



Comprehensive Annual Financial Report

For the year Ended June 30, 2016



Douglas County
School District
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, 2016



Ms. Erin Kane
INTERIM SUPERINTENDENT

Prepared by:
Office of Business Services

Bonnie J. Betz
Chief Financial Officer

Jana Schleusner
Director of Finance



Douglas County School District
Learn today. Lead tomorrow.

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DOUGLAS COUNTY SCHOOL DISTRICT RE.1
 Comprehensive Annual Financial Report
 June 30, 2016

Table of Contents

INTRODUCTORY SECTION

Board of Education	8
Leadership Team	9
Organization Chart.....	10
Vision and Core Values	11
Letter of Transmittal	12
GFOA Certificate of Achievement	21
ASBO International Certificate of Achievement	22

FINANCIAL SECTION

Independent Auditor’s Report	24
Management’s Discussion and Analysis	27

Basic Financial Statements

Statement of Net Position	43
Statement of Activities	44
Governmental Funds - Balance Sheet.....	46
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position	47
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances	48
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	49
Proprietary Fund	
Statement of Net Position	50
Statement of Revenues, Expenses and Changes in Fund Net Position	51
Statement of Cash Flows	52
Fiduciary Funds	
Statement of Net Position	53
Statement of Changes in Fiduciary Net Position	54
Notes to the Financial Statements.....	55

Required Supplementary Information

Combined General Fund	
Budgetary Comparison Schedule.....	85
Defined Benefit Pension Plan Schedules	
Schedule of the District’s Contributions - PERA	86
Schedule of the District’s Proportionate - Share of the Net Pension Liabilities	88
Notes to Required Supplementary Information	89

Supplementary Information

Combined General Funds

Combined General Fund - Comparative Balance Sheet	96
Combined General Fund - Combining Balance Sheet	97
Combined General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	98

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
 Comprehensive Annual Financial Report
 June 30, 2016

Table of Contents

FINANCIAL SECTION (continued)

Supplementary Information (continued)

Combined General Fund - Schedule of Expenditures by Object - Budget and Actual	99
Combined General Fund - Schedule of Expenditures by Program - Budget and Actual.....	100
Combined General Fund - Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	101
<i>Non-Major Governmental Funds</i>	
Non-Major Governmental Funds - Combining Balance Sheet.....	104
Non-Major Governmental Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	105
Fund 21 - Nutrition Services Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	106
Fund 22 - Governmental Designated Purpose Grants Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance.....	107
Fund 26 - Athletics and Activities Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	108
Fund 28 - Child Care Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance.....	109
Fund 39 - Certificates of Participation Lease Payment Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance.....	110
<i>Bond Redemption Fund</i>	
Fund 31 - Bond Redemption Fund - Comparative Balance Sheet.....	112
Fund 31 - Bond Redemption Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance.....	113
<i>Building Fund</i>	
Fund 45 - Building Fund - Comparative Balance Sheet.....	116
Fund 45 - Building Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	117
<i>Internal Service Funds</i>	
Internal Service Funds - Combining Balance Sheet	120
Internal Service Funds - Combining Schedule of Revenues, Expenses and Changes in Fund Net Position.....	121
Internal Service Funds - Combining Statement of Cash Flows	122
Fund 65 - Medical Fund (Internal Service Fund) - Schedule of Revenues, Expenses and Changes in Fund Net Position.....	123

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
 Comprehensive Annual Financial Report
 June 30, 2016

Table of Contents

FINANCIAL SECTION (continued)

Supplementary Information (continued)

Internal Service Funds (continued)

Fund 66 - Short Term Disability Fund (Internal Service Fund) - Schedule of Revenues, Expenses and Changes in Fund Net Position.....	124
--	-----

Fiduciary Fund

Fund 74 - Agency Fund - Statement of Changes in Assets and Liabilities.....	126
---	-----

Fund 75 - Private Purpose Trust Scholarship—Schedule of Changes in Fiduciary Net Position - Budget and Actual.....	127
---	-----

Component Units

Non-Major Discretely Presented Component Units - Combining Statement of Net Position	130
--	-----

Non-Major Discretely Presented Component Units - Combining Statement of Activities.....	133
---	-----

STATISTICAL SECTION (unaudited)

Listing of Statistical Information.....	139
---	-----

Net Position by Component.....	140
--------------------------------	-----

Change in Net Position	142
------------------------------	-----

Fund Balances, Governmental Funds	144
---	-----

Change in Fund Balances, Governmental Funds	146
---	-----

Assessed Value and Estimated Actual Value of Taxable Property.....	148
--	-----

Direct and Overlapping Property Tax Rates	150
---	-----

Principal Property Tax Payers	151
-------------------------------------	-----

Property Tax Levies and Collections.....	153
--	-----

Ratios of Outstanding Debt by Type	154
--	-----

Ratios of Net General Bonded Debt Outstanding.....	156
--	-----

Estimated Overlapping General Obligation Debt	157
---	-----

Legal Debt Margin.....	162
------------------------	-----

Demographic and Economic Statistics	164
---	-----

Principal Employers.....	165
--------------------------	-----

Full-time Equivalent District Employees by Function/Program FTE.....	166
--	-----

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
Comprehensive Annual Financial Report
June 30, 2016

Table of Contents

STATISTICAL SECTION (unaudited continued)

Operating Indicators by Function/Program	168
Capital Asset Statistics by Function/Program	170

COMPLIANCE SECTION

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	172
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	174
Schedule of Expenditures of Federal Awards	176
Notes to Schedule of Expenditures of Federal Awards	177
Summary Schedule of Prior Audit Findings	178
Schedule of Findings and Questioned Costs	179
Corrective Action Plan	181
Independent Auditors' Report on Electronic Financial Data Integrity Check Figures.....	182
Electronic Financial Data Integrity Check Figures	183

***INTRODUCTORY
SECTION***

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
 Comprehensive Annual Financial Report
 June 30, 2016

Board of Education



From left to right: , Wendy Vogel, Doug Benevento, Meghann Silverthorn, Anne-Marie Lemieux,
 Dr. James Geddes, Judith Reynolds, and David Ray

Name	Position/District	Term Expires
Meghann Silverthorn	President – District G	2017
Judith Reynolds	Vice President – District D	2017
Wendy Vogel	Director – District A	2019
Dr. James Geddes	Director – District B	2017
Anne-Marie Lemieux	Director – District C	2019
Doug Benevento-Vacant	Director – District E	2017
David Ray	Director – District F	2019

DOUGLAS COUNTY SCHOOL DISTRICT RE.1
Comprehensive Annual Financial Report
June 30, 2016

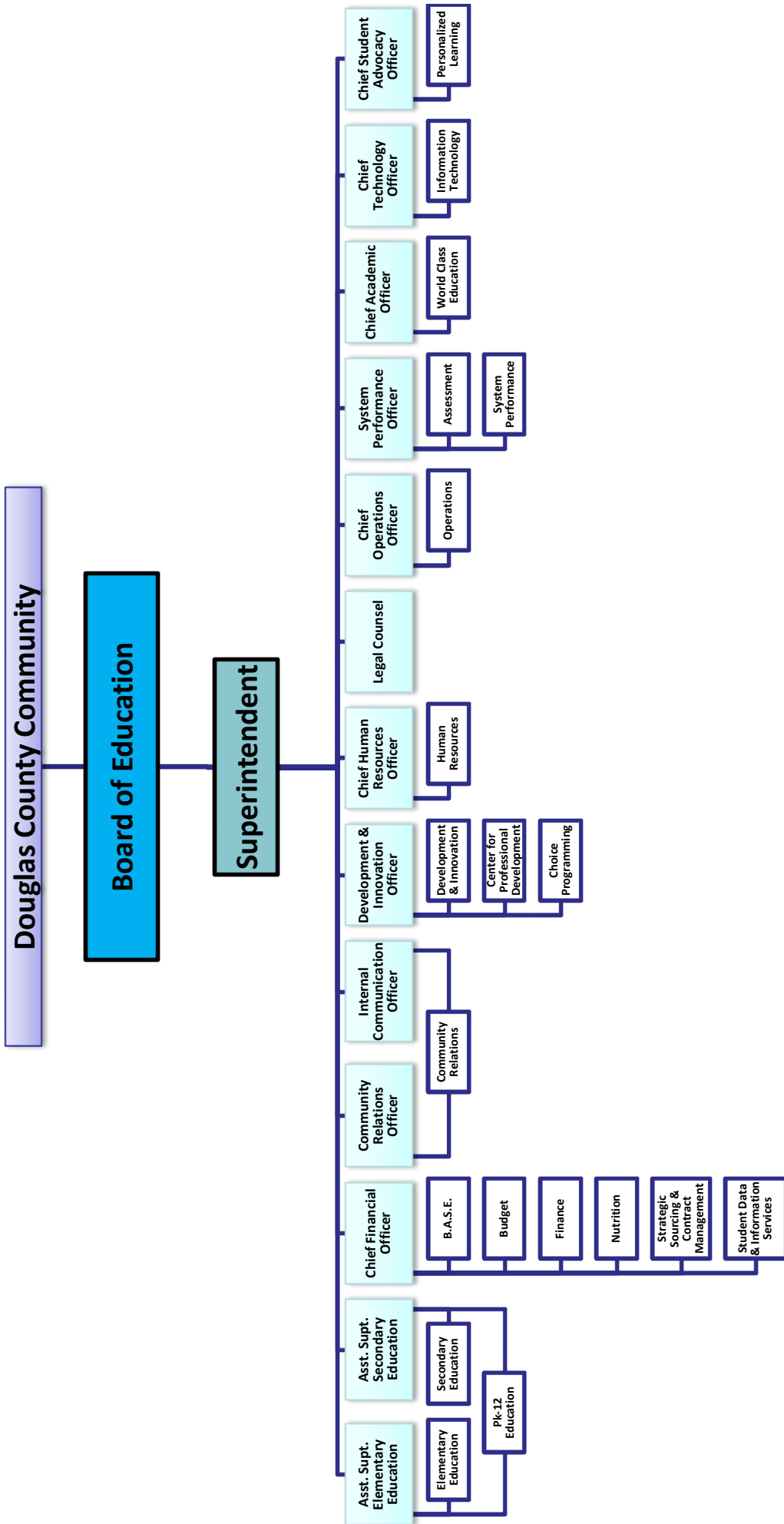
Leadership Team

Ms. Erin Kane
Interim Superintendent



FY 2015-2016
Superintendent's Cabinet

Dr. Elizabeth Celandia-Fagen	Former Superintendent
Randy Barber	Internal Communications Officer
Bonnie Betz	Chief Financial Officer
Brian Cesare	Former Chief Human Resources Officer - Vacant
Dr. Steven Cook	Assistant Superintendent, Secondary Education
Dr. Jason Germain	Former Chief Student Advocacy Officer - Vacant
Paula Hans	Public Information Officer
Dr. Ann Johnson	Former Chief Growth & Development Officer - Vacant
Dr. Dana Johnson-Strother	Former Chief Academic Officer - Vacant
Ted Knight	Assistant Superintendent, Elementary Education
Matt Reynolds	Chief System Performance Officer
Robert Ross	Former Legal Counsel - Vacant
Guatam Sethi	Chief Technology Officer
Jess Stainbrook	Former Chief Community Relations Officer-Position Eliminated
Thomas Tsai	Former Chief Operating Officer - Vacant



Vision and Core Values

VISION STATEMENT

The vision of the Douglas County School District is to help students acquire the knowledge and abilities to be responsible citizens who contribute to our society.

