,041)</u>	<u>(26,180,436)</u>	<u>(9,855,856)</u>	<u>(248,670,935)</u>
NET POSITION, Ending	<u>\$ (30,152,459)</u>	<u>\$ (26,026,790)</u>	<u>\$ (10,954,345)</u>	<u>\$ (259,865,123)</u>



Douglas County School District
Learn Today, Lead Tomorrow

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***STATISTICAL
SECTION***



Douglas County School District
Learn Today, Lead Tomorrow

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Listing of Statistical Information

The Statistical Section presents detailed information that assists users in utilizing the basic financial statements, related notes to the financial statements as well as required and other supplementary information to assess the condition of Douglas County School District Re.1.

Financial Trends Data 150-157

These schedules show trend information to help the reader understand the District’s performance and financial position over time.

- Net Position by Component
- Change in Net Position
- Fund Balances, Governmental Funds
- Change in Fund Balances, Governmental Funds

Revenue Capacity Data 158-163

These schedules present property tax information related to the District.

- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Tax Payers
- Property Tax Levies and Collections

Debt Capacity Data 164-173

These schedules present information regarding the District’s levels of outstanding debt and other related information.

- Ratios of Outstanding Debt by Type
- Ratios of Net General Bonded Debt Outstanding
- Estimated Overlapping General Obligation Debt
- Legal Debt Margin

Demographic and Economic Statistics 174-175

These schedules provide demographic and economic indicators relative to the District.

- Demographic and Economic Statistics
- Principal Employers

Operating Information..... 176-180

These schedules contain service and infrastructure data pertaining to the District operations for the last ten years.

- Full-time Equivalent District Employees by Function/Program
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program

Note: Unless otherwise noted, the information in these schedules is derived from internal sources.

Douglas County School District Re. 1
Net Position by Component
Last Ten Fiscal Years

	2019	2018	2017 ⁽¹⁾
General activities:			
Net Investment in Capital Assets	\$ 340,650,911	\$ 320,514,061	\$ 300,050,580
Restricted	81,677,807	78,274,093	85,827,425
Unrestricted	(1,430,163,811)	(1,573,314,701)	(1,188,832,840)
Total governmental activities net position	\$ (1,007,835,093)	\$ (1,174,526,547)	\$ (802,954,835)
Business-type activities			
Invested in Capital Assets	\$ -	\$ -	\$ -
Restricted	-	-	-
Unrestricted	-	-	-
Total business-type activities net position	\$ -	\$ -	\$ -
Primary government			
Net Investment in Capital Assets	\$ 340,650,911	\$ 320,514,061	\$ 300,050,580
Restricted	81,677,807	78,274,093	85,827,425
Unrestricted	(1,430,163,511)	(1,573,314,701)	(1,188,832,840)
Total primary government net position	\$ (1,007,835,093)	\$ (1,174,526,547)	\$ (802,954,835)

(1) For fiscal year 2017, the District restated beginning balance net position/fund balance due to adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pension*. In addition, the District restated Nutrition Services Funds 21 and 28 due to the omission of accounts receivable and unearned revenues.

(2) In fiscal year 2015, the District restated beginning net position/fund balance due to reclassification of non-major enterprise funds to non-major special revenue funds. Consistent with the guidance from the Colorado Department of Education and in accordance with GASB statement No.54, management of the District has reclassified the Nutrition Services Fund and Child Care Fund from an enterprise fund to a special revenue fund, and the Outdoor Education Fund as part of the Combined General Fund.

In addition, during fiscal year 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the District to record its proportionate share of PERA's net pension liability and related deferred inflows and outflows of resources in the government-wide financial statement.

Balances prior to 2015 are shown as originally presented and have not been restated for accounting changes.

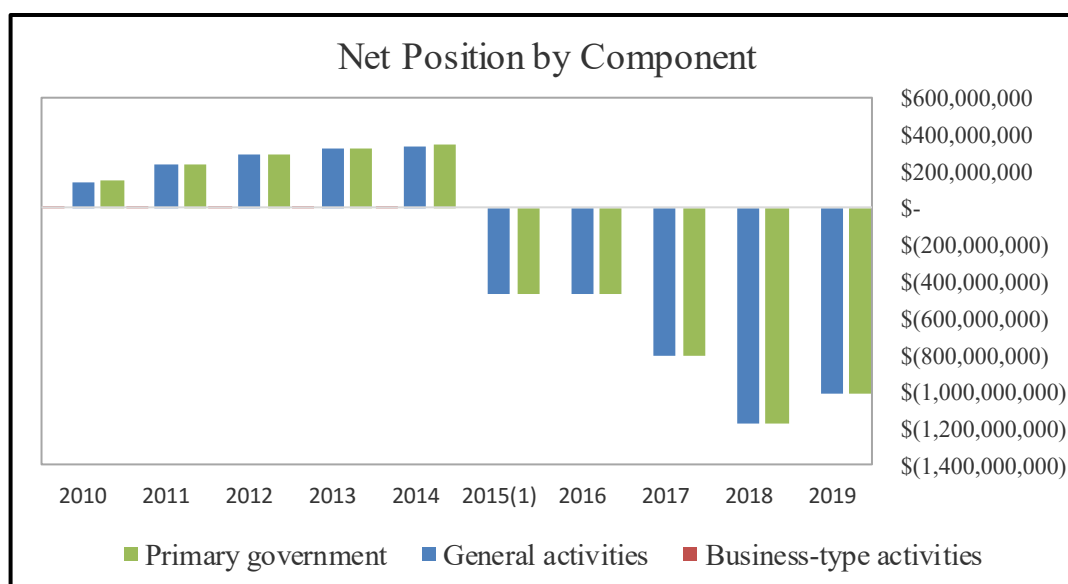
(3) In fiscal year 2011, the District restated beginning net position/fund balance due to inaccurate information used to determine year-end balances in the Nutrition Services fund. In addition, two funds previously classified as special revenue funds were reclassified to Agency Funds in accordance with GASB Statement No. 54.

Table 1

2016	2015 ⁽²⁾	2014	2013	2012	Restated ⁽³⁾ 2011	2010
\$ 266,307,934	\$ 223,953,589	\$ 195,973,287	\$ 174,072,099	\$ 125,537,753	\$ 95,943,480	\$ 37,510,363
87,678,033	102,440,756	95,722,952	74,749,578	92,237,379	100,536,282	97,561,208
(829,825,456)	(800,342,280)	45,382,747	72,738,537	67,437,692	40,060,467	6,722,286
\$(475,839,489)	\$(473,947,935)	\$ 337,078,986	\$ 321,560,214	\$ 285,212,824	\$ 236,540,229	\$ 141,793,857

\$ -	\$ -	\$ 3,528,490	\$ 3,290,033	\$ 3,721,875	\$ 4,090,512	\$ 4,332,085
-	-	-	-	-	-	-
-	-	4,526,262	839,446	181,336	(1,568,281)	(1,371,707)
\$ -	\$ -	\$ 8,054,752	\$ 4,129,479	\$ 3,903,211	\$ 2,522,231	\$ 2,960,378

\$ 266,307,934	\$ 223,953,589	\$ 199,501,777	\$ 177,362,132	\$ 129,259,628	\$ 100,033,992	\$ 41,842,448
87,678,033	102,440,756	95,722,952	74,749,578	92,237,379	100,536,282	97,561,208
(829,825,456)	(800,342,280)	49,909,009	73,577,983	67,619,028	38,492,186	5,350,579
\$(475,839,489)	\$(473,947,935)	\$ 345,133,738	\$ 325,689,693	\$ 289,116,035	\$ 239,062,460	\$ 144,754,235



Douglas County School District Re. 1
Change in Net Position
Last Ten Fiscal Years

	2019	2018	2017
EXPENSES			
Governmental activities:			
Instruction ⁽³⁾	\$ 252,524,113	\$ 575,136,210	\$ 484,977,831
Supporting services ⁽³⁾	194,903,578	358,768,350	345,400,596
Intergovernmental - Charter Schools ⁽²⁾	140,793,998	116,696,635	105,366,488
Interest on long-term debt	19,319,130	15,244,244	17,549,955
Total primary government program expenses	<u>607,540,819</u>	<u>1,065,845,439</u>	<u>953,294,870</u>
Business-type activities:			
Nutrition Services	-	-	-
Non-Major Enterprise Funds	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program expenses	<u><u>607,540,819</u></u>	<u><u>1,065,845,439</u></u>	<u><u>953,294,870</u></u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services	65,857,469	64,905,244	58,998,077
Operating grants and contributions	48,402,673	41,319,993	41,944,598
Capital grants and contributions	-	-	-
Total governmental activities	<u>114,260,142</u>	<u>106,225,237</u>	<u>100,942,675</u>
Business type activities:			
Charges for services - Nutrition Services	-	-	-
Operating grants and contributions	-	-	-
Charges for services - non-major enterprise funds	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u><u>114,260,142</u></u>	<u><u>106,225,237</u></u>	<u><u>100,942,675</u></u>
Net (Expense)/Revenue			
Governmental activities	(493,280,677)	(959,620,202)	(852,352,195)
Business-type activities	-	-	-
Total primary government net expense	<u><u>(493,280,677)</u></u>	<u><u>(959,620,202)</u></u>	<u><u>(852,352,195)</u></u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	290,585,916	248,797,953	234,440,643
Specific ownership taxes	28,076,258	26,409,216	23,870,092
State equalization	319,317,806	295,788,353	296,915,245
COP Charter school repayment	-	-	-
Investment earnings	8,368,512	2,195,821	832,512
Grants and contributions not specific to programs	5,162,745	4,999,420	8,792,764
Other	8,460,894	9,857,727	7,472,809
Transfers	-	-	-
Total governmental activities	<u>659,972,131</u>	<u>588,048,490</u>	<u>572,324,065</u>
Business-type activities:			
Other	-	-	-
Transfers	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government general revenues	<u><u>659,972,131</u></u>	<u><u>588,048,490</u></u>	<u><u>572,324,065</u></u>
CHANGE IN NET POSITION			
Governmental activities	166,691,454	(371,571,712)	(280,028,130)
Business-type activities	-	-	-
TOTAL CHANGE IN NET POSITION	<u><u>\$ 166,691,454</u></u>	<u><u>\$ (371,571,712)</u></u>	<u><u>\$ (280,028,130)</u></u>

(1) In fiscal year 2015, the District restated beginning net position/fund balance due to reclassification of non-major enterprise funds to non-major special revenue funds. Consistent with the guidance from the Colorado Department of Education and in accordance with GASB statement No.54, management of the District has reclassified the Nutrition Services Fund and Child Care Fund from an enterprise fund to a special revenue fund, and the Outdoor Education Fund as part of the Combined General Fund.

Table 2

	2016	2015 ⁽¹⁾	2014	2013	2012	2011	2010
\$	329,000,833	\$ 301,623,918	\$ 274,095,304	\$ 270,892,918	\$ 266,574,362	\$ 255,901,180	\$ 305,026,427
	220,462,709	224,759,449	192,408,770	171,113,103	149,913,182	142,363,827	182,308,594
	91,493,127	80,957,702	73,281,995	59,994,588	54,244,208	46,384,715	-
	20,438,609	24,041,678	28,911,330	30,187,963	28,148,114	35,322,746	31,755,542
	661,395,278	631,382,747	568,697,399	532,188,572	498,879,866	479,972,468	519,090,563
	-	-	14,628,994	14,470,523	14,163,053	14,396,183	15,301,521
	-	-	9,938,248	9,457,490	8,945,976	8,560,831	8,857,027
	-	-	24,567,242	23,928,013	23,109,029	22,957,014	24,158,548
	661,395,278	631,382,747	593,264,641	556,116,585	521,988,895	502,929,482	543,249,111
	53,412,403	53,492,483	28,530,827	27,874,860	26,326,938	24,594,662	17,634,758
	40,351,338	36,769,664	30,342,355	28,777,165	23,774,694	28,805,131	26,849,162
	-	-	-	-	-	-	63,492
	93,763,741	90,262,147	58,873,182	56,652,025	50,101,632	53,399,793	44,547,412
	-	-	12,179,758	10,941,844	10,624,082	10,850,000	11,621,798
	-	-	3,091,358	3,602,925	3,576,019	3,726,239	2,917,705
	-	-	10,490,492	9,664,554	9,139,908	8,905,075	9,122,383
	-	-	25,761,608	24,209,323	23,340,009	23,481,314	23,661,886
	93,763,741	90,262,147	84,634,790	80,861,348	73,441,641	76,881,107	68,209,298
	(564,631,537)	(541,120,600)	(509,824,217)	(475,536,547)	(448,778,234)	(426,572,675)	(474,543,151)
	-	-	1,194,366	281,310	230,980	524,300	(496,662)
	(564,631,537)	(541,120,600)	(508,629,851)	(475,255,237)	(448,547,254)	(426,048,375)	(475,039,813)
	237,419,629	230,044,555	224,180,235	225,526,250	213,087,082	232,462,054	227,029,556
	22,236,877	21,630,690	19,916,387	17,961,028	16,186,615	15,522,850	15,949,421
	288,952,398	293,357,217	270,410,414	255,686,365	246,289,764	244,359,000	249,467,855
	-	-	-	-	12,364,050	-	-
	378,573	147,171	144,848	247,485	174,758	442,416	1,331,324
	8,651,744	-	-	-	159,476	1,572,533	-
	5,100,762	9,923,025	13,296,105	12,407,767	10,339,083	9,160,063	11,402,556
	-	-	(2,605,000)	55,042	(1,150,000)	-	-
	562,739,983	555,102,658	525,342,989	511,883,937	497,450,828	503,518,916	505,180,712
	-	-	125,907	-	-	9,308	67,920
	-	-	2,605,000	(55,042)	1,150,000	-	-
	-	-	2,730,907	(55,042)	1,150,000	9,308	67,920
	562,739,983	555,102,658	528,073,896	511,828,895	498,600,828	503,528,224	505,248,632
	(1,891,554)	13,982,058	15,518,772	36,347,390	48,672,594	76,946,241	30,637,561
	-	-	3,925,273	226,268	1,380,980	533,608	(428,742)
\$	(1,891,554)	\$ 13,982,058	\$ 19,444,045	\$ 36,573,658	\$ 50,053,574	\$ 77,479,849	\$ 30,208,819

(2) Payments to Component Units were included under instructional expense FY 2010 and prior.

(3) Increased due to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, beginning in 2015.

Douglas County School District Re. 1
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2019	2018*	2017	2016
Combined General Fund				
Nonspendable	\$ 2,697,434	\$ 2,071,980	\$ 1,123,187	\$ 734,119
Restricted - TABOR Emergency Reserve & Medicaid	19,443,817	17,206,688	15,995,000	15,995,000
Committed	16,600,000	15,038,500	15,995,000	15,995,000
Assigned	33,684,728	32,142,379	56,267,152	70,091,929
Unassigned	25,221,607	14,704,878	589,821	555,667
Total General Fund	\$ 97,647,586	\$ 81,164,425	\$ 89,970,160	\$ 103,371,715
All other governmental funds				
Nonspendable	\$ -	\$ 559,786	\$ 524,065	\$ 647,527
Restricted:				
Building/Aspen View Academy	267,785,743	-	1,541,920	5,727,695
Debt Service	61,833,048	60,143,652	59,416,714	59,084,589
Other	1,962,156	1,219,256	8,873,791	6,870,749
Assigned	5,682,698	7,096,058	-	101,953
Unassigned	-	-	-	-
Total all other governmental funds	\$ 337,263,645	\$ 69,018,752	\$ 70,356,490	\$ 72,432,513
Governmental Funds				
Nonspendable	\$ 2,697,434	\$ 2,631,766	\$ 1,647,252	\$ 1,381,646
Restricted	351,024,764	78,569,596	85,827,425	87,678,033
Committed	16,600,000	15,038,500	15,995,000	15,995,000
Reserved/Assigned	39,367,426	39,238,437	56,267,152	70,193,882
Unreserved	25,221,607	14,704,878	589,821	555,667
Total governmental funds	\$ 434,911,231	\$ 150,183,177	\$ 160,326,650	\$ 175,804,228

(1) In fiscal year 2011 the District adopted GASB 54, *Fund Balance Reporting and Fund Type Definitions*, changing the titles and classifications of fund balance.

The District has retroactively applied this statement for the purposes of providing a comparative reference.

(2) In fiscal year 2015, the District restated beginning net position/fund balance due to a reclassification of a non-major enterprise funds to non-major special revenue funds. Consistent with the guidance from the Colorado Department of Education and in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, management of the District has reclassified the Nutrition Services Fund and Child Care Fund from an enterprise fund to a special revenue fund, and Outdoor Education Fund to the Combined General Fund.

Balances prior to 2015 are shown as originally presented and have not been restated for accounting changes.

* In a change in practice from prior years, the District is no longer assigning specific line items to the budget for the subsequent school year, but rather electing to hold unassigned fund balance.

Table 3

2015 ⁽²⁾	2014	2013	2012	Restated ⁽¹⁾ 2011	2010
\$ 734,907	\$ 1,027,061	\$ 820,300	\$ 806,542	\$ 762,782	\$ 750,463
15,290,000	15,132,000	14,043,000	12,790,000	11,745,301	12,313,022
20,390,000	20,200,000	18,724,000	-	-	-
58,787,558	51,379,987	70,303,824	68,735,779	41,226,027	11,291,510
463,134	786,854	537,143	18,052,019	26,815,727	21,738,732
<u>\$ 95,665,599</u>	<u>\$ 88,525,902</u>	<u>\$ 104,428,267</u>	<u>\$ 100,384,340</u>	<u>\$ 80,549,837</u>	<u>\$ 46,093,727</u>
\$ 671,255	\$ -	\$ 30,000	\$ -	\$ -	\$ -
9,071,898	14,986,393	14,342,407	18,002,255	15,338,607	30,123,296
68,501,246	62,838,660	59,535,070	60,333,964	59,340,736	55,124,890
7,368,073	2,765,899	1,171,508	1,111,160	185,120	-
-	-	-	-	1,076,248	-
-	-	-	-	-	10,422,477
<u>\$ 85,612,472</u>	<u>\$ 80,590,952</u>	<u>\$ 75,078,985</u>	<u>\$ 79,447,379</u>	<u>\$ 75,940,711</u>	<u>\$ 95,670,663</u>
\$ 1,406,162	\$ 1,027,061	\$ 70,333,824	\$ 806,542	\$ 762,782	\$ 750,463
100,231,217	95,722,952	89,091,985	92,237,379	86,609,764	97,561,208
20,390,000	20,200,000	18,724,000	-	-	-
58,787,558	51,379,987	820,300	68,735,779	42,302,275	11,291,510
463,134	786,854	537,143	18,052,019	26,815,727	32,161,209
<u>\$ 181,278,071</u>	<u>\$ 169,116,854</u>	<u>\$ 179,507,252</u>	<u>\$ 179,831,719</u>	<u>\$ 156,490,548</u>	<u>\$ 141,764,390</u>