CORE VALUES

Our core values remain constant in an ever-changing world. They provide the foundation for our work, and influence how we conduct ourselves and engage with others.

Educational Excellence

High expectations are the focus of everything we do. We challenge all people to acquire a foundation of knowledge and academic skills, and to achieve their highest potential.

Human Diversity

Varied beliefs and backgrounds strengthen a public education system. We respect differences which contribute to a better society for all human beings.

Individual Potential

Individuals develop within an environment that nurtures intellectual, social, emotional, physical and aesthetic growth.

Lifelong Learning

Education is a process that begins at birth and continues throughout life. We foster curiosity, motivation and the desire to learn that extends beyond school settings.

Productive Effort

The pursuit of greater knowledge and more powerful thinking demands hard work, perseverance and commitment.

Shared Responsibility

The partnerships among parents, students, staff and community members are characterized by mutual commitment and collaborative effort.

Ethical Behavior

Our actions are distinguished by the highest standards of personal behavior, including trust, honesty, fairness, integrity and mutual respect.

Continuous Improvement

Our District, its systems and processes will be subject to continual scrutiny and improvement. We will be recognized for management by fact, results focus and a long-range outlook.





Ms. Erin Kane
Interim Superintendent

December 22, 2016

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, 2016. 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 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 the District's 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's 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. RSM US LLP Certified Public Accountants, have issued an unmodified (clean) opinion on the District's financial statements for the year ended June 30, 2016. The independent auditor's 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, 2016, 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 auditors.

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 North, and the unincorporated area of Highlands Ranch. The District encompasses approximately 867 square miles and has a population of about 328,990 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 pre k-12 educational school programs and services for about 66,900 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 2,350 of these students enroll in one of DCSD's online learning schools, eDCSD (Colorado Cyber School) 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. As of August, 2016, Director Douglas Benevento resigned his seat in District E. The BOE completed the process of interviewing replacement directors for his vacated position and was unable to come to agreement. Pursuant to Board Policy BF - Board Vacancies, in the event of a tie, the vacancy shall be appointed by the BOE President, Meghann Silverthorn. On November 7, 2016, President Silverthorn appointed Mr. Steven Peck to the vacated Board seat in District E.

The District includes as discretely presented component units fifteen (15) charter schools; Academy Charter, American Academy with two sites - one in Castle Pines and the other in the Town of Parker, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, DCS Montessori, Global Village Academy, North Star Academy, Parker Core Knowledge, Parker Performing Arts, Platte River Academy, Sky View Academy, STEM High (Science, Technology, Engineering and Math), World Compass Academy and Hope Online Learning Academy Co-Op. Global Village and World Compass Academies began instructional operations in August of 2015 so this Comprehensive Annual Financial Report includes their first full year of financial results presented in the "Component Units" section of the report starting on page 130. Parker Performing Arts Charter School began instructional operations in September of 2016.

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.

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. Public hearings are held on the proposed budget, and a final budget is adopted no later than June 30, prior to the District's new fiscal year. The Board of Education may revise the budget due to unforeseen circumstances, which 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 the Mill Levy 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 year's appropriated budget.

Local Factors Affecting Financial Condition

District Leadership: As of June 30, 2016, Dr. Elizabeth Celania-Fagen resigned her position as Superintendent of DCSD. She completed six years as superintendent of the District. Throughout fiscal year 2015-2016, continued progress has been made towards achieving the goals established in the DCSD Strategic Plan, New Outcomes for a New Day. This Plan, revised and approved by the Board of Education in July of 2014, includes the District's commitments to parents, students, employees and community members, as well as the statement of four overriding priorities: Safety, Choice, World Class Education and System Performance. Embedded in these priorities and associated work is a continuous improvement process that includes exploring ideas, setting expectations based on research and best practice, collaboratively creating, implementing and integrating into all appropriate systems and finally evaluating and refining as we go. Each year we ensure alignment of the District's fiscal resources to the Strategic Plan priorities. Following is a sampling of the student focused progress made in fiscal year 2015-2016 associated with each priority of the Strategic Plan.

SAFETY: During fiscal year 2015-2016, we continued our focus on the physical safety of our students. All School Marshall Program Intergovernmental Agreements were maintained with law enforcement in our counties and towns approving budgetary increases associated with pay increases over last year. In addition, we have begun the process of replacing all of the analog security cameras with digital cameras and have purchased additional technology servers to support these new cameras. The placement of all security camera systems on an IP (Internet Protocol) base improves the operability of the District security system and limits full system outages as redundant components have been installed. Over \$350,000 of one-time monies had been allocated to this camera replacement effort this year.

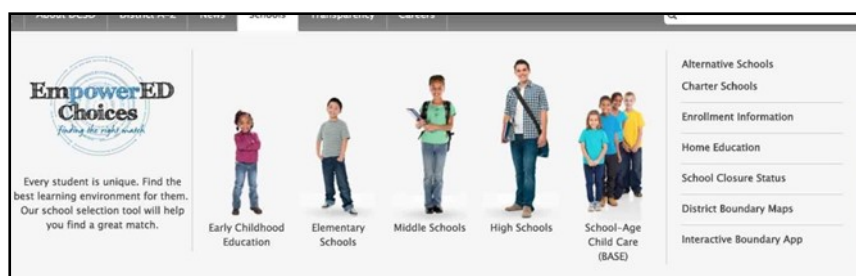
In addition, District Personalized Learning staff continued addressing psychological safety through specific prevention, intervention and post-intervention efforts.

- **Prevention** - Interactive student programs continue to be offered that address substance abuse prevention, suicide prevention and bully prevention. Schools have been in the process of addressing school violence prevention by implementing the student wellness and prevention framework. Additionally, schools have been in the process of implementing a multi-tiered system of supports (MTSS) framework, a prevention-based framework of team-driven, data-based problem solving for improving the outcomes of every student through family, school, and community partnering and a layered continuum of evidence-based practices.
- **Intervention** – District staff implemented an updated student threat assessment process based on work from the FBI, the American Psychological Association (APA), the National Association of School Psychologists (NASP), law enforcement agencies and the U.S. Secret Service. This process promotes monitoring and intervening of students who have been assessed. The ASIST suicide assessment protocol is utilized throughout the school system and a data tracking system has been implemented to capture all threat assessments, suicide assessments and mandatory child abuse reports, providing a mechanism for essential personnel to review these assessments and identify trends or patterns that may need to be addressed.
- **Post-intervention** – The District crisis team is deployed to respond to schools in the event of a significant event or death that may impact students or staff in school. The crisis team facilitates counseling, communication to stakeholders and connections to agencies for further support.

Finally, substantial professional development and training is provided to support and enhance all prevention, intervention and post-intervention efforts. This training includes student wellness, suicide prevention, ASIST, mandatory reporting, SRP – Standard Response Protocol, restorative strategies, response to playground injury, CPR, keeping students safe, threat assessment protocol, PREPaRE, a national curriculum provided to schools to train personnel on how to respond in crisis situations, Crisis I, youth mental health first aid, and bully prevention.

CHOICE: The DCSD Strategic Plan emphasizes Choice as one of the four priorities for the District. Amendments to the Open Enrollment Policies approved during this reporting year help aid student choice by increasing the simplicity, transparency and flexibility for parents in finding the best educational environment for their child. One of the modifications to the enrollment policy specifies that students can always return to their neighborhood school even if their initial enrollment started elsewhere. These changes are in response to parental request for date changes and a desire to include the students of DCSD staff within the decision making process.

DCSD's re-envisioned school selector tool was launched at the beginning of the 2015-2016 school year. EmpowerEd Choices, as the new web tool is called, assists parents in researching the very best environment for their child.



Its search engine provides information about all of the District's schools including our neighborhood, charter, and alternative school options. It also offers a comparison tool that allows a parent to compare up to three different school programs. Finally, knowing that location is the number one factor in school selection, EmpowerED Choices provides an interactive map so that prospective parents can see geographically options in specific county vicinities.

Additional school choice options have been approved during this year including Renaissance Secondary school for opening in fiscal year 2017-2018 and Parker Performing Arts – a new charter school opening in Parker for fiscal year 2016-2017. Parker Performing Arts has opened with over 800 students in kindergarten through eighth grade.

Finally, the offering of International Baccalaureate Programming has been expanded in Douglas County School District to include Roxborough Primary and Intermediate Schools. Roxborough is now one of just three elementary level IB World Schools in the Douglas County School District. This approval received during the summer of 2016 completes the full progression of IB programming from elementary through high school in the ThunderRidge High School Feeder.

WORLD CLASS EDUCATION: During fiscal year 2015-2016, the academic teams collaborated on efforts to continue supporting schools in their progress towards increasing academic achievement for all students. As part of this process, the Building Leadership Team (BLT) for each school reviewed and responded to the six academic team goals: (1) Implement the Guaranteed and Viable Curriculum, (2) Create and implement a high quality Balanced Assessment System, (3) Implement sustainable learning strategies, (4) Create and maintain a comprehensive Multi-Tiered System of Support (MTSS) to meet the unique needs of all learners, (5) Implement a high quality professional development plan, and (6) Implement a high quality evaluation system. Building BLTs chose two to three of these overriding goals to assess their current state and desired state. Once the desired state was determined, each school team documented their action steps, the expected outcomes, the impact on their school and then the means by which this would be measured. This entire process provided a focus for each schools work throughout 2015-2016. The picture on the next page was used to communicate out this school based effort.

Building Leadership Teams create a comprehensive and personalized School Action Plan to implement their goals

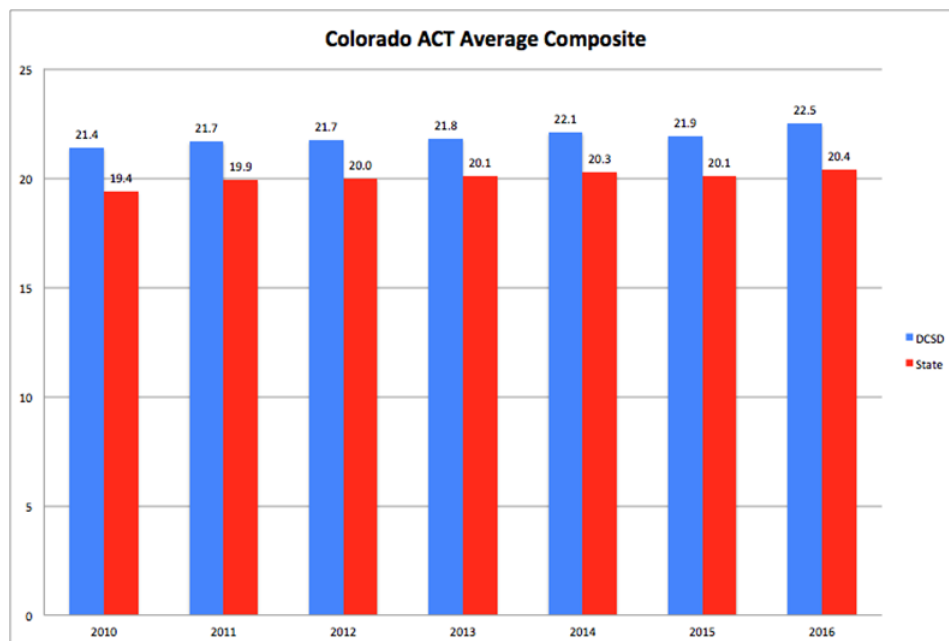


School Action Plan includes:

- Desired state and current state analysis
- Goals that align to continuous improvement process
- Analysis of inputs, outputs and impacts
- Professional development support and design
- Communication and implementation strategies

SYSTEM PERFORMANCE: Work continued on reviewing and revising the CITE (Continuous Improvement for Teacher Effectiveness) rubrics for all the various types of teachers within the District. It is these rubrics that provide the framework ensuring that licensed personnel are evaluated in a manner that has interrater reliability. In addition, fiscal year 2015-2016 marked the first year in which student performance data was included in the evaluation rating for teachers. In order to accomplish this task, updates were made to DCSD’s homegrown InspirED software solution which houses the teacher evaluation tool, rubrics, evidence teachers wish to provide to inform their evaluations as well as professional development opportunities aligned to CITE standards. Learning progressions were developed allowing District licensed staff to gain the knowledge and experience needed to reach highly effective status in their personal areas of growth. The CPD (Center for Professional Development) module in InspirED also provides an organized transcript for teachers substantiating the progress towards meeting the CITE standards as well as meeting their continuous education requirements to maintain their licensure.