Douglas County School District Re. 1
Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2019	2018	2017	2016
REVENUES				
Taxes	\$ 317,096,992	\$ 275,111,761	\$ 258,474,174	\$ 260,227,313
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	375,083,914	337,108,346	338,859,843	329,303,736
Charges for services	65,857,469	64,905,244	53,151,768	51,086,322
Investment Earnings	8,150,604	1,484,563	782,801	363,496
Other	13,107,087	11,864,422	20,395,926	20,046,480
Total Revenues	779,296,066	690,474,336	671,664,512	661,027,347
EXPENDITURES				
Current operating:				
Instruction	338,420,071	319,563,484	306,149,147	299,786,084
Supporting Services	221,809,509	200,496,216	212,310,034	199,043,430
Intergovernmental - Charter Schools	140,793,998	116,696,635	105,366,488	91,493,127
Capital Outlay	15,202,621	7,615,498	4,223,743	3,371,577
Debt Service:				
Debt issuance costs	-	-	-	190,545
Principal	50,765,000	35,629,571	40,170,143	50,863,535
Interest and fiscal charges	18,398,121	20,219,056	18,933,080	23,014,446
Total Expenditures	785,389,320	700,220,460	687,152,635	667,762,744
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	249,975,000	-	-	12,100,000
Premium on Bonds	40,816,808	-	-	943,790
Payments to Refunded Bond Escrow	-	-	-	(12,846,310)
Issuance of COP	-	-	-	-
COP Charter School Repayment	-	-	-	-
Compensation for Loss of Asset	29,500	2,900	10,545	1,064,074
Issuance of Capital Lease	-	130,087	-	-
Other Sources (Uses)	-	-	-	-
Transfers In	21,967,770	8,576,023	9,442,074	7,228,188
Transfers Out	(21,967,770)	(8,576,023)	(9,442,074)	(7,228,188)
Total other financing sources (uses)	290,821,308	132,987	10,545	1,261,554
Net change in fund balances	\$ 284,728,054	\$ (9,613,137)	\$ (15,477,578)	\$ (5,473,843)
Debt service as a percentage of non-capital expenditures	9.0%	8.2%	8.9%	11.3%

(1) In fiscal year 2011, the District restated beginning net position/fund balance inaccurate information used to determine year-end balances in the Nutrition Services fund. In addition, two funds previously classified as special revenue funds were reclassified to Agency Funds in accordance with GASB Statement No. 54.

Table 4

	2015	2014	2013	2012	Restated ⁽¹⁾ 2011	2010
\$	252,092,362	\$ 247,142,354	\$ 237,365,348	\$ 236,258,181	\$ 244,884,158	\$ 244,581,528
	-	-	-	-	92,000	123,192
	330,128,900	300,751,769	284,463,530	270,223,934	274,736,664	276,380,509
	53,492,483	28,530,827	27,874,860	26,326,938	24,594,662	17,634,758
	140,674	132,902	276,635	160,793	423,889	1,084,491
	12,803,286	13,932,610	12,211,910	10,188,833	8,908,432	11,279,364
	648,657,705	590,490,462	562,192,283	543,158,679	553,639,805	551,083,842
	283,860,606	276,669,387	274,167,817	247,204,042	246,797,488	285,889,484
	198,026,671	180,116,275	160,186,452	143,195,462	138,836,902	154,940,755
	80,957,702	73,821,995	59,994,588	54,244,208	46,384,715	867,667
	5,904,688	12,945,707	18,620,893	19,743,061	30,882,869	72,549,474
	431,679	172,052	483,024	489,201	542,871	832,407
	42,298,688	41,841,380	43,289,338	40,960,449	38,179,739	30,823,505
	29,681,349	32,193,583	29,603,277	29,153,263	30,532,096	31,755,542
	641,161,383	617,760,379	586,345,389	534,989,686	532,156,680	577,658,834
	47,135,000	-	31,020,000	71,095,000	86,405,000	101,770,000
	3,197,689	-	3,925,547	14,185,059	17,247,133	13,504,761
	(49,891,056)	-	(34,353,871)	(84,800,060)	(103,113,364)	(100,398,355)
	-	15,000,000	15,500,000	-	-	-
	-	-	-	12,364,049	-	-
	-	-	-	-	-	-
	-	3,530,800	7,636,963	3,478,130	-	-
	-	122,719	100,000	-	-	-
	7,436,481	10,063,087	6,715,311	5,377,499	19,227,111	21,136,366
	(7,436,481)	(12,668,087)	(6,715,311)	(6,527,499)	(23,043,821)	(21,136,366)
	441,633	16,048,519	23,828,639	15,172,178	(3,277,941)	14,876,406
\$	7,937,956	\$ (11,221,397)	\$ (324,466)	\$ 23,341,172	\$ 18,205,185	\$ (11,698,586)
	11.5%	12.5%	13.2%	13.5%	13.4%	12.2%

Douglas County School District Re. 1
 Assessed Value and Estimated Actual Value of Taxable Property ⁽¹⁾
 Last Ten Calendar Years

Residential Property

Other Property Classes

Tax Year	Collection Year	Assessed Value	Actual Value	Vacant Land	Commercial	Industrial	Agricultural
2018	2019	\$ 3,842,166,270	\$ 48,268,420,477	\$ 267,594,630	\$ 1,937,411,920	\$ 163,037,980	\$ 18,791,620
2017	2018	3,732,587,220	46,891,799,246	299,988,170	1,893,860,500	163,071,690	18,256,950
2016	2017	3,443,604,810	43,261,366,960	221,157,040	1,634,129,580	131,056,010	19,095,700
2015	2016	3,348,508,890	42,066,694,598	233,290,650	1,625,150,430	129,205,900	18,640,540
2014	2015	2,772,808,070	34,834,272,236	207,204,100	1,438,065,210	116,662,310	17,590,720
2013	2014	2,700,797,330	33,929,614,698	212,708,100	1,409,372,620	113,493,760	17,339,320
2012	2013	2,633,649,430	33,086,048,116	230,484,200	1,352,916,980	107,361,790	16,897,990
2011	2012	2,605,060,140	32,726,886,181	237,907,000	1,352,671,890	106,996,720	16,967,090
2010	2011	2,835,278,200	35,619,072,864	328,390,830	1,461,043,520	114,075,070	18,733,120
2009	2010	2,804,614,750	35,233,853,643	338,451,120	1,465,556,170	98,981,380	17,633,480

(1) Source: Douglas County Assessor

<http://www.douglas.co.us/documents/2018-abstract.pdf>

(2) Source Douglas County Assessors -2018 Tax Districts and Authorities

<http://www.douglas.co.us/documents/2018-tax-districts-and-mill-levies.pdf>

Table 5

Natural Resources	State Assessed	Other Property Classes Assessed	Other Property Classes Actual Value	Total Assessed Value	Grand Total Actual Value	Direct ⁽²⁾ Tax Rate
\$ 272,490	\$ 239,845,700	\$ 2,626,954,340	\$ 9,058,463,241	\$ 6,469,120,610	\$ 57,326,883,719	44.950
388,200	253,480,700	2,629,046,210	9,065,676,586	6,361,633,430	55,957,475,832	38.996
327,390	246,628,700	2,252,394,420	7,766,877,310	5,695,999,230	51,028,244,270	41.064
438,980	237,761,700	2,244,488,200	7,739,614,483	4,557,803,520	49,806,309,081	42.439
458,850	227,523,800	2,007,504,990	6,922,431,000	4,780,313,060	41,756,703,236	48.277
422,900	235,325,500	1,988,662,200	6,857,455,862	4,689,459,530	40,787,070,561	48.277
435,290	209,659,400	1,917,755,650	6,612,950,517	4,551,405,080	39,698,998,633	48.727
425,920	184,707,000	1,899,675,620	6,550,605,586	4,504,735,760	39,277,491,767	48.788
343,730	158,980,100	2,081,566,370	7,177,815,069	4,916,844,570	42,796,887,933	46.890
219,050	154,083,000	2,074,924,200	7,154,911,034	4,879,583,950	42,388,764,678	46.983

Douglas County School District Re. 1
Direct and Overlapping Property Tax Rates ⁽¹⁾
Last Ten Calendar Years

Assessment Year	Collection Year	General Fund	Debt Service Fund	Total	Douglas County ⁽²⁾	Total
2018	2019	36.896	8.054	44.950	24.274	69.224
2017	2018	30.942	8.054	38.996	24.274	63.270
2016	2017	31.508	9.556	41.064	23.774	64.838
2015	2016	31.763	10.676	42.439	24.270	66.709
2014	2015	32.849	15.428	48.277	24.270	72.547
2013	2014	32.935	15.342	48.277	24.270	72.547
2012	2013	33.599	15.128	48.727	24.270	72.997
2011	2012	33.341	15.447	48.788	24.270	73.058
2010	2011	32.644	14.246	46.890	24.270	71.160
2009	2010	32.485	14.196	46.681	24.270	70.951

- (1) In addition to the County and the School District, there are five cities and towns and one hundred three (103) special districts which levy property taxes in Douglas County. Because of this number of taxing entities, this table identifies only the District and the County.
- (2) Includes the Law Enforcement Authority (LEA) and Douglas County Government.