As our schools and academic leaders continued to focus on the academic team goals, and the evaluation systems continued to be improved, our high school students again gained ground in ACT score performance. In 2014-2015, the scores averaged 21.9. In 2015-2016, the average score increased to 22.5, nearly 2 points above the State average of 20.4. This achievement level is notable as over 95 percent of DCSD high school juniors participate in the ACT yearly. The chart below displays the District progress since 2010.



In addition to the focus of improving academic progress for all of our students, the System Performance priority also informs specific goals associated with our business operations. The specific operational improvements made this reporting year have required an initial one-time investment that we expect will provide an ongoing opportunity to maximize dollars to the classroom in the future.

The 2015-2016 school year marks the first year in which DCSD was fully operational in Workday, the District's new Human Resources and Payroll Software system replacing the District's aging Oracle HRMS and Payroll modules. Workday is a comprehensive enterprise resource planning (ERP) solution offered under a software-as-a-service model. In January of 2016, the Board approved the purchase of Workday's Financial Functionality to include Cash Management, Asset Control, Accounting, Accounts Payable, Sourcing, Warehouse Inventory and Contract Management. Upon approval of the Workday software solution, an RFP was advertised for an implementer. Sierra-Cedar, the implementer for the Human Resources and Payroll functionality, was the winning provider. District Business Services staff have begun this implementation with a scheduled go-live of July 1, 2017.

The Human Resources Team has been on a parallel path to implement Workday Recruiting. The recruiting functionality will eliminate the use of Taleo Recruitment and will eliminate one of the more challenging integrations associated with our hiring and onboarding processes. Globally, this ERP software replacement has and will continue to provide world class tools to our employees, will facilitate the acquisition of data and reports to gauge system performance and will enhance our 3,500 teachers' ability to focus on the classroom and their students.

During fiscal year 2015-2016, the DCSD Information Services Department was awarded one time monies to transition the District data center from Aurora to Highlands Ranch. Though complex and difficult, this move resulted in a 53 percent reduction in IT operational costs providing a break-even return on investment timeframe of less than one year.

Over the recent years, the global data center and internet markets have continually dropped in price through technology advancement and competition within the marketplace. Upon a comprehensive Request for Proposal (RFP) process, a new vendor was chosen that allows the District to realize nearly one million dollars of savings while improving service levels.

In addition to cost savings associated with the data center space, we were also free to purchase a much less expensive internet service from the open market. The new internet provider resulted in another nearly ½ million of savings over the same five-year period.

Demographic Data¹: The County's population continues to grow. It has increased to 329,000 residents as of January 2016 representing an increase of 21,000 residents during the past year representing growth of nearly 7 percent. Indicative of the nation's economic recovery and Colorado's positive economic growth, unemployment in Douglas County continues to drop and as of December 31, 2016, is at 2.6 percent. Employment grew 4.5 percent in Douglas County to 108,600 workers.

Douglas County School District enrollment continues to grow about 500 to 1,500 students per year and remains the third largest school district in the State of Colorado. Enrollment for fiscal year 2016-2017 is expected to exceed 67,400 students compared to about 66,900 in the reporting year.

Continued growth provides additional revenue as well as additional needs for classrooms, teachers, bus drivers and employees of every type. Though we are in a relatively low growth point in our history, Douglas County School District is expected to double in size over the next 20 years. The new Sterling Ranch development which broke ground in July of 2015, is expected to need seven (7) or eight (8) new elementary schools, up to two (2) middle schools and up to two (2) high schools by 2035. Over 12,050 dwelling units are planned in 3 areas requiring student seats for a projected 5,048 elementary students, 1,483 middle school students and about 3,000 high school students.

As we have done in the past, we will manage the increases in enrollment growth using multiple strategies including; a four track calendar model allowing us to handle 25 percent more students in our existing buildings, utilizing mobile buildings when necessary, and partnering with charter schools.

¹Source: Douglas County Comprehensive Annual Financial Report, December 31, 2015

STEM (Science, Technology, Engineering & Math) Academy Charter School in Highlands Ranch requested BOE approval of their grade level expansion to grades k-5 enabling the school to provide a full k-12 STEM program. STEM Academy has demonstrated sufficient demand for a full k-12 STEM program. This full k-12 STEM program is unique to the District and to the State of Colorado. STEM purchased an additional facility next door to their current facility to accommodate the new students which will ultimately number 1,850 k-12 students. STEM Academy opened up operations to kindergarten through 4th grade at the start of the 2016-2017 school year, and Parker Performing Arts opened their doors in Parker in September of 2016.

Long-Range Capital Planning: In addition to population growth, Douglas County is experiencing growth in most aspects of the local economy. Increases in the housing market translate to student enrollment growth. The Long Range Planning Committee (LRPC), created in 1984, is charged with studying school district facility and capacity needs. An advisory group comprised of community members, the LRPC keeps close track of new housing developments and student enrollment trends. The LRPC is charged with managing 5-year growth projections, communicating facility maintenance needs and recommending bond cycles to address both growth and facility upgrades.

Long Range Planning Committee findings have formed the basis of the District's capital facility programs historically funded primarily with the proceeds and investment income of voter approved general obligation bonds. The LRPC actively evaluates the future facilities' needs of the District, and will continue to make recommendations to the Board regarding capacity, boundary and site needs.

During fiscal year 2015-2016, the LRPC updated the Master Capital Plan (MCP) providing four tiers of facility needs where the tiers represent the impact on the function of the schools. Each tier is then assessed in terms of high, medium and low priority. In addition, the LRPC presented budget figures representing two separate construction standards. This updated Master Capital Plan was presented to the Board of Education in June of 2016. This MCP report describes a total five year need of between \$304 and \$366 million dependent upon the construction standards utilized for each project. \$220 to \$282 million represented the reinvestment needs and about \$71.2 to \$84.6 million for new construction needs.

In addition, the Board requested that the Fiscal Oversight Committee determine a recommendation on what funding strategy should be used to fund the MCP. Though all funding strategies were presented: Certificates of Participation, Energy Performance Contracting, General Fund transfers, General Obligation Bonds as well as Mill Levy Override dollars, the FOC recommended a combination of mill levy override and General Obligation (G.O.) bonds. The G.O. bonds would be sold to meet the new construction needs and the mill levy override dollars would be used to provide ongoing monies in support of the facility reinvestment requirements. The Board of Education has not yet made a decision regarding the means by which these capital needs will be addressed in the future. In the meantime, the LRPC planning work will continue to inform all of our stakeholders about the status of our taxpayer assets and the need for additional capacity and facility improvements in the future.

Additional information regarding District capital planning is discussed in the Management's Discussion and Analysis on page 27.

Federal and State Funding: The September 2016 Revenue Forecast reported the economic outlook in Colorado is still positive though growing at a much more moderate pace. Colorado's General Fund ended fiscal year 2015-16 with \$9.5 million more than was budgeted to be spent and saved in the reserve. At the end of fiscal year 2016-2017, the General Fund is expected to end with a reserve equal to 3.1 percent of appropriations, \$329.6 million lower than the budgeted 6.5 percent reserve. This shortfall is larger than expected from the June Revenue forecast because of lower expectations for sales and use tax revenue and increased expectations for the amount of General Fund revenue required during both fiscal year 2015-2016 and fiscal year 2016-2017 to address severance tax refunds pursuant to Senate Bill 16-218.

Colorado's General Fund revenue increased 1.7 percent in fiscal year 2015-2016, a sharp drop from the robust 9.2 percent growth rate one year earlier. The oil and gas industry's contraction, along with weaker investment gains and lower corporate profits all combined to reduce General Fund revenue growth. With these factors largely behind Colorado, it is anticipated that State General Fund revenue will increase 4.5 percent in fiscal year 2016-2017 and 5.0 percent increase is forecast for fiscal year 2017-2018. Due to this decline in revenue growth, the constitutionally required TABOR refund – a refund which goes into effect when State revenues exceed TABOR limits - is not expected to be triggered until fiscal year 2017-2018.

In spite of these constraints, the State legislature approved additional education funding for fiscal year 2016-2017 in an amount of about \$112 more per funded pupil count (FPC) at DCSD for a total PPR (per pupil revenue) of \$7,163. The State Legislature fully funded student growth and inflation and so was able to keep the negative factor amount flat at \$831 million for the new year. Along with 2015-2016 savings, the Board of Education approved salary and benefit increases of about \$11.2 million, \$1.5 million towards special education needs associated with new students, and approved an ongoing \$500,000 per year for a total ongoing budget of \$1 million to meet the yearly computer device requirements in the District. The increase in compensation dollars provided an average 3.0 percent salary increase as well as absorbed the mandated PERA increase of \$1.6 million and absorbed a small increase in medical benefit premiums.

Looking forward to fiscal year 2017-2018 and considering the September 2016 Revenue Forecast, the Governor of Colorado, Governor Hickenlooper, has proposed an education budget that includes a per pupil revenue (PPR) increase for DCSD of about \$175/student, an amount more than for fiscal year 2016-17. Though the Governor's budget for education funding was positively received, it is important to note that many legislative actions are required to provide for the revenue needed to fund this increase in PPR for next fiscal year. Nearly \$500 million of budget balancing measures are required in order to fund his proposed budget. Even with these proposed increases, his budget includes an increase to the Negative Factor of about \$43 million to a total of \$876 million. Remember that DCSD's continued portion of the negative factor amounts to nearly 64 million per year with a cumulative loss over the past seven years of over \$450 million.

In planning for this reporting year, fiscal year 2015-2016, the legislature approved fully funding pupil growth and inflation and buying down the negative factor to \$831 million. This decision resulted in a \$256/student per pupil revenue increase and the funding of just over 1,200 new students in DCSD. The Board of Education approved an average 3.2 percent pay increase, absorbed the 0.8 percent increase to PERA and added an ongoing technology device refresh budget of \$500,000. This ongoing budget line has been discontinued over the past 6 years and has been funded each year with District General Fund fund balance. The incremental budget increase amounted to just about \$15 million over fiscal year 2014-2015.

In spite of the difficult economy and the complexities associated with the State Budget and TABOR, the District has continued to maintain its fiscal health. Our schools and departments continue to spend with caution increasing carry over balances and management continues to be conservative in forecasting revenues.

Significant Financial Policy Changes

1. Posting of PERA (Public Employee's Retirement Association) Liability

Pursuant to GASB Statement No. 68, *Accounting for Pensions*, the District's proportionate share of PERA's unfunded liability is again included in the District's financial statements for fiscal year 2015-2016. As of June 30, 2016, the District reports a liability of \$1,009,453,904 for its proportionate share of PERA's net pension liability (NPL). This major financial statement addition required fiscal year 2013-2014 net position be restated to also include this proportionate share of PERA's pension liability. See Note 9 starting on page 74 for further information regarding this requirement.

2. Certificates of Participation Refunding

In February of 2016, we refunded or refinanced \$12.1 million of the Series 2009 Certificates of Participation realizing General Fund real savings of over \$770,000 with NPV savings of \$648,977. These savings amounted to 5.36 percent. In addition, this refunding allowed us an opportunity to liquidate the required COP reserve of \$1.1 million allowing us to use this money for high priority capital needs identified in the MCP. Due to the District's strong fiscal health and favorable credit rating, our Certificates were quickly purchased. This COP refunding saves the District General Fund allowing us to allocate out those savings in direct support to educational programs.

3. National School Lunch Program (NSLP) for High Schools

Fiscal year 2015-2016 marks the second year in which our high school lunch programs did not participate in the National School Lunch Program. In July of 2014, management recommended that DCSD high schools operate their food service offerings

outside of the NSLP. The District has a high school demographic characterized by a very low free and reduced lunch population. In addition, our high schools have open campuses providing high school students numerous choices for lunch. The Nutrition Services Department staff wished to better meet the needs of these older students by providing more choices but still maintaining high nutritional value.

This decision has been proven a success. The program has attracted more students at lunch time resulting in a very sustainable financial operation while meeting the nutritional needs of our high school students and keeping them safe on campus. Please review the financial results on page 106. The Nutrition Services Operation realized an increased fund balance of nearly \$350,000. We believe we have strategically implemented a balanced approach to student lunches – nutritious and palatable combined with an educational program to help students understand the value in healthy choices. This program has also been able to provide free and reduced lunches to those high school students eligible now and into the future.

Due to guidance from the Office of School Nutrition (OSN) at CDE, the high school lunch operation (accounted for in a new fund, Fund 28 for fiscal year 2016-2017) will be separated from the National School Lunch Program accounted for in (Fund 21). This change will ensure that NSLP funding and related expenses are not supporting the high school program. The District has made the necessary changes and will report the high school lunch financials in its own fund effective July 1, 2016.

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, 2015. 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 twenty-eight consecutive years (fiscal years ended 1987-2015). For the third 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, including Jeanette Prock and her accounting team, the payroll department, and Stacy Murray, our accounts payable lead. In addition we would like to thank the staff in the finance and treasurer's office at Douglas County and the staff of RMS US LLP, for their contribution to the preparation of this report. Finally, we would especially like to 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,



Ms. Erin Kane
Interim Superintendent of Schools



Bonnie J. Betz
Chief Financial Officer



Jana Schleusner
Director of Finance



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, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Douglas County School District RE-1

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

***FINANCIAL
SECTION***

Independent Auditor's Report

RSM US LLP

To the Board of Education
Douglas County School District RE.1
Castle Rock, 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 the Douglas County School District RE.1 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain Charter Schools (Academy, American Academy, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, Parker Core Knowledge, North Star Academy, Platte River Academy, DCS Montessori, Sky View Academy, STEM High, Hope On Line Learning Academy Co-Op, Global Village Academy and World Compass Academy), discretely presented component units of the District, which represent all of the assets and 99.9 percent of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District's Charter Schools referred to above, is based solely on the reports 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 referred to above were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, 2016, 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.

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 through 38, the Budgetary Comparison Information and the pension schedules on pages 83 through 89 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements.

The combining individual nonmajor fund financial statements and other schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the reports of other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as 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 December 21, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

RSM US LLP

Denver, Colorado
December 21, 2016

Douglas County School District RE. 1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2016

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, 2016. We encourage readers to consider this narrative in conjunction with additional information furnished in the Letter of Transmittal located on pages 12-20 and the balance of information within this Comprehensive Annual Financial Report (the Report).

Financial Highlights

- The District reports a decrease in "Net Position" of \$1,891,554 over fiscal year 2014-2015 due solely to the posting of the Colorado PERA (Public Employees Retirement Association) liability required pursuant to GASB Statement No. 68. If not for that requirement, the District would have reported an increase in Net Position of just over \$42 million.
 - ◇ We continue to be conservative in estimating tax generated revenues. From 2009 through 2012, consistent with the downturn in the Nation's economy, District specific ownership tax receipts decreased significantly each year. These receipts began to increase again in fiscal year 2012-2013. In fiscal year 2015-2016, due to the continuing economic improvement, the District saw an increase in these revenues of over \$1.76 million from projection. In addition, though State statute allows the District to levy for property tax abatements, we do not budget for these revenues. We levied for about \$1.8 million for abatements and received \$1.23 million. The \$1.23 million in property tax revenues was over and above what we budgeted resulting in an increase in fund balance.
 - ◇ We continue to look for efficiencies in providing health related benefits while still offering a valued benefit to our employees. Fiscal year 2015-2016 marked the second year in which the Short Term Disability Insurance (STDI) benefit was offered within a self-insured plan. For the second year in a row, we were able to maintain premium amounts for both STDI plans (the 50 percent plan provided by the District and a 70 percent Buy-up Plan) and were able to realize an increase in net position of over \$171,000 duplicating fund balance within two years of operating.
 - ◇ In February of 2016, the District refunded the 2009 Certificates of Participation realizing Net Present Value savings of \$648,977. In addition, this pay-off of the 2009 Certificates allowed the release of the reserve funds formerly required. The release of this reserve provided one-time monies of over \$1.1 million that has been allocated to meet capital needs identified in the Master Capital Plan.
 - ◇ The two special revenue funds, Before and After School Enterprise as well as the Nutrition Services Fund that were formerly enterprise funds, contributed about \$1.12 million to the District's net position. For two years in a row, the Nutrition Services Fund has increased its fund balance.
 - ◇ Finally, we are continuing the District policy of allowing schools to carry over discretionary budget dollars into the next fiscal year. Schools have savings of over \$16.9 million in the General Fund. This policy has empowered schools to scrutinize their expenditures without fear of losing unspent 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 2015-2016 by \$475,839,489 (net position) due to the posting of the "Net Pension Liability" (NPL) of \$1,009,453,904 required pursuant to GASB Statement No. 68. The District's portion of PERA's NPL increased by \$105,933,038 over fiscal year 2014-2015. Though the District's dollar amount representing their portion of the NPL increased substantially, the proportionate PERA percentage decreased from 6.67 percent to 6.60 percent.
 - ◇ Effective July 1, 2014 and forward, the District, and all other governments throughout the nation that provide their employees with pension benefits, is required to apply GASB Statement No. 68 to their government-wide financial statements. The fund financial statements are not impacted by this reporting requirement. Fiscal year 2015-2016 marks the second year in which this reporting requirement is in effect. Please refer to Note 9 within the Notes to Financial Statements section of this report starting on page 74.
 - ◇ The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA). PERA administers five separate defined benefit pension trust funds on behalf of various governmental, judicial and PK-12 public education entities. The total unfunded liability reported for all five trust funds was reported as \$27.9 billion or 60.4 percent. All PK-12 districts and charter schools in Colorado are statutorily mandated to participate in the School Division Trust Fund (SCHDTF) of PERA with the exception of Denver Public Schools (DPS) which joined PERA in January of 2010 pursuant to Senate Bill 09-282. DPS has its own separate trust fund within PERA.

Financial Highlights (Continued)

- ◇ PERA has implemented GASB Statement No. 67, “*Financial Reporting For Pension Plans*” – a statement that impacts the administration of pension benefit plans throughout the nation. This Statement requires a financial disclosure methodology moving from the prior funding-based approach to an accounting based approach. The use of the annual required contribution (ARC) as a funding benchmark is no longer required. Instead, this philosophical shift requires the development of a plan-specific actuarially determined contribution (ADC) benchmark against which to gauge the adequacy of Colorado PERA’s statutory contribution rates. As of December 31, 2015, the SCHDTF reports an unfunded liability of \$15.294 billion as of December 31, 2015. Please note that the reported \$1,009,453,904 represents the District’s portion of this liability as of June 30, 2016 (please note the six-month lag from the PERA reporting date of December 31, 2015). This amount represents a slight decrease of 0.07 percent from its proportion measured as of December 31, 2014. This District proportionate share is calculated based on the District’s pension contribution through calendar year 2015 in comparison to all the PK-12 (excluding DPS) entities contribution in that year.
- ◇ It is important to note that the District does not have a responsibility to pay the amount shown as the District’s NPL. The District’s direct liability is limited to the annually required contributions established by the 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 79. A one percent decrease in the discount rate impacts the District’s proportionate share by just under \$300 million.
- ◇ Finally, the impact of applying GASB Statement No. 68 requirements to the District’s government-wide financial statements had previously been considered by the Nation’s various rating agencies. In fiscal year 2015-2016, DCSD was successful in refunding \$12.1 million in Certificates of Participation with Moody’s rating of Aa2 affirmed with a stable outlook. In addition, Fitch Ratings completed a surveillance of DCSD’s financial status and also affirmed their prior rating for GO Bonds at AA+. From the Fitch press release, they reported,

“The 'AA+' rating reflects the district's strong financial operations, spending flexibility, and healthy reserves, which support financial flexibility through economic cycles. Economic and revenue growth prospects are positive, and Fitch expects the liability burden to remain within the moderate range based on capital needs and pension requirements.”

- The government-wide governmental activities liabilities *exclusive* of the Net Pension Liability (NPL) total \$483,366,613 for the period ended June 30, 2016, a decrease from the prior year of \$63,409,385. This decrease is due primarily to the continued pay-off of G.O. Bond indebtedness as well as the refunding of the 2009 Certificates of Participation. 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 District’s governmental funds reported a combined ending fund balance of \$175,804,228. This ending fund balance represents an overall decrease of \$5,473,843 over the prior year primarily due to the drawdown of fund balance in the Bond Redemption Fund as well as in the Building Fund. The drawdown of fund balance in the Bond Redemption Fund is due to the reality of levying for the GO Bond Debt Service in December for the current fiscal year. Our practice has been to levy for the budget amount needed for payments during the fiscal year when the property tax revenues are actually received during the calendar year. The drawdown of fund balance in these two funds was partially offset by the increase in fund balance in the combined general fund. We received about \$1.2 million more than budget in property taxes and about \$1.76 million more in Specific Ownership taxes. In addition, our schools continued to be conservative in discretionary spending and increased their one-time monies over last year by about \$400,000.

Overview of the Financial Statements

The District’s basic financial statements 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’s finances; to assist the reader in their assessment of how the District’s resources are acquired and used; to determine whether current resources were sufficient to meet current costs, and to determine whether the District’s 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

Overview of the Financial Statements (Continued)

provide greater information to the Colorado State Legislature and the District's governmental leadership assisting them in future decisions regarding the School Division Trust Fund associated with PERA.

Government-wide Financial Statements

The statement of net position presents information on all of the District's assets, liabilities, deferred inflows and deferred outflows of resources. 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's 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's 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 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 fifteen (15) schools operating 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 130-136. 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 43-45 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 eight 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 to be major funds. Data from the other five governmental funds; the Nutrition Services Fund, 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.

Governmental Funds (Continued)

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 85, a budgetary comparison statement has been provided for the Combined General Fund to demonstrate compliance with this annually appropriated budget.

Proprietary Funds

The District maintains only one type of proprietary fund, Internal Service Fund. Internal Service Funds are used to accumulate 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), to account for its self-insured medical and short term disability insurance activities.

The Medical Fund and the STDI Fund are governmental funds in which their activities are included in the government-wide financial statements within governmental activities. They are not included in the governmental funds on page 48 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 120-124.