Source: Douglas County Treasurer

<http://www.douglas.co.us/documents/2018-tax-districts-and-mill-levies.pdf>

Douglas County School District Re. 1
Principal Property Tax Payers
Current Year and Nine Years Ago as of December 31

	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Park Meadows Mall LLC	\$ 81,488,000	1	1.26%	\$ 62,348,950	1	1.28%
HCA HealthOne LLC	77,628,910	2	1.20%	50,269,000	2	1.03%
Intermountain Rural Elec Assn.	71,833,070	3	1.11%	28,118,500	4	0.58%
Public Service Co. of Colo (Xcel)	62,932,500	4	0.97%	36,830,000	5	0.75%
Kaiser Foundation Hospitals	31,982,440	5	0.49%			
Charles Schwab Lone Tree	30,142,640	6	0.47%			
Century Link (was Qwest Corporation)	26,432,200	7	0.41%	38,649,200	3	0.79%
Plaza Drive Properties LLC	24,366,650	8	0.38%	18,322,630	8	0.38%
Teachers Insurance and Annuity	20,986,000	9	0.32%			
Craig Realty Group Castle Rock LLC	19,357,330	10	0.30%	18,636,080	7	0.38%
Target Corporation	-	-	-	16,442,270	9	0.34%
Liberty Property Holdings, Inc.	-	-	-	12,078,750	10	0.25%
Visa USA Inc.	-	-	-	19,088,170	6	0.39%
Total Principal Taxpayers	\$ 447,149,740		6.91%	\$ 300,783,550		6.17%

Source: Douglas County CAFR

<http://www.douglas.co.us/documents/2018-cafr.pdf>



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Douglas County School District Re. 1
Property Tax Levies and Collections
Last Ten Years

Assessment Year	Collection Year	Total Tax Levy	Collected within the Fiscal Year of the Levy ⁽¹⁾		Collection in Subsequent Years	Total Tax Collections	Percent of Total Tax Collections to Levy
			Current Tax Collections	Percent of Levy Collected			
2018	2019	\$ 290,654,450	\$ 283,933,533	97.69%	\$ 57,829	\$ 283,991,362	97.71%
2017	2018	248,074,817	242,414,296	97.72%	26,010	242,440,306	97.73%
2016	2017	234,851,135	227,683,294	96.95%	501,829	228,185,123	97.16%
2015	2016	238,509,546	237,545,623	99.60%	450,136	237,995,759	99.78%
2014	2015	231,973,131	229,982,554	99.14%	86,893	230,069,447	99.18%
2013	2014	227,593,608	227,223,163	99.84%	103,769	227,326,932	99.88%
2012	2013	223,058,985	215,369,540	96.55%	28,714	215,398,254	96.57%
2011	2012	221,044,051	219,450,816	99.28%	56,221	219,507,037	99.30%
2010	2011	233,933,234	231,099,780	98.79%	148,133	231,247,913	98.85%
2009	2010	229,275,614	226,434,281	98.76%	50,528	226,484,809	98.78%

Source: Douglas County Treasurer's Office

(1) Collections are from January 1 to August 31. Additional taxes will be collected from September 1 to December 31.

The above schedule lists property tax information for the assessment year. Property taxes are recognized by the District when due and payable in the year following the assessment year. Current tax allocation listed above represent actual cash collections by the County during the period. For financial purposes, the District includes in property tax revenue amounts received during the 60 days following the end of the fiscal year, resulting in final tax collections which may be higher than amounts reported above.

Douglas County School District Re. 1
Ratios of Outstanding Debt by Type
Last Ten Years

Governmental Activities

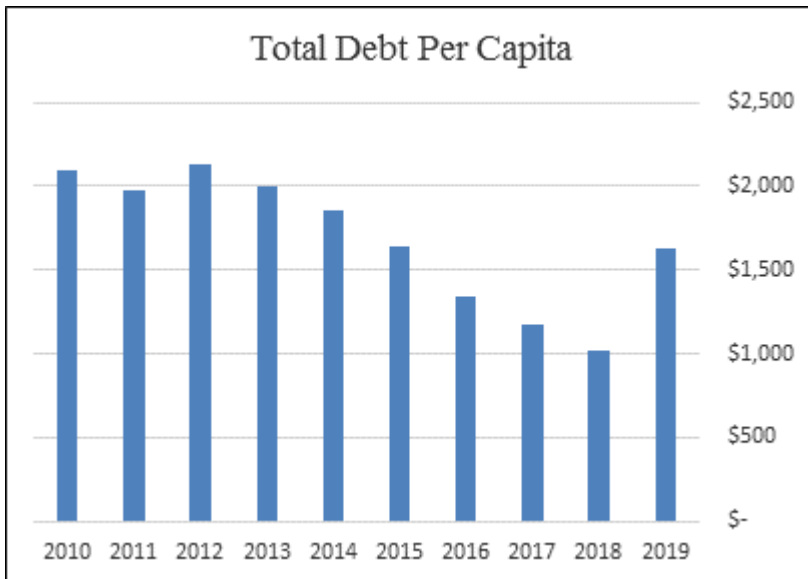
Year Ended June 30	General Obligation Bonds	Certificates of Participation	Accreted Interest	Bond Premiums	Capital Leases	Total Primary Government
2019	\$ 486,665,000	\$ 27,490,000	\$ 1,142,467	\$ 64,228,806	\$ 5,465,076	\$ 584,991,349
2018	272,435,000	42,510,000	779,558	28,275,838	6,318,769	350,319,165
2017	305,059,570	45,515,000	5,780,971	31,144,205	7,096,285	394,596,031
2016	342,249,713	48,495,000	7,095,655	35,369,506	8,171,653	441,381,527
2015	390,608,248	50,510,000	9,620,808	45,288,506	9,206,434	505,233,996
2014	432,426,936	52,200,000	15,722,043	49,067,791	10,174,165	559,590,935
2013	470,743,316	40,735,000	19,695,769	53,252,046	7,364,704	591,790,835
2012	509,211,093	26,505,000	18,532,441	63,924,242	1,159,302	619,332,078
2011	543,221,501	27,540,000	-	-	-	570,761,501
2010	580,366,240	28,575,000	-	-	-	608,941,240

- (1) Douglas County Government
<http://www.douglas.co.us/documents/2018-abstract.pdf>
- (2) 2018 Douglas County CAFR - Demographic and Economic Statistics
<http://www.douglas.co.us/documents/2018-cafr.pdf>

Figures included in this schedule represent the most recent data available.
2018 and prior numbers have not been revised to match the County's updated data.

Table 9

Assessed Value ⁽¹⁾	Personal Income ⁽²⁾ (In thousands)	Population ⁽²⁾	Percentage of Personal Income	Total Debt Per Capita
\$ 6,469,120,610	\$ 27,021,840	358,000	2.16%	\$ 1,634
6,361,633,430	22,765,492	346,000	1.54%	1,012
5,695,999,230	22,641,353	336,000	1.75%	1,174
5,592,997,090	21,713,011	328,990	2.03%	1,342
4,780,313,060	19,900,804	308,000	2.54%	1,640
4,689,459,530	18,561,913	302,464	3.01%	1,850
4,551,405,080	21,737,873	295,689	2.72%	2,001
4,504,735,760	20,801,664	291,083	2.98%	2,128
4,916,844,570	17,514,402	288,430	3.26%	1,979
4,879,538,950	17,108,472	290,059	3.56%	2,099



Douglas County School District Re. 1
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Year Ended June 30	General Obligation Bonds ⁽³⁾	Debt Service Funds Available	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita	Actual Value	Assessed Value ⁽¹⁾	Personal Income ⁽²⁾	Population ⁽²⁾
2019	\$ 552,036,273	\$ 31,615,000	\$ 520,421,273	0.91%	\$ 1,454	\$ 57,326,883,719	\$ 6,469,120,610	\$ 27,021,840	358,000
2018	301,490,396	39,698,856	261,791,540	0.47%	757	55,957,475,832	6,361,633,430	22,765,492	346,000
2017	341,984,746	41,671,933	300,312,813	0.59%	894	51,028,244,270	5,695,999,230	21,713,011	336,000
2016	384,714,874	37,190,142	347,524,732	0.70%	1,056	49,806,309,081	4,557,803,520	19,900,804	328,990
2015	445,517,562	48,358,535	397,159,027	0.95%	1,289	41,756,703,236	4,780,313,060	18,561,913	308,000
2014	497,216,770	39,363,688	457,853,082	1.12%	1,514	40,787,070,561	4,689,459,530	21,737,873	302,464
2013	543,691,131	46,691,379	496,999,752	1.25%	1,681	39,698,998,633	4,551,405,080	20,801,664	295,689
2012	591,667,776	40,687,776	550,980,000	1.40%	1,893	39,277,491,767	4,504,735,760	17,514,402	291,083
2011	543,221,501	34,010,448	509,211,053	1.19%	1,765	42,796,887,933	4,916,844,570	17,108,472	288,430
2010	580,366,240	37,144,738	543,221,502	1.28%	1,873	42,388,764,678	4,879,538,950	16,969,723	290,059

- (1) Douglas County Government
<http://www.douglas.co.us/documents/2018-abstract.pdf>
- (2) Douglas County CAFR
<http://www.douglas.co.us/documents/2018-cafr.pdf>
- (3) General Obligation Bond related amounts include General Obligation Bonds, accreted interest and bond premiums

Figures included in this schedule represent the most recent data available.
Data is estimated and is subject to change based on updated information.
2018 and prior numbers have not been updated to match the County's updated data.