Another fund, the Risk Insurance Fund, which provides services associated with property, liability and self-insured worker's compensation District-wide, is also included within governmental activities but is included as part of the Combined General Fund. Because the Risk Insurance Fund is separately funded through a transfer from the General Fund and not charged against other fund activity, it is not defined as an internal service fund.

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. 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 55 - 82.

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Government-wide Financial Analysis

Net Position

The following table provides a summary of the Governmental net position as of June 30, 2016. Comparative data for June 30, 2015 is also presented. This statement reports that liabilities plus deferred inflows of resources exceeded assets plus deferred outflow of resources by \$475,839,489. This negative net position is solely due to the adoption of GASB Statement No. 68. Note that in comparison to the 2014-2015 data, the District's net position decreased by \$1,891,554. This decrease, however, was only due to the posting of the NPL. As mentioned earlier, the NPL as of June 30, 2016 increased over June 30, 2015 by \$105,933,038 resulting in the net position decrease over the prior year. Again, if we were not required to post the District's proportionate share of PERA's NPL, the net position reported would have been an increase of over \$42 million from June 30, 2015. It is important to understand that the District's financial condition has not deteriorated.

Condensed Statement of Net Position

	Governmental Activities	
	2015-2016	2014-2015
Current and other assets	\$ 216,652,627	\$ 223,617,332
Capital assets	678,722,649	690,753,369
Total assets	895,375,276	914,370,701
Deferred outflows of resources	145,457,850	66,920,262
Current liabilities	80,392,581	94,399,304
Long-term liabilities outstanding	1,412,427,936	1,355,897,560
Total liabilities	1,492,820,517	1,450,296,864
Deferred inflows of resources	23,852,147	4,942,034
Net position:		
Net investment in capital assets	266,307,934	223,953,589
Restricted for:		
TABOR Emergency	15,995,000	15,290,000
Debt Service	53,379,812	70,039,530
Other Funds	5,912,815	17,111,226
Unrestricted	(817,435,050)	(800,342,280)
Total net position	\$ (475,839,489)	\$ (473,947,935)

Note from the table above that the largest portion of the District's assets, about seventy-five percent (75%), reflects investment in capital assets less accumulated depreciation. The largest portion of current assets, predominately cash on hand, is reported in the Combined General Fund and in the Bond Redemption Fund. The Combined General Fund cash balances are held for TABOR and Board of Education required reserves as well as the carry-over balances for schools. Smaller cash balances are reported in the Building Funds restricted to the construction and remodel of schools. Note that the cash balance in the Bond Redemption Fund is available to make the December 1, 2016 debt service payment. Property tax revenues for each fiscal year are largely received in the second semester of the school year usually between March and June though tax receipts continue through December 31 of the following fiscal year.

As of June 30, 2016, the Building Fund, specifically the Certificate of Participation (COP) Building Fund, reported a cash balance of \$5,727,695 which remains from the \$15,000,000 in COP proceeds received in fiscal year 2013-2014. These monies have been designated for the District's most urgent facility reinvestment needs. The remaining funds will continue to be spent down for needed District building repairs and improvements as well as other one-time capital equipment needs. Additional resources in the building funds will require voter approval in a future bond election or approval by the Board of Education to

Government-wide Financial Analysis (Continued)

Net Position (Continued)

sell Certificates of Participation. At this time, the annual lease payment requirement is very near the Board's maximum yearly lease payment amount limiting our ability to sell additional Certificates. This limit is set at 1 percent of annual general fund revenues or about \$5.32 million. We continue to monitor the District capital needs against the available resources and available capacity. As mentioned in the Letter of Transmittal, the LRPC and staff members have been requested to continue to seek community input on the District's Master Capital Plan and associated capital financing options.

Note in the Condensed Statement of Activities below that governmental activity revenues increased \$14,138,919 over 2014-2015 due primarily to student growth and the increase in per pupil revenue of \$256/student associated with the School Finance Act. Note, however, that this increase was mostly borne by the local taxpayer – while the State Equalization revenues decreased by \$4.4 million, property taxes increased by about \$6.5 million. Douglas County saw nearly a 17 percent increase in assessed value for fiscal year 2015-2016. Note, too, the charges for services increase of about \$3 million over 2014-2015. This increase is primarily due to the increase in charter school enrollment as well as about \$1.3 million attributable to the Nutrition Services Fund and the Before and After School Care Fund. The total spend increase of \$30,012,531 is attributable to about 700 new students as well as draw down of fund balance in the Bond Redemption Fund and the Building Fund.

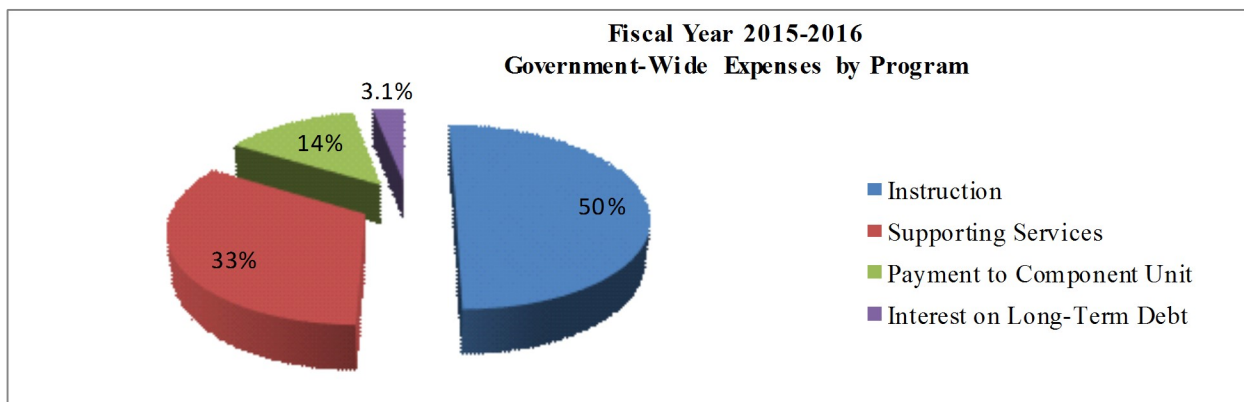
**Condensed Statement of Activities for
Fiscal Years Ended June 30, 2016 and 2015**

	Governmental Activities	
	2015-2016	2014-2015
Revenues:		
Program revenues:		
Charges for Services	\$ 56,412,403	\$ 53,492,483
Operating/capital grants	40,351,338	36,769,664
General revenues		
Property taxes	237,419,629	230,044,555
Specific ownership taxes	22,236,877	21,630,690
State Equalization	288,952,398	293,357,217
Interest earnings	378,573	147,171
Grant Contributions not specific to programs	8,651,744	3,923,209
Other	5,100,762	5,999,816
Total revenues	659,503,724	645,364,805
Expenses:		
Instruction	329,000,833	301,623,918
Supporting services	220,462,709	224,759,449
Payments to component units	91,493,127	80,957,702
Interest on long-term debt	20,438,609	24,041,678
Total expenses	661,395,278	631,382,747
Change in net position	(1,891,554)	13,982,058
NET POSITION, Beginning	(473,947,935)	(487,929,993)
NET POSITION, Ending	\$ (475,839,489)	\$ (473,947,935)

Government-wide Financial Analysis (Continued)

Net Position (Continued)

The chart below as well as the previous “Condensed Statement of Activities” report the majority of spend is in Instruction and that this spend increased by about \$30 million over last year. Also note the increase in payments to component units. This increase is due to the combined impact of student growth and the \$256 increase in PPR.



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 as to maintain transparency and provide accountability.

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 2015-2016 and fiscal year 2014-2015. The accompanying chart graphically shows the proportion of revenues from all the sources for fiscal year 2015-2016. The largest revenue source for the District is received from state and federal intergovernmental sources at \$329,303,736 or 49.7 percent, a decrease of 1.2 percent from the prior year again due to the significant increase in local assessed value which offset the State’s School Finance Act (SFA) contribution.

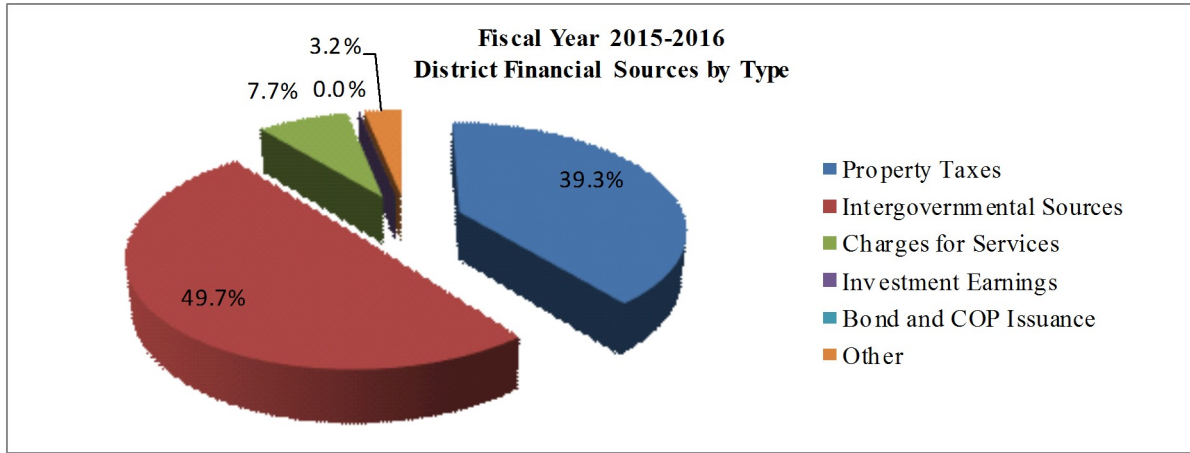
Property taxes represent the next significant source of revenue. The property tax revenue increase is associated with an increase in Specific Ownership Taxes as well as the local property tax portion attributable to the SFA. This property tax increase was net of the \$13,576,762 decrease in property tax revenues in the Bond Redemption Fund required to meet the scheduled decrease in debt service payments associated with the District’s outstanding GO Bonds.

The District also charges its charter schools and students various fees. Recognize here that these charges now include child care tuition and lunch charges in nutrition services. In fiscal year 2015-2016, this amount is \$51,086,322, a slight decrease over last year indicative of decreases in fees associated with the Athletics and Activities Fund as well as in the Combined General Fund.

	2015-2016		2014-2015	
Property Taxes	\$ 260,227,313	39.3%	\$ 252,092,362	38.8%
Intergovernmental Sources	329,303,736	49.7%	330,125,900	50.9%
Charges for Services	51,086,322	7.7%	53,492,483	8.2%
Investment Earnings	363,496	0.1%	140,674	0.0%
Bond and COP Issuance	197,480	0.0%	441,633	0.1%
Other	21,110,554	3.2%	12,803,286	2.0%
	<u>\$ 662,288,901</u>	<u>100%</u>	<u>\$ 649,096,338</u>	<u>100%</u>

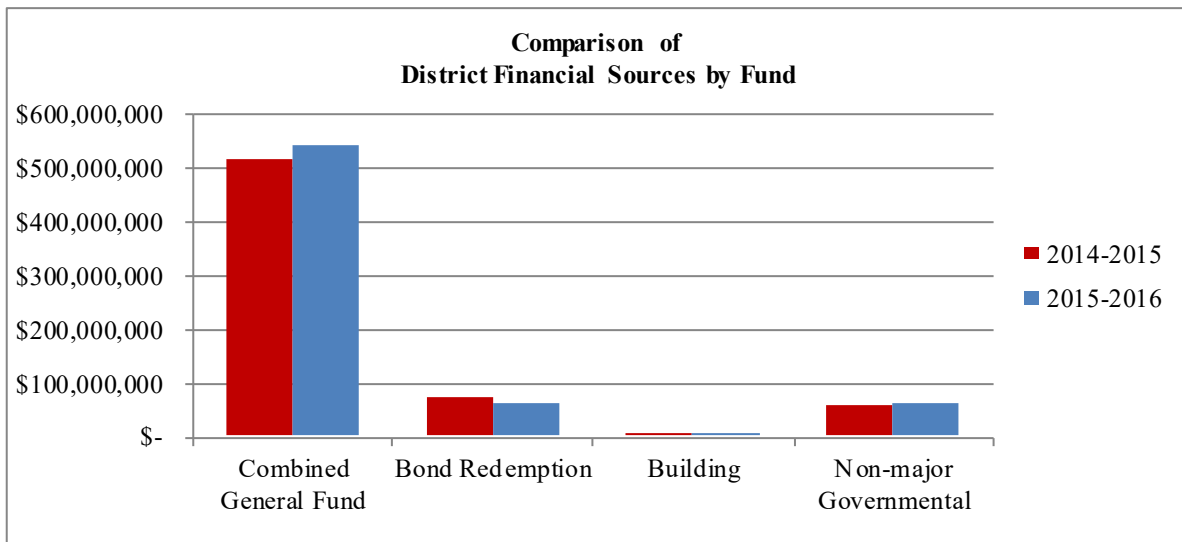
Governmental Fund Financial Analysis (Continued)

Revenues and Other Financing Sources (Continued)



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 that support two non-major governmental funds, the Athletics and Activities Fund and the COP Lease Payment Fund. The Bond Redemption Fund revenues, the second largest reported revenues, are provided through property taxes associated with previous Douglas County School District bond elections, the last one approved in November of 2006.

	2015-2016		2014-2015		Inc/(Dec)
Combined General	\$ 540,842,740	81.7%	\$ 517,090,139	79.7%	\$ 23,752,601
Bond Redemption	60,215,844	9.1%	73,985,507	11.4%	(13,769,663)
Building	27,374	0.0%	17,729	0.0%	9,645
Non-major Governmental	61,202,943	9.2%	58,002,963	8.9%	3,199,980
Total	\$ 662,288,901	100%	\$ 649,096,338	100%	\$ 13,192,563



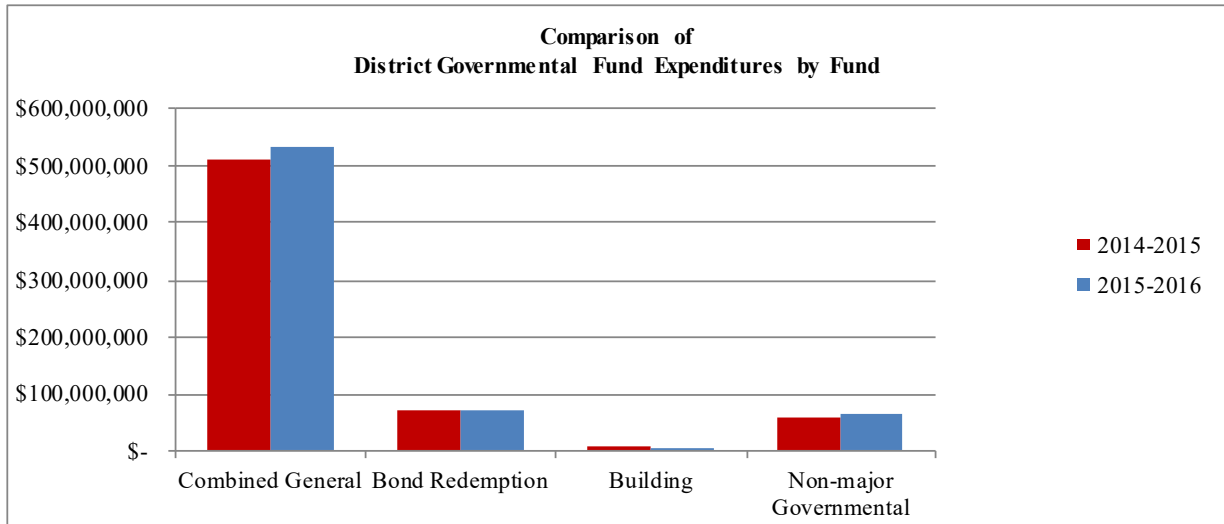
Note that new revenues for the Building Fund were not received in 2015-2016. The Board of Education imposed a policy limit on COP Lease Payment obligations and we have approached that limit. As reported earlier, that limit is described as the annual lease payment shall not exceed 1 percent of annual General Fund revenues.

Governmental Fund Financial Analysis (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 \$26,601,361 due primarily to increases in instructional expense and the increase in payments to component units due to charter school enrollment growth. Two new charter schools opened for fiscal year 2015-2016, Global Village Academy and World Compass Academy.

	2015-2016		2014-2015		Inc/(Dec)
Combined General	\$ 533,136,624	79.8%	\$ 509,650,661	79.5%	\$ 23,485,963
Bond Redemption	69,632,501	10.4%	68,322,921	10.7%	1,309,580
Building	3,371,577	0.5%	5,932,224	0.9%	(2,560,647)
Non-major Governmental	61,622,042	9.2%	57,255,577	8.9%	4,366,465
Total	\$ 667,762,744	100%	\$ 641,161,383	100%	\$ 26,601,361



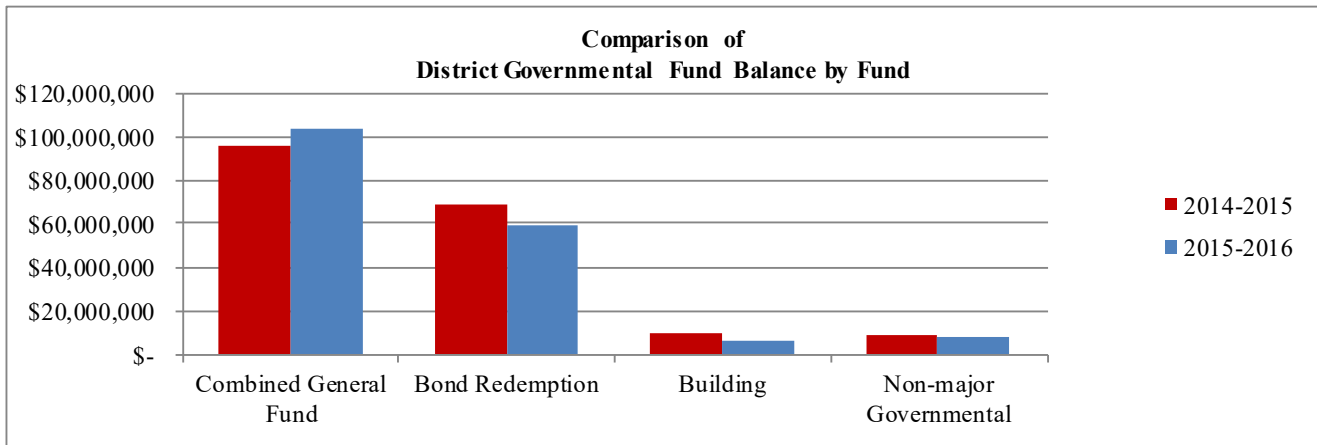
Ending Fund Balances

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$175,804,228, a decrease of \$5,473,843 from the prior year. This decrease is primarily due to a drawdown of resources in the Building Fund as well as the intentional drawdown of the Bond Redemption Fund reflective of the decline in debt service requirements.

	2015-2016		2014-2015		Inc/(Dec)
Combined General	\$ 103,371,715	58.8%	\$ 95,665,599	52.8%	\$ 7,706,116
Bond Redemption	59,084,589	33.6%	68,501,246	37.8%	(9,416,657)
Building	5,727,695	3.3%	9,071,898	5.0%	(3,344,203)
Non-major Governmental	7,620,229	4.3%	8,039,328	4.4%	(419,099)
Total	\$ 175,804,228	100%	\$ 181,278,071	100%	\$ (5,473,843)

Governmental Fund Financial Analysis (Continued)

Ending Fund Balances (Continued)



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. The District’s expenditures were under budget in the Combined General Fund by \$60,490,88. Salary and benefit costs were less than expected and capital needs were largely met by the COP Building Fund resulting in less than expected spend in Fund 43, the Capital Projects Fund. The District schools continue to carefully monitor and review expenditures carrying over discretionary dollars in an amount of about \$18.5 million to include Full Day Kindergarten reserves. These results are consistent with the Board’s policy of allowing schools to carry over dollars so they are spending dollars based on need eliminating the practice of spending out of fear that budget capacity will be lost in the future.

The ending fund balance for the Combined General Fund is \$103,371,715, an increase of \$7.7 million over last year. Of this amount, \$37,321,000 is held in cash reserves meeting the TABOR and Board of Education’s required three (3) percent reserves plus an additional one (1) percent budgeted for contingency pursuant to Board policy. Along with the aggregate ending fund balances of the five (5) sub-funds of the Combined General Fund at \$19,988,969, assignments of \$16 million for school as well as Pay for Performance carryover of \$4,424,202 is reported. The Board approved an ongoing commitment two years ago that any unspent Pay for Performance dollars would be included in the following year’s Pay for Performance budget line. This is the third year in which over \$7 million has been available to all the District’s employees in Pay for Performance monies.

The Pay for Performance plan continues to focus on paying teachers for the extra work they are doing supporting the advancement of the Strategic Plan, *New Outcomes for a New Day*. The Pay for Performance dollars continue to pay teacher stipends compensating teachers for their work creating the Guaranteed and Viable Curriculum standards, new assessments for students to be included in the System Performance Framework, the creation of new professional development classes focused on instructional strategies associated with teaching students 21st century skills, and finally, direct pay for performance bonuses associated with teachers achieving World Class Targets (WCTs) such as Backward Design, Student Advocacy and Restorative Practices. In fiscal year 2015-2016, 111 teachers earned one or more of these WCTs for a total of 166 targets achieved and these bonuses were paid in September of 2016.

The District continues to be very successful in incentivizing students and staff at all of our schools and departments to save energy dollars. Even with allocating out approximately \$150,000 to our schools in incentives, our utility spend was \$558,000 less than budget.

Expenditures and transfers were less than revenues by \$7,706,116. Revenues were greater than budgeted by \$4,160,081 confirming the District’s practice of conservatively estimating revenues. We received greater than budgeted Specific Ownership Taxes, property taxes and we received a one-time settlement of over \$1 million associated with an asset loss occurring back in fiscal year 2009-2010. Also, primarily due to the continued depressed price of gasoline, the Transportation Fund drew down fund balance by only \$359,963 associated with the purchase of additional busses, increases in bus driver pay as well as the construction of an additional bus bay to facilitate the repairs and maintenance of the bus fleet.

As previously mentioned, PPR was increased by \$256/student which combined with vacancy savings and benefit savings allowed the BOE to increase salaries by an average 3 percent and fully funding medical and PERA benefit increases. We are happy to report that all of the new revenue was allocated out on behalf of our teachers and employees of all classes.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for governmental and activities as of June 30, 2016, equaled \$678,722,649, a decrease of \$12,030,720 (net of accumulated depreciation) due to \$27,465,148 of current year depreciation expense. This investment in capital assets includes land, buildings, construction in progress, service vehicles, buses, as well as playground, food preparation, office, and instructional equipment. Additional information on the District's capital assets is provided in Note 4 on page 64.