Douglas County School District Re. 1
Estimated Overlapping General Obligation Debt
(Unaudited)

In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the District. The following table sets forth the estimated overlapping general obligation debt attributable to property owners within the District as of the date of this Official Statement. Additional taxing entities may overlap with the District in the future.

Estimated Overlapping Debt

	2018 Assessed Valuation ⁽²⁾	Entity's Debt Outstanding	Outstanding Debt Attributable to the District ⁽³⁾	
			Percent	Amount
Direct Debt				
Douglas County School District RE-1	\$ 6,469,120,610	\$ 519,620,076	100%	<u>\$ 519,620,076</u>

Overlapping G.O. Debt ⁽¹⁾

Name of Overlapping Entity ⁽¹⁾	Valuation ⁽²⁾	Outstanding G.O. Debt	Percent	Amount
Antelope Heights Metropolitan District	\$ 15,578,100	\$ 10,040,000	100.00%	\$ 10,040,000
Anthology West Metropolitan District No. 2 ⁽⁴⁾	5,906,850	1,770,617	100.00	1,770,617
Anthology West Metropolitan District No. 4 ⁽⁴⁾	3,457,700	6,440,000	100.00	6,440,000
Arapahoe County Water and Wastewater P.I.D.	555,546,978	133,660,000	6.66	8,901,756
Canterberry Crossing Metropolitan District	31,952,620	8,935,000	100.00	8,935,000
Canterberry Crossing Metropolitan District II	24,119,470	9,010,000	100.00	9,010,000
Canyons Metropolitan District No. 5 ⁽⁴⁾	13,330	59,425,000	100.00	59,425,000
Canyons Metropolitan District No. 6 ⁽⁴⁾	13,320	14,797,000	100.00	14,797,000
Castle Oaks Metropolitan District ⁽⁴⁾	27,354,180	15,995,000	100.00	15,995,000
Castle Oaks Metropolitan District No. 3 ⁽⁴⁾	11,727,880	34,105,000	100.00	34,105,000
Castle Pines Commercial Metro. District No. 1 ⁽⁵⁾	3,259,560	5,595,000	100.00	5,595,000
Castlewood Ranch Metropolitan District	36,940,500	16,805,000	100.00	16,805,000
Cherokee Ridge Estates Metropolitan District	3,574,970	870,000	100.00	870,000
Cherry Creek South Metropolitan District No. 1	47,903,230	1,470,000	100.00	1,470,000
Cherry Creek South Metropolitan District No. 11	17,030	500,000	100.00	500,000
Compark Business Campus Metropolitan District	52,989,040	48,097,000	100.00	48,097,000
Concord Metropolitan District	48,291,840	4,870,000	100.00	4,870,000
Consolidated Bell Mountain Ranch Metro. District ⁽⁴⁾	17,105,770	11,940,000	100.00	11,940,000
Cottonwood Water and Sanitation District	108,887,134	10,945,966	100.00	10,945,966
Crowfoot Valley Ranch Metro. District No. 2 ⁽⁴⁾	627,700	35,205,000	100.00	627,700
Crystal Crossing Metropolitan District ⁽⁴⁾	9,898,520	8,360,000	100.00	8,360,000
Crystal Valley Metropolitan District No. 2	40,260,310	60,575,000	100.00	60,575,000
Elkhorn Ranch Metropolitan District No. 1 ⁽⁴⁾	10,820,697	8,875,000	100.00	8,875,000
Highfield Metropolitan District	15,564,410	4,010,000	100.00	4,010,000
Highlands Ranch Metropolitan District	1,559,885,700	26,345,000	100.00	26,345,000
Horse Creek Metropolitan District	13,887,280	4,170,000	100.00	4,170,000
Horseshoe Ridge Metro. Districts Nos. 1 to 3 ⁽⁶⁾	10,677,850	3,850,000	100.00	3,850,000
Hunting Hill Metropolitan District ⁽⁴⁾	5,828,030	7,900,000	100.00	7,900,000
Inspiration Metropolitan District ⁽⁴⁾	31,183,840	61,426,001	100.00	61,426,001
Inverness Metropolitan Improvement District	374,399,754	2,440,000	31.30	763,720
Inverness Water and Sanitation District	376,081,168	7,275,000	31.16	2,266,890
Jordan Crossing Metropolitan District	2,950,140	1,395,000	100.00	1,395,000
Larkspur Fire Protection District	141,635,540	1,780,000	100.00	1,780,000
Lincoln Creek Metropolitan District ⁽⁴⁾	2,879,950	4,130,000	100.00	4,130,000

Douglas County School District Re. 1
Estimated Overlapping General Obligation Debt
(Unaudited)

Estimated Overlapping General Obligation Debt
(Continued)

Name of Overlapping Entity ⁽¹⁾	Valuation ⁽²⁾	G.O. Debt	Percent	Amount
Lincoln Meadows Metropolitan District	10,245,330	8,127,213	100.00	8,127,213
Lincoln Park Metropolitan District ⁽⁴⁾	37,489,170	31,130,000	100.00	31,130,000
Lincoln Station Metropolitan District ⁽⁴⁾	52,786,460	15,140,000	100.00	15,140,000
Louviers Water and Sanitation District ⁽⁷⁾	2,259,580	720,387	100.00	720,387
Maher Ranch Metropolitan District No. 4 ⁽⁴⁾	32,439,900	17,219,000	100.00	17,219,000
Meadow Station Public Improvement District	2,949,480	145,000	100.00	145,000
Meadows Metropolitan Districts Nos. 1 to 7 ⁽⁸⁾	219,916,660	70,000,000	100.00	70,000,000
Meridian Metropolitan District	211,832,970	78,630,000	100.00	78,630,000
Meridian Village Metropolitan Dists. Nos. 1 and 2 ⁽⁹⁾	69,990,510	35,185,000	100.00	35,185,000
Miller's Landing Business Improvement District ⁽¹⁰⁾	260,930	21,250,000	100.00	21,250,000
Neu Towne Metropolitan District ⁽⁴⁾	7,220,090	11,000,000	100.00	11,000,000
North Meridian Metropolitan District	340,920	7,236,000	100.00	7,236,000
North Pine Vistas Metropolitan District No. 2 ⁽⁴⁾	3,150	10,545,000	100.00	10,545,000
North Pine Vistas Metropolitan District No. 3 ⁽⁴⁾	5,210,010	15,766,000	100.00	15,766,000
North Pines Metropolitan District	4,872,593	2,075,000	100.00	2,075,000
Olde Town Metropolitan District	3,284,400	860,000	100.00	860,000
Omnipark Metropolitan District	59,436,250	510,000	100.00	510,000
Overlook Metropolitan District ⁽⁴⁾	3,896,330	7,130,000	100.00	7,130,000
Parker Automotive Metropolitan District	8,861,540	15,481,000	100.00	15,481,000
Parker Homestead Metropolitan District ⁽⁴⁾	12,485,830	8,245,000	100.00	8,245,000
Parker Water and Sanitation District	665,400,516	82,810,000	100.00	82,810,000
Pine Bluffs Metropolitan District	13,923,299	4,040,000	100.00	4,040,000
Pinery West Metropolitan District No. 2 ⁽⁴⁾	41,636,980	12,540,000	100.00	12,540,000
Pinery West Metropolitan District No. 3 ⁽⁴⁾	12,900,840	110,000	100.00	110,000
Promenade at Castle Rock Metro. District No. 1 ⁽⁴⁾⁽¹¹⁾	2,869,300	34,395,000	100.00	34,395,000
Rampart Range Metropolitan District No. 1 ⁽¹²⁾	2,040	181,387,868	100.00	181,387,868
Ravenna Metropolitan District	19,489,560	41,580,697	100.00	41,580,697
Reata North Metropolitan District ⁽⁴⁾	29,992,930	10,650,000	100.00	10,650,000
Reata South Metropolitan District ⁽⁴⁾	14,312,600	19,330,000	100.00	19,330,000
Regency Metropolitan District	6,446,390	3,275,000	100.00	3,275,000
Robinson Ranch Metropolitan District	3,200,640	660,000	100.00	660,000
Roxborough Village Metropolitan District	69,677,340	5,329,560	100.00	5,329,560
Roxborough Water and Sanitation District ⁽⁷⁾	214,281,118	21,357,440	79.79	17,041,101
Salisbury Heights Metropolitan District ⁽⁴⁾	3,319,210	2,854,000	100.00	2,854,000
Sedalia Water and Sanitation District ⁽⁷⁾	6,858,660	24,729	100.00	24,729
Sierra Ridge Metropolitan District No. 2 ⁽⁴⁾	27,240,360	30,000,000	100.00	30,000,000
Solitude Metropolitan District	168,350	4,770,000	100.00	4,770,000
South Meridian Metropolitan District	47,968,310	4,335,000	100.00	4,335,000
South Suburban Park and Recreation District	3,681,870,570	3,440,000	20.36	700,384
Southeast Public Improvement Metro. District ⁽⁴⁾	2,661,115,453	2,685,000	32.01	859,469
Sterling Ranch Colorado Metro. District No. 2 ⁽¹³⁾	11,401,050	23,590,000	100.00	23,590,000
Sterling Ranch Colorado Metro. District No. 3 ⁽¹³⁾	926,610	89,120,000	100.00	89,120,000
Stone Canon Ranch Metropolitan District	1,641,980	299,281	100.00	299,281
Stone Creek Metropolitan District ⁽⁴⁾	58,150	9,470,000	100.00	9,470,000
Stonegate Village Metropolitan District	86,548,440	19,530,000	100.00	19,530,000

Douglas County School District Re. 1
 Estimated Overlapping General Obligation Debt
 (Unaudited)

Estimated Overlapping General Obligation Debt
 (Continued)

Name of Overlapping Entity ⁽¹⁾	Valuation ⁽²⁾	G.O. Debt	Percent	Amount
Tallman Gulch Metropolitan District ⁽⁴⁾	4,346,780	9,465,000	100.00	9,465,000
Thunderbird Water and Sanitation District ⁽⁷⁾	6,901,490	410,541	100.00	410,541
Timbers Metropolitan District ⁽⁴⁾	2,666,070	5,300,000	100.00	5,300,000
Two Bridges Metropolitan District ⁽⁴⁾	1,434,840	3,723,000	100.00	3,723,000
Village on the Green Metro. District No. 1	2,599,750	1,400,000	100.00	1,400,000
Villages at Castle Rock Metropolitan Dist. No. 4 and Founders			100.00	
Village Metropolitan District ⁽¹⁴⁾	1,038,360	25,911,000	100.00	25,911,000
Villages at Castle Rock Metropolitan District No. 6	27,160,180	44,217,667	100.00	44,217,667
Villages at Castle Rock Metropolitan District No. 7	24,023,330	1,205,000	100.00	1,205,000
Villas Metropolitan District ⁽⁴⁾	1,492,790	4,940,000	100.00	4,940,000
West Metro Fire Protection District	8,059,389,209	23,770,000	1.71	406,467
Total Overlapping				<u>\$ 1,519,062,014</u>
Total Direct Debt and Overlapping Debt				<u>\$ 2,038,682,090</u>

(1) The following entities also overlap the District, but have no outstanding general obligation debt: Airport Vista Metropolitan Districts Nos. 1 and 2; Anthology West Metropolitan Districts Nos. 3, 5 and 6; City of Aurora; Belford North Metropolitan District; Belford South Metropolitan District; Bella Mesa Metropolitan District; BMR Metropolitan District; Canyons Metropolitan Districts Nos. 1 to 4 and 7 to 11; Carousel Farms Metropolitan District; Castle Oaks Metropolitan District No. 2; City of Castle Pines; Castle Pines Commercial Metropolitan Districts Nos. 2 and 5; Castle Pines Metropolitan District; Castle Pines North Metropolitan District; Castle Pines Town Center Metropolitan Districts Nos. 1 to 3; Town of Castle Rock; Castle Rock Downtown Development Authority; Castle Rock Fire Protection District; Castleton Center Water and Sanitation District; Castlevue Metropolitan District; Cedar Hill Cemetery Association; Centennial Water and Sanitation District; Chambers Highpoint Metropolitan Districts Nos. 1 and 2; Chatfield South Water District; Cherry Creek Basin Water Quality Authority; Cherry Creek South Metropolitan Districts Nos. 4 to 10; Cielo Metropolitan District; Citadel Station-Castle Meadows Urban Renewal Plan; Clearwater Metropolitan District; Colorado Horse Park Metropolitan District; Cottonwood Commercial Area Urban Renewal Plan; Cottonwood Highlands Metropolitan Districts Nos. 1 and 2; Cottonwood Metropolitan District; Crowfoot Valley Ranch Metropolitan District No. 1; Crystal Valley Metropolitan District No. 1; Dawson Ridge Metropolitan Districts Nos. 1 to 5; Denver Southeast Suburban Water and Sanitation District; Dominion Water and Sanitation District; Douglas County; Douglas County Law Enforcement Authority; Douglas County Libraries; Douglas County Soil Conservation District; Douglas County Woodmoor Mountain General Improvement District; E-470 Potomac Metropolitan District; E-470 Public Highway Authority; Elbert County; Elbert County Library District; Foxhill Metropolitan Districts Nos. 1 and 2; Franktown Business Area Metropolitan District; Franktown Fire Protection District; Grandview Estates Rural Water Conservation District; Heritage Hills Metropolitan District; Hess Ranch Metropolitan Districts Nos. 1 to 8; Hidden Pointe Metropolitan District; High Prairie Farms Metropolitan District; Hillside at Castle Rock Metropolitan District; Hilltop Metropolitan District; Jackson 105 Fire Protection District; Kings Point South Metropolitan Districts Nos. 1 and 2; Kiowa Soil Conservation District; Lanterns Metropolitan Districts Nos. 1 to 3; Town of Larkspur; City of Littleton; Littleton Fire Protection District; City of Lone Tree; Lone Tree Business Improvement District; McArthur Ranch Metropolitan Recreation District; Meridian Village Metropolitan Districts Nos. 3 and 4; Mirabelle Metropolitan Districts Nos. 1 to 4; Mountain Communities Fire Protection District; North Fork Fire Protection District; North Pine Vistas Metropolitan District No. 1; Northern Douglas County Water and Sanitation District; Park Meadows Business Improvement District; Park Meadows Metropolitan District; Town of Parker; Parker Central Area Urban Renewal Plan; Parker Road Area Urban Renewal Plan; Perry Park Metropolitan District; Perry Park Water and Sanitation District; Perry Park Water and Sanitation District (Water Service Area); Pinery Commercial Metropolitan Districts Nos. 1 and 2; Promenade at Castle Rock Metropolitan District No. 2; Rampart Range Metropolitan Districts Nos. 3 to 6, 8 and 9; Rattlesnake Fire Protection District; Reata Ridge Village Metropolitan Districts Nos. 1 and 2; Regional Transportation District; Remuda Ranch Metropolitan District; RockingHorse Metropolitan District No. 1; Sierra Ridge Metropolitan District No. 1; Silver Heights Water and Sanitation District; South Metro Fire Rescue Fire Protection District; South Santa Fe Metropolitan Districts Nos. 1 and 2; Southgate Sanitation District; Southgate Water District; Southwest Metropolitan Water and Sanitation District; Spring Valley Metropolitan District No. 4; Sterling Crossing Commercial Metropolitan District; Sterling Crossing Residential Metropolitan District; Sterling Ranch Colorado Metropolitan Districts Nos. 1 and 4 to 7; United Water and Sanitation District; Upper South Platte Water Conservancy District; Urban Drainage and Flood Control District; Urban Drainage and Flood Control District - South Platte Levy; Ute Pass Regional Health Service District; Villages at Castle Rock Metropolitan District No. 9; West Douglas County Fire Protection District; Westcreek Lakes Water District; Westcreek Metropolitan Districts Nos. 1 and 2; Westfield Metropolitan Districts Nos. 1 and 2; and The Yard Metropolitan District.

Douglas County School District Re. 1
 Estimated Overlapping General Obligation Debt
 (Unaudited)

Estimated Overlapping General Obligation Debt
 (Continued)

- (2) The 2018 assessed valuation figures certified by the County Assessors are for the collection of ad valorem property taxes in 2019.
- (3) The percentage of each entity's outstanding debt attributable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.
- (4) The debt of this district consists of limited tax general obligation bonds secured by a required mill levy, specific ownership taxes, and other available moneys.
- (5) Castle Pines Commercial Metropolitan District No. 1 issued limited tax supported revenue bonds payable from the property taxes generated by the debt service levies of Castle Pines Commercial Metropolitan District Nos. 3 and 4. The 2018 assessed valuations of No. 3 and No. 4 are \$5,946,090 and \$7,590,530, respectively.
- (6) Under a Capital Pledge Agreement, Horseshoe Ridge Metropolitan Districts Nos. 2 and 3 pledge certain tax revenues to pay Horseshoe Ridge Metropolitan District No. 1's property tax supported revenue bonds.
- (7) The debt of this district consists of mill levy supported loans from Colorado Water Resources and Power Development Authority and/or the Colorado Water Conservation Board.
- (8) Seven contiguous districts formed as part of the Meadows project entered into a Regional Facilities Cost Sharing Agreement whereby each district is liable for a portion of the total general obligation debt incurred by the other districts.
- (9) Meridian Village Metropolitan District No. 1's debt is supported by pledged revenues partially consisting of ad valorem property taxes levied against all taxable property in Meridian Village Metropolitan District No. 2.
- (10) Miller's Landing Business Improvement District issued revenue bonds secured by contractually imposed public improvement fees with respect to certain retail sales transactions, a debt service mill levy, specific ownership taxes, revenue generated from an urban renewal plan, revenues from a contractually imposed requirement that payments in lieu of taxes be made by owners of tax-exempt property, and payments made under a guaranty agreement with the developer.
- (11) Pursuant to a Capital Pledge Agreement, Promenade at Castle Rock Metropolitan District No. 3 transfers property tax revenue to Promenade at Castle Rock Metropolitan District No. 1 for repayment of all the bonds. The 2018 assessed valuation of Promenade at Castle Rock Metropolitan District No. 3 is \$39,964,940.
- (12) Pursuant to a Capital Pledge Agreement, Rampart Range Metropolitan Districts Nos. 2 and 7 transfer property tax revenue to Rampart Range Metropolitan District No. 1 for repayment of all the bonds. The 2018 assessed valuations of Nos. 2 and 7 are \$23,456,050 and \$194,192,040, respectively.
- (13) Sterling Ranch Colorado Metropolitan Districts Nos. 1 to 7 formed the Sterling Ranch Community Authority Board (the "SRCA Board") to provide public services and facilities. The SRCA Board issued limited tax and special revenue bonds secured by Sterling Ranch Colorado Metropolitan Districts Nos. 2 and 3's required mill levy, specific ownership taxes, and other available moneys.
- (14) Pursuant to a Plan for Adjustment of Debts approved by the United States Bankruptcy Court, Villages at Castle Rock Metropolitan District No. 4 ("Villages No. 4") issued Revenue Refunding Bonds, Series 1991 in the amount of \$29,970,000. Pursuant to an agreement with Villages No. 4, Founders Village Metropolitan District is obligated to levy a limited mill levy to pay debt service on the bonds. The bonds mature in 2031, and any outstanding current interest, accrued but unpaid interest (\$94,296,029 as of December 31, 2017), and principal amounts due as of such date will be discharged. The 2018 assessed valuation of Founders Village Metropolitan District is \$50,829,650.