	Governmental Activities	
	2016	2015
Capital Assets:		
Land	\$ 13,310,241	\$ 13,316,685
Buildings and Improvements	940,276,350	914,194,593
Machinery and Equipment	76,983,325	83,634,711
Construction in Progress	14,310,015	25,948,373
Accumulated Depreciation	(366,157,282)	(346,340,993)
Total Net Capital Assets	\$ 678,722,649	\$ 690,753,369

Long-Term Debt

As of June 30, 2016, the District had outstanding long term debt of \$445,435,901. Of this amount, \$342,249,714 is general obligation (G.O.) bonded debt which is backed by the full faith and credit of the District taxpayers. Please also note the \$48,495,000 in outstanding Certificates of Participation (COP). This decrease of about \$2.0 million was due to the combined result of paying the yearly lease payments as well as benefiting from the 2009 COP refunding. This COP refunding saved the General Fund over \$700,000 in cash with an NPV savings of \$648,978. These savings result in a direct increase in General Fund capacity as the COP lease payments are funded by a transfer from the General Fund. Recall that our COP policy requires that our yearly lease payment liabilities be no more than one percent of yearly general fund revenues. In reviewing the Notes on page 68, we report that our maximum yearly COP Lease payments will be \$4,438,652, an amount well below one percent of about \$532.6 million in General Fund revenues received in fiscal year 2015-2016.

	Governmental Activities			
	June 30, 2016	%	June 30, 2015	%
General Obligation Bonds	\$ 342,249,714	76.8%	\$ 390,608,248	76.6%
Certificates of Participation	48,495,000	10.9%	50,510,000	9.9%
Accreted Interest	7,095,655	1.6%	9,620,808	1.9%
Bond Premiums	35,369,506	7.9%	45,288,506	8.9%
Extended Service Separation	690,888	0.2%	993,426	0.2%
Capital Leases	8,171,653	1.8%	9,206,434	1.8%
Compensated Absences	3,363,485	0.8%	3,473,467	0.7%
Total	\$ 445,435,901	100%	\$ 509,700,889	100%

November, 2006, was the last time District voters authorized the issuance of \$200,000,000 in general obligation (G.O.) bonds to pay the costs associated with the District's Master Capital Plan. Each year this Plan is updated identifying the District's needs for facilities and renovations. Since that time, elections in November of 2008 and November 2011 have failed requiring the District to be more innovative in meeting our facility needs. It is this fact that led to the development of a Certificates of Participation (COP) policy specifying a maximum COP liability towards meeting the District's facility needs. This policy also specifies the circumstances under which the District partners with charter schools to provide needed classroom space.

The \$48,495,000 of outstanding Certificates of Participation (COP) 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 which must be voter approved. The aggregate yearly appropriation to Fund 39, the COP Lease Payment Fund, is just over \$3.4 million as a transfer from the General Fund along with \$809,223 in revenues received from Aspen View Academy. See the Notes on page 69. Aspen View was the first charter school to partner with the District as specified in the Board's COP policy.

Capital Asset and Debt Administration (Continued)

Long-Term Debt (Continued)

The District maintains credit ratings with all three credit agencies as follows: Moody's Investors Services Inc. at Aa1, Fitch, Inc. at AA+, and Standard and Poor's at AA upgraded. Additional information on the District's long-term debt is provided in Note 6 starting on page 66.

At this juncture, identified capital projects are carefully prioritized to determine those with the greatest need or safety concern so that remaining COP building 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 previously mentioned, the LRPC in collaboration with the Fiscal Oversight Committee and Finance and Construction staff continue to be engaged in a community outreach and feedback effort at the request of the Board of Education. The most recent Master Capital Plan, revised to reflect a prioritization system for identifying capital needs, was presented to the Board of Education on June 21, 2016. Please find the details of this report posted at: http://issuu.com/douglascountyschooldistrict/docs/2015-2016_dcsd_master_capital_plan?e=5822777/31707686.

Other Obligations of the District

The District maintains three capital leases that like 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 which is funded by a transfer from the District's General Fund and is included in 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 unrestricted 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 (3) percent plus one (1) percent in a contingency budget to further enhance the sustainability of the District's financial position. This additional Board reserve is assigned 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 the spend and have contributed greatly to the maintenance of this fund balance associated with the Board's policy of allowing 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 3 percent of cash or more of fiscal year spending to use only for declared emergencies. Though Colorado Revised Statutes permit school districts to secure a letter of credit from an investment grade bank for all or a portion of the emergency reserve as long as the Board of Education has filed a letter of intent with the State Treasurer and the Department of Education, the Board has discontinued this practice effective fiscal year 2012-2013. As mentioned above, in addition to the required TABOR Reserve, the Board of Education, by policy, requires an additional 3 percent of yearly spend held in reserve plus a 1 percent budgeted contingency line providing financial stability and available resources to fund any unexpected emergency. You can see on page 48 that the financial statements report the District meets the TABOR and additional Board of Education reserve policy reporting restricted and assigned fund balances of \$15,290,000 and \$20,390,000 respectively.

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Economic Factors and Subsequent Events

- State of Colorado Economy - From the September 2016 Forecasts, Colorado's economy continues to grow but at a much more moderate pace. The State General Fund increased 1.7 percent for this fiscal year, a significant drop from the 9.2 percent growth from a year earlier. The job market in Colorado, however, is tight signaling full employment.

At the end of fiscal year 2016-2017, the General Fund is expected to end with a reserve equal to 3.1 percent of appropriations, \$329.6 million lower than the budgeted 6.5 percent reserve. Decreased expectations for sales and use tax revenue and increased expectations for the amount of General Fund revenue required during both fiscal year 2015-2016 and 2016-2017 to address severance tax refunds pursuant to Senate Bill 16-218 has contributed to the lower forecast from June 2016. Revenue growth for 2017-2018, however, is expected to increase 5.0 percent.

The State School Finance Act, which hasn't been fully funded since fiscal year 2008-2009, has an ongoing "Negative Factor" amount of \$831.1 million translating to approximately \$61.3 million for DCSD. Pursuant to the State's School Finance Act for fiscal year 2015-2016, DCSD's PPR (per pupil revenue) without the Negative Factor, would be \$7,989/student, about \$969 more than the actual PPR of \$7,020.08. With the constraints of TABOR and the Gallagher Amendment, Colorado does not have a sustainable plan to fund increases in Pre-K12 education. Pre-K12 education represents approximately 45 percent of the State's budget. 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's population continues to grow increasing to 328,990 residents as of January 2016. This increase of 21,000 residents represents a growth rate of nearly 7 percent. Indicative of the Nation's economic recovery and Colorado's positive economic growth, unemployment in Douglas County continues to drop and as of December 31, 2016, was reported at 2.6 percent. Employment grew 4.5 percent in Douglas County to over 108,000 workers.
- District Enrollment - The positive economic data reflected above continues to result in increased enrollment in Douglas County Schools. Enrollment continues to grow about 500 to 1,500 students per year and as of October 1, 2016 (fiscal year 2015-2016), the District reported an increase of 600 students to 67,496 students. Remember that kindergarten and special education preschool students are funded at 0.58 FTE and 0.50 FTE respectively and some of the District's high school students attend part time. This enrollment number is inclusive of both charter and neighborhood schools. Currently, charter schools represent approximately 17 percent of the District's funded pupil count. Two new charter schools opened for fiscal year 2015-2016, World Compass and Global Village Academies. Both of these schools added about 600 student seats offsetting the increased enrollment. Additional student enrollment results in greater revenue but also increases in costs associated with the need for new teachers and additional classroom space.
- Fiscal Year 2016-2017 School Finance Act Approved Increases and New District-wide Allocations—In July 2016, the District adopted a budget that includes an increase in per pupil revenue of \$112/student along with increases associated with student growth. In addition, the District committed to an average ongoing raise for all employees of 3.0 percent. The District absorbed the \$0.8 million increase in medical benefit premiums as well as the 0.56 percent increase in the PERA contribution.

Though our student enrollment rate of growth has decreased over the past few years, we continue to see significant growth in special needs students. Due to this growth, we allocated out an additional \$1.5 million to fund these students' needs. Finally, in today's technological environment, and knowing that we must continue to fund replacement of student computer devices, we have moved an ongoing \$500,000 into our ongoing budget transfer from the General Fund to the Capital Projects Fund allowing the continued device refresh process. This budget line is now set at \$1 million annually. We are replacing student devices every six years and though we have allocated out resources to increase our computer network bandwidth to allow students to bring in their own devices, there is still an ongoing need to refresh teacher and student equipment each year.

- Colorado Governors Budget Request for Fiscal Year 2017-2018 - Based on the September 2016 Revenue Forecast, Governor John Hickenlooper submitted his fiscal year 2017-2018 budget request to the Joint Budget Committee. This budget request calls for an average per pupil revenue increase of about \$180/student translating to a \$175/student increase for Douglas County. The Governor's proposed budget includes an increase to the negative factor of about \$43 million to a total of \$876 million. It is important to note that DCSD's continued portion of the negative factor amounts to nearly 64 million per year under this proposal with a cumulative loss over the past seven years of over \$450 million.

The Governor's budget request still needs to be considered by the legislature. In addition, there are numerous legislative triggers needing approval in order for the revenues to be realized for fund the Governor's budget. The new legislative session begins in January of 2017.

Component Units

Only summary information regarding component units appear in the District's financial statements. The District has fifteen component units, all of which are charter schools. This number includes the first year audited financial activity for Global Village and World Compass Academies. 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 on pages 43 and 44 respectively.

After a yearly review of the Douglas County School Foundation financial activities, the District's 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's, shall not be considered a component unit of the District. The Educational Foundation's financial activity, then, 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 District's financial status. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Ms. Bonnie J. Betz, 701 Prairie Hawk Drive, Castle Rock, Colorado 80109.

BASIC FINANCIAL STATEMENTS



Douglas County School District
Learn today. Lead tomorrow.