Sources: Assessors' Offices of Arapahoe, Douglas, Elbert, and Jefferson Counties; Assessor's Office of the City and County of Denver; and individual taxing entities.



Douglas County School District
Learn Today, Lead Tomorrow

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Douglas County School District Re. 1
 Legal Debt Margin
 For The Last Ten Fiscal Years

	2019	2018	2017	2016	2015
Debt limit ⁽¹⁾	\$ 1,293,824,122	\$ 1,272,326,686	\$ 1,139,199,846	\$ 1,118,599,418	\$ 956,062,612
Total debt applicable to limit	584,991,349	350,319,165	394,596,031	441,381,527	505,233,996
Legal debt margin ⁽²⁾	708,832,773	922,007,521	744,603,815	677,217,891	450,828,616
Total debt applicable to the limit as a percentage of debt limit	45.21%	27.53%	34.64%	39.46%	52.85%

(1) Debt limits calculated by determining the total assessed value as reported in Table 9 and multiplying by 20 percent.

(2) Legal debt margin is calculated by subtracting the "total debt applicable to limit from the debt limit".

Table 12

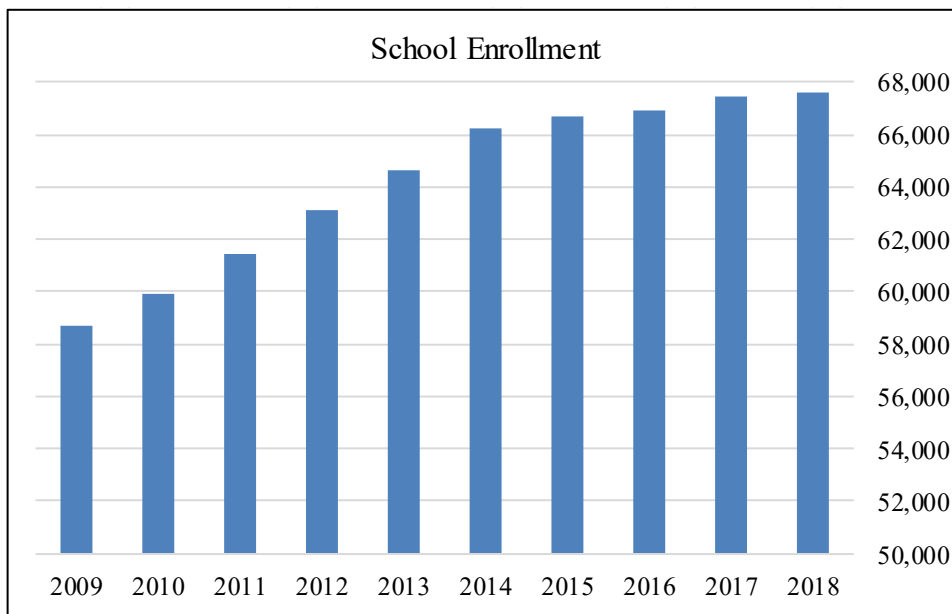
	2014	2013	2012	2011	2010
\$	937,891,906	\$ 910,281,016	\$ 900,947,152	\$ 983,368,914	\$ 975,907,790
	559,590,935	591,790,835	619,332,078	570,761,501	608,941,240
	378,300,971	318,490,181	281,615,074	412,607,413	366,966,550
	59.66%	65.01%	68.74%	58.04%	62.40%

Douglas County School District Re. 1
 Demographic and Economic Statistics ⁽¹⁾

Year	Estimated Population	Per Capita Personal Income	Personal Income Total (In Thousands)	Average Household Size	Median Age	School Enrollment	Unemployment Rate
2018	358,000	\$ 75,480	\$ 27,021,840	2.81	38.1	67,597	3.4%
2017	346,000	65,796	22,765,492	2.75	38.9	67,470	2.6%
2016	336,000	67,139	22,558,704	2.76	37.6	66,896	2.8%
2015	328,990	65,999	21,713,011	2.84	37.2	66,702	2.6%
2014	308,000	64,613	19,900,804	2.82	36.9	66,230	4.5%
2013	302,464	61,369	18,561,913	2.80	37.5	64,657	5.6%
2012	295,689	73,516	21,737,873	2.95	37.4	63,114	5.9%
2011	291,083	71,463	20,801,664	2.79	36.6	61,465	6.1%
2010	288,430	60,723	17,514,402	2.86	36.6	59,932	6.7%
2009	290,059	59,358	17,108,472	2.90	34.3	58,723	6.6%

(1) 2018 Douglas County CAFR
<http://www.douglas.co.us/documents/2018-cafr.pdf>

Figures included in this schedule represent the most recent data available.
 Data is estimated and is subject to change based on updated information.
 2017 and prior numbers have not been updated to match the County's updated data in their most recent Annual Financial Report.



Douglas County School District Re. 1
Principal Employers
Current Year and Nine Years Ago

	2018			2009		
	<u>Employees</u>		<u>% of Total County Employment</u>	<u>Employees</u>		<u>% of Total County Employment</u>
Douglas County School District ⁽¹⁾	6,283	1	3.42%	6,732	1	4.34%
Charles Schwab	4,200	2	2.29%			
EchoStar Communications	2,520	3	1.37%	1,930	2	1.22%
Centura Health	1,500	4	0.82%			
Healthone:Sky Ridge Medical	1,340	5	0.73%			
Douglas County Government	1,223	6	0.67%	1,111	6	0.72%
Jacobs Engineering (formerly CH2M Hill)	1,130	7	0.62%	1,650	3	1.06%
VISA Debit Processing Services	960	8	0.52%			
Specialized Loan Servicing LLC	920	9	0.50%			
Cognizant	830	10	0.45%			
Avaya				1,500	4	0.97%
Aurora Loan Services				1,200	5	0.77%
Western Union				1,110	7	0.72%
TW Telecom				1,100	8	0.71%
Sprint Nextel Corporation				930	10	0.60%
Total for Principal Employers	<u>20,906</u>		<u>11.4%</u>	<u>17,263</u>		<u>11.1%</u>
Total Employment in Douglas County	183,598			155,171		

2018 Douglas County CAFR

<http://www.douglas.co.us/documents/2018-cafr.pdf>

(1) Based on full time equivalent.

Douglas County School District Re. 1
 Full-time Equivalent (FTE) District Employees by Function/Program FTE
 Last Ten Fiscal Years

	2019	2018	2017
Instructional Services:			
Teacher	2,539	2,551	2,563
Teacher - Special Education	562	545	521
Instructional & Educational Assistants ⁽²⁾	291	291	295
Educational Assistants - Special Education ⁽²⁾	567	539	510
Preschool ⁽²⁾	85	89	84
Outdoor Education ⁽²⁾	18	19	18
School Support			
Principals & Assistant Principals	170	167	153
Counselors	104	87	78
Student Support - Special Education	138	136	127
Student Support - Specialized Programming	8	6	11
Deans	24	25	39
Professional Learning Specialists	33	39	46
Librarians & Library Specialists/Assistants ⁽²⁾	62	68	68
Nurses & Health Assistants ⁽²⁾	74	70	57
Office/Administrative Support ⁽²⁾	313	321	324
Professional, Technical & Administrators	77	72	78
General Administration			
Executive Cabinet	11	9	10
Office/Administrative Support ⁽²⁾	60	66	72
Professional, Technical & Administrators	88	89	89
Other Support Staff ⁽²⁾	6	6	7
Before and After School Child Care			
Preschool & Child Care ⁽²⁾	132	142	147
Operations & Maintenance			
Office/Administrative Support ⁽²⁾	8	9	9
Skilled Trade ⁽²⁾	223	228	232
Security Services ⁽²⁾	69	77	73
Transportation ⁽²⁾	343	360	368
Professional, Technical & Administrators	13	12	16
Nutrition Services			
Kitchen & Office Workers ⁽²⁾	265	260	246
	6,283	6,283	6,241

Note: This listing represents filled positions as of May 1 of each fiscal year.

(1) For fiscal year 2015 and prior, FTE for classified staff members (hourly workers) was defined as number of yearly hours worked divided by 2,080 hours.

Table 15

2016	2015 ⁽¹⁾	2014	2013	2012	2011	2010
2,579	2,608	2,525	2,436	2,400	2,478	2,641
497	471	451	429	418	399	408
288	343	341	296	236	246	251
441	411	301	286	309	311	319
85	81	51	49	47	35	36
17	13	4	1	0	0	0
153	148	143	134	126	131	158
75	75	66	62	62	65	66
129	128	104	117	111	108	107
8	8	7	7	7	7	7
33	34	23	25	26	25	14
51	55	46	40	33	41	58
71	77	49	46	48	35	53
84	61	44	48	46	47	49
296	280	218	212	206	219	250
84	70	67	64	62	63	68
13	14	10	9	9	9	10
69	82	52	50	48	49	53
82	83	77	73	64	59	61
6	5	5	5	4	5	5
142	126	130	124	125	121	135
8	9	7	7	6	7	7
232	238	236	239	238	277	282
70	71	32	35	35	31	31
398	381	308	272	267	264	302
14	16	11	11	11	9	12
240	225	162	149	150	153	188
6,165	6,113	5,470	5,226	5,094	5,194	5,571

- (2) These staff members are the classified staff members identified in (1) above.
For fiscal years after 2015, the FTE was calculated as weekly hours worked divided by 40 hours.
For example, a classified employee working 20 hours per week is a 0.5 FTE.

Douglas County School District Re. 1
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	2019	2018	2017	2016
School Enrollment ⁽¹⁾	67,591	67,597	67,470	66,896
Funded Pupil Count ⁽¹⁾	64,513	64,504	64,202	63,572
Average Student Teacher Ratio ⁽²⁾	18.8	20.1	20.3	20.8
Expenses - Total Governmental Funds	\$ 785,389,320	\$ 700,200,460	\$ 687,152,635	\$ 667,762,744
Cost per FPC	\$ 12,174	\$ 10,855	\$ 10,703	\$ 10,504
Building Square Footage	6,714,527	6,714,527	6,714,527	6,680,458
Free & Reduced Student Count ⁽³⁾	8,053	8,135	7,788	7,954
% of Free & Reduced to Total School Enrollment	11.9%	12.0%	11.5%	11.9%
Graduation Rate	*	90.8	90.4	90.1
Dropout Rate	*	0.7	0.7	0.6
Average Teacher Salary ⁽⁴⁾	\$ 59,471	\$ 53,080	\$ 52,044	\$ 51,274

(1) Colorado Department of Education: District Summary of Pupil Counts as of October of the referenced fiscal year.

(2) Colorado Department of Education Website- Pupil FTE Ratio by School for the referenced fiscal year.

(3) From Colorado Department of Education Website: Free and reduced lunch eligibility.

(4) Colorado Department of Education average teacher salary reported here is for teachers working within the District's neighborhood and charter schools.

Table 16

2015	2014	2013	2012	2011	2010
66,702	66,230	64,657	63,114	61,465	59,932
63,354	62,610	61,199	59,606	57,906	56,529
22.4	21.5	20.8	21.2	20.8	19.4
\$ 641,161,383	\$ 617,230,379	\$ 586,345,389	\$ 534,989,686	\$ 485,771,964	\$ 577,658,834
\$ 10,120	\$ 9,858	\$ 9,581	\$ 8,975	\$ 8,389	\$ 10,219
6,678,758	6,661,633	6,661,633	6,660,845	6,617,016	6,282,231
7,326	8,023	7,321	6,867	6,493	4,886
11.0%	12.1%	11.3%	10.9%	10.6%	8.2%
90.0	93.0	92.5	87.4	84.2	83.1
0.8	0.8	0.9	0.8	0.9	1.3
\$ 50,165	\$ 50,652	\$ 50,656	\$ 51,838	\$ 52,805	\$ 52,572

Douglas County School District Re. 1
Capital Asset Statistics by Type
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Schools										
Elementary Schools	47	47	47	47	47	47	47	47	47	46
Middle Schools	9	9	9	9	9	9	9	9	9	9
High Schools	9	9	9	9	9	9	9	9	9	9
Charter Schools	18	18	16	15	15	13	13	11	9	8
Magnet Schools	2	2	2	2	2	2	2	2	2	2
Alternative High Schools	1	1	1	1	1	1	1	1	1	1
Night Schools	1	1	1	1	1	1	1	1	1	1
Plum Creek - Special Education	1	1	1	1	1	1	1	1	1	1
Other Facilities										
Administration	3	3	3	3	3	3	3	3	3	3
Bus Terminals	3	3	3	3	3	3	3	3	3	3
Operations & Maintenance	3	3	3	3	3	3	3	3	3	3
Warehouse	2	2	2	2	2	2	2	2	2	2
Stadiums	3	3	3	3	3	3	3	3	3	3

COMPLIANCE SECTION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Douglas County School District No. Re.1
Douglas County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Douglas County School District No. Re.1 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2019. Our report includes a reference to other auditors who audited the financial statements of the District's Charter Schools, discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 22, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Douglas County School District No. Re.1
Douglas County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Douglas County School District No. Re.1's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 22, 2019

Douglas County School District RE.1

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Pass-Through			
Colorado Department of Education			
Title I, Part A	84.010	4010	\$ 1,177,562
Title I, Part A - Homeless Set Aside	84.010	9202	163,239
Title I, Part A - District Managed	84.010	9206	319,977
Title I, Part A - Parent Activities	84.010	9211	15,774
Title I, Part A (Prevention Integration)	84.010	5010	145,154
Total CFDA No. 84.010			<u>1,821,706</u>
Title V, Part B: Charter School Program	84.282	5282	497,512
Title III, Part A: English Language Acquisition Grants	84.365	4365	247,790
Title II, Part A: Improving Teacher Quality	84.367	4367	627,010
Title IV-A: Student Support and Academic Enrichment	84.424A	4424	103,997
Special Education Cluster:			
IDEA Part B: Special Education (IDEA, Part B)	84.027	4027	8,995,658
IDEA Part B: Special Education - Preschool	84.173	4173	104,084
Total Special Education Cluster			<u>9,099,742</u>
Colorado Multi-Tiered System of Supports MTSS	84.323a	5323	<u>32,304</u>
State Board for Community College and Occupational Education Career & Technical Education Grant	84.048	4048	<u>179,069</u>
Total Department of Education			<u>12,609,130</u>
U.S. Department of Health and Human Services			
Child Care Cluster:			
Direct			
Childcare Development & Block Grant	93.575	7575	95,902
Pass-Through			
Colorado State Department of Education			
Childcare Development & Block Grant (EQIT)	93.575	7575-1000	202,693
Total Department of Health and Human Services			<u>298,595</u>
U.S. Department of Agriculture			
Child Nutrition Cluster:			
Pass-Through			
Colorado Department of Education			
School Breakfast Program	10.553	4553	196,411
Special Milk Program for Children	10.556	4556	77,175
Summer Food Program for Children	10.559	4559	133,956
National School Lunch Program	10.555	4556	2,146,962
National School Lunch Program (Non-Cash), pass through State Department of Human Services	10.555	4555	<u>738,879</u>
Total Child Nutrition Cluster			<u>3,293,383</u>
Total Expenditures of Federal Awards			<u><u>\$ 16,201,108</u></u>

See Notes to Schedule of Expenditures of Federal Awards

Douglas County School District RE. 1

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Douglas County School District RE. 1 (the District) for the year ended June 30, 2019. The schedule does not include the federal grant activity of the District's Charter Schools, discretely presented component units. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 CFR Part 200. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

Note 2. Significant Account Policies

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (food commodities) received during the year in the amount of \$738,879 from the U.S. Department of Agriculture passed through the State Department of Education and the State Department of Human Services - CFDA No. 10.555. The commodities are recognized as expenditures when used by the schools and are valued at current market price.

Note 4. Subrecipients

For the year ended June 30, 2019, the District did not pass through any federal grants to subrecipients.

Note 5. Indirect Cost Rate

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

**DOUGLAS COUNTY SCHOOL DISTRICT NO. RE.1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010 10.553, 10.555, 10.556, 10.559	Title I Part A Child Nutrition Cluster

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

\$750,000

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

DOUGLAS COUNTY SCHOOL DISTRICT NO. RE.1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

None

Section III – Findings and Questioned Costs – Major Federal Programs

None

Section IV – Prior Year Findings

2018 – 001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: During fiscal year 2018, it was noted the District improperly recognized revenue in fiscal year 2017 for student deposits in the Nutrition Services Fund 21 and Nutrition Services Non-NSLP Fund 28. Revenue was being recorded on a cash basis and not in accordance with U.S. GAAP.

Status: Fully implemented.



Colorado Department of Education
Auditors Integrity Report
 District 0900—DOUGLAS COUNTY RE 1
 Fiscal Year 2019
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+	=	-	=
10 General Fund	79,812,857	491,266,368	475,042,955	96,036,270
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	79,812,857	491,266,368	475,042,955	96,036,270
11 Charter School Fund	29,642,737	161,807,471	152,764,435	38,685,772
20,26-29 Special Revenue Fund	7,084,157	35,955,663	37,377,337	5,662,483
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	1,772,197	14,998,642	14,646,855	2,123,983
22 Govt Designated-Purpose Grants Fund	185,117	14,028,502	14,213,619	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	1,351,569	24,972,559	24,712,810	1,611,318
31 Bond Redemption Fund	60,143,653	52,945,266	51,255,870	61,833,049
39 Certificate of Participation (COP) Debt Service Fund	11,903	16,501,644	16,493,333	20,214
41 Building Fund	0	284,402,282	16,616,539	267,785,743
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	180,004,189	1,096,878,397	803,123,753	473,758,833
Proprietary				
50 Other Enterprise Funds	-17,612,645	5,682,330	7,515,928	-19,446,244
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	9,849,904	11,853,617	10,085,107	11,618,414
Totals	-7,762,741	17,535,947	17,601,036	-7,827,830
Fiduciary				
70 Other Trust and Agency Funds	35,912	56,600	58,500	34,012
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	1,199,427	1,602,416	1,648,115	1,153,728
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	1,235,339	1,659,016	1,706,615	1,187,740

FINAL

12/5/19