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Net Position
June 30, 2016

	Primary Government	Component Units
	Governmental Activities	Charter Schools
ASSETS		
Cash and Investments	\$ 136,311,105	\$ 28,938,486
Receivables:		
Property Taxes, Net of Allowance for Uncollectible Taxes	10,738,312	-
Other	3,745,031	2,513,730
Inventories	1,240,623	15,413
Prepaid Costs and Other Assets	244,023	798,954
Restricted Cash and Investments	64,373,533	19,653,740
Capital Assets:		
Non-Depreciable	27,620,256	15,077,807
Depreciable, Net	651,102,393	118,292,945
Total Assets	<u>895,375,276</u>	<u>185,291,075</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	127,267,181	35,369,771
Deferred Amount on Refunding	18,190,718	8,858,994
Total Deferred Outflows of Resources	<u>145,457,899</u>	<u>44,228,765</u>
LIABILITIES		
Accounts Payable	5,752,376	2,348,821
Accrued Compensation	22,475,076	3,459,152
Unearned Revenues	697,382	626,802
Accrued Insurance Claims	5,690,712	-
Accrued Interest Payable	758,591	1,643,883
Non-Current Liabilities:		
Due within One Year	45,018,444	2,705,252
Due in More than One Year:		
Accrued Insurance Claims	2,556,575	-
Other Non-Current Liabilities	400,417,457	166,186,259
Net Pension Liability	1,009,453,904	144,952,487
Total Liabilities	<u>1,492,820,517</u>	<u>321,922,656</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	23,852,147	4,375,277
NET POSITION		
Net Investment in Capital Assets	266,307,934	(18,510,145)
Restricted:		
TABOR Emergency Reserve	15,995,000	3,267,694
Debt Service/Lease Obligation	59,107,507	10,047,426
Building	5,727,695	300,691
Other Grants and Programs	6,847,831	-
Unrestricted (deficit)	<u>(829,825,456)</u>	<u>(91,883,759)</u>
Total Net Position (deficit)	<u>\$ (475,839,489)</u>	<u>\$ (96,778,093)</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Instruction	\$ 329,000,833	\$ 56,412,403	\$ 16,151,384	\$ -
Supporting Services	220,462,709	-	24,199,954	-
Funding to Component Units	91,493,127	-	-	-
Interest on Long-Term Debt	20,438,609	-	-	-
Total Governmental Activities	661,395,278	56,412,403	40,351,338	-
Component Units				
Charter Schools	\$ 119,030,519	\$ 10,772,975	\$ 3,751,365	\$ 2,870,112

GENERAL REVENUES

Property Taxes

Specific Ownership Taxes

State Equalization

Investment Earnings

Grants and Contributions not specific to Programs

Other

Total General Revenues

Change in Net Position

NET POSITION (Deficit), Beginning

NET POSITION (Deficit), Ending

See accompanying notes to the financial statements

Net (Expense) Revenue and
Changes in Net Position (Deficit)

Governmental Activities	Component Units
\$ (258,957,156)	\$ -
(196,262,755)	-
(88,973,017)	-
(20,438,609)	-
<u>(564,631,537)</u>	<u>-</u>
<u>-</u>	<u>(101,636,067)</u>
237,419,629	-
22,236,877	-
288,952,398	88,449,009
378,573	106,780
8,651,744	1,513,403
5,100,762	546,308
<u>562,739,983</u>	<u>90,615,500</u>
(1,891,554)	(11,020,567)
<u>(473,947,935)</u>	<u>(85,757,526)</u>
<u>\$ (475,839,489)</u>	<u>\$ (96,778,093)</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Governmental Funds
Balance Sheet
June 30, 2016

	Combined General	Bond Redemption	Building	Non-Major Governmental	Total Governmental
ASSETS					
Cash and Investments	\$ 119,679,357	\$ -	\$ -	\$ 8,195,518	\$ 127,874,875
Receivables:					
Property Taxes, Net of Allowance for Uncollectible Taxes	9,113,471	1,624,841	-	-	10,738,312
Other	548,491	-	-	3,130,364	3,678,855
Due from Other Funds	1,726,474	-	-	-	1,726,474
Prepaid Costs	141,023	-	-	-	141,023
Inventories, at Cost	593,096	-	-	647,527	1,240,623
Restricted Cash and Investments	-	58,242,189	6,131,344	-	64,373,533
Total Assets	<u>\$ 131,801,912</u>	<u>\$ 59,867,030</u>	<u>\$ 6,131,344</u>	<u>\$ 11,973,409</u>	<u>\$ 209,773,695</u>
LIABILITIES					
Accounts Payable	\$ 4,104,681	\$ -	\$ 403,649	\$ 935,132	\$ 5,443,462
Accrued Compensation	20,991,154	-	-	1,483,922	22,475,076
Due to Other Funds	-	-	-	1,726,474	1,726,474
Unearned Revenues	489,730	-	-	207,652	697,382
Total Liabilities	<u>25,585,565</u>	<u>-</u>	<u>403,649</u>	<u>4,353,180</u>	<u>30,342,394</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	2,844,632	782,441	-	-	3,627,073
FUND BALANCES					
Nonspendable:					
Inventories & Prepaid Costs	734,119	-	-	647,527	1,381,646
Restricted:					
TABOR Emergency Reserve	15,995,000	-	-	-	15,995,000
Restricted Fund Balances	-	59,084,589	5,727,695	6,870,749	71,683,033
Assigned:					
3% Board Reserves & 1% Contingency	21,326,000	-	-	-	21,326,000
Extended Service Severance	690,888	-	-	-	690,888
1% Pay Increase & One-Time Increase for Employees at Max of Salary Range FY 2017	4,000,000	-	-	-	4,000,000
Transfer to Non-Major Governmental Funds	1,271,572	-	-	-	1,271,572
Pay for Performance Carry over	4,424,202	-	-	-	4,424,202
School and Department Carryover	21,383,889	-	-	-	21,383,889
One-Time Allocations to Schools	1,500,000	-	-	-	1,500,000
Full Day Kindergarten Scholarships	250,000	-	-	-	250,000
Master Capital Plan Projects	6,000,000	-	-	-	6,000,000
Future Athletic Facility Renovations	774,812	-	-	-	774,812
Medicaid Grant	1,622,473	-	-	-	1,622,473
Technology - Classroom Devices and Inspired Support	3,950,000	-	-	-	3,950,000
Sub-fund Carryover	18,893,093	-	-	101,953	18,995,046
Unassigned	555,667	-	-	-	555,667
Total Fund Balances	<u>103,371,715</u>	<u>59,084,589</u>	<u>5,727,695</u>	<u>7,620,229</u>	<u>175,804,228</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 131,801,912</u>	<u>\$ 59,867,030</u>	<u>\$ 6,131,344</u>	<u>\$ 11,973,409</u>	<u>\$ 209,773,695</u>

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, 2016

Fund Balances of Governmental Funds		\$ 175,804,228
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.		678,722,649
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.		3,627,073
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.		5,085,372
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	\$ 18,190,718	
Deferred outflows of resources, pension-related amounts	127,267,181	
Deferred inflows of resources, pension-related amounts	<u>(23,852,147)</u>	121,605,752
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	(342,249,714)	
Certificates of Participation	(48,495,000)	
Accreted Interest	(7,095,655)	
Bond Premiums	(35,369,506)	
Accrued Interest Payable	(758,591)	
Net Pension Liability	(1,009,453,904)	
Accrued Insurance Claims Payable	(5,036,167)	
Capital Leases	(8,171,653)	
Extended Service Severance	(690,888)	
Compensated Absences	<u>(3,363,485)</u>	<u>(1,460,684,563)</u>
Net Position (deficit) of Governmental Activities		<u><u>\$ (475,839,489)</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, 2016

	Combined General	Bond Redemption	Building	Non-Major Governmental	Total Governmental
REVENUES					
Property Taxes	\$177,920,563	\$ 60,069,873	\$ -	\$ -	\$237,990,436
Specific Ownership Tax	22,236,877	-	-	-	22,236,877
Intergovernmental	313,152,352	-	-	16,151,384	329,303,736
Charges for Services	22,235,367	-	-	28,850,955	51,086,322
Investment Earnings	190,151	145,971	27,374	-	363,496
Other	11,273,118	-	-	8,773,362	20,046,480
Total Revenue	547,008,428	60,215,844	27,374	53,775,701	661,027,347
EXPENDITURES					
Current:					
Instruction	265,841,914	-	-	33,944,170	299,786,084
Supporting Services	175,801,583	-	-	23,241,847	199,043,430
Funding to Component Units	91,493,127	-	-	-	91,493,127
Capital Outlay	-	-	3,371,577	-	3,371,577
Debt Service/Lease Payments:					
Principal	-	48,358,534	-	2,505,000	50,863,534
Debt Issuance Costs	-	-	-	190,545	190,545
Interest and Fiscal Charges	-	21,273,967	-	1,740,480	23,014,447
Total Expenditures	533,136,624	69,632,501	3,371,577	61,622,042	667,762,744
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,871,804	(9,416,657)	(3,344,203)	(7,846,341)	(6,735,397)
OTHER FINANCING SOURCES (USES)					
Issuance from Refunding of Debt	-	-	-	12,100,000	12,100,000
Refunding Debt Premium	-	-	-	943,790	943,790
Payment to Refunding Escrow Agent	-	-	-	(12,846,310)	(12,846,310)
Compensation for Loss of Asset	1,062,500	-	-	1,574	1,064,074
Transfers In	-	-	-	7,228,188	7,228,188
Transfers Out	(7,228,188)	-	-	-	(7,228,188)
Total Other Financing Sources (Uses)	(6,165,688)	-	-	7,427,242	1,261,554
NET CHANGES IN FUND BALANCES	7,706,116	(9,416,657)	(3,344,203)	(419,099)	(5,473,843)
FUND BALANCES, Beginning	95,665,599	68,501,246	9,071,898	8,039,328	181,278,071
FUND BALANCES, Ending	<u>\$103,371,715</u>	<u>\$ 59,084,589</u>	<u>\$ 5,727,695</u>	<u>\$ 7,620,229</u>	<u>\$175,804,228</u>

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, 2016

Net change in fund balances of governmental funds \$ (5,473,843)

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	\$ 15,481,825	
Depreciation	(27,465,148)	
Loss on Sale of Capital Assets	(47,397)	(12,030,720)

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. (570,808)

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 issuance costs, 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	48,358,534	
Principal Lease Payments - Certificates of Participation	2,505,000	
Issuance of Certificates of Participation	(12,100,000)	
Premiums on Issuance of COP	(943,790)	
Payment to Refunding Escrow Agent	12,846,310	
Change in Accreted Interest	2,525,153	
Change in Accrued Interest	241,229	
Principal Payments Capital Leases	1,034,781	
Amortization of Bond Premium and Deferred Charges	8,075,688	62,542,905

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 Expense	(44,754,722)	
Change in Compensated Absence	109,982	
Change in Extended Service Severance	302,538	
Liability Claims	(1,087,792)	(45,429,994)

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. (929,094)

Change in net position (deficit) of governmental activities \$ (1,891,554)

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Proprietary Fund
Statement of Net Position
June 30, 2016

	Governmental Activities
	<u>Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 8,436,230
Other Receivables	66,176
Prepaid Costs	<u>103,000</u>
Total Assets	<u>\$ 8,605,406</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 308,914
Accrued Insurance Claims	<u>3,211,120</u>
Total Current Liabilities	<u>3,520,034</u>
NET POSITION	
Unrestricted	<u>5,085,372</u>
Total Net Position	<u>5,085,372</u>
Total Liabilities and Net Position	<u>\$ 8,605,406</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, 2016

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Premium Revenue	\$ 42,619,678
Other	17,989
Total Operating Revenue	<u>42,637,667</u>
OPERATING EXPENSES	
Insurance and Claims	42,445,896
Salaries and Benefits	15,935
Purchased Services	932,373
Other	187,634
Total Operating Expenses	<u>43,581,838</u>
OPERATING LOSS	<u>(944,171)</u>
NON-OPERATING REVENUES	
Investment Earnings	15,077
Total Non-Operating Revenues	<u>15,077</u>
CHANGE IN NET POSITION	(929,094)
NET POSITION, Beginning	<u>6,014,466</u>
NET POSITION, Ending	<u>\$ 5,085,372</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, 2016

	Governmental Activities
	Internal Service Funds
	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 42,749,628
Payments to Suppliers	(43,153,124)
Payments to Employees	<u>(15,935)</u>
Net Cash Used by Operating Activities	<u>(419,431)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Earnings on Investments	<u>15,077</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(404,354)
CASH AND CASH EQUIVALENTS, Beginning	<u>8,840,584</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 8,436,230</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (944,171)
Changes in Assets and Liabilities:	
Change in Other Receivables	111,961
Change in Accounts Payable	11,659
Change in Accrued Insurance Claims	<u>401,120</u>
Total Adjustments	<u>524,740</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (419,431)</u></u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fiduciary Funds
Statement of Net Position
June 30, 2016

	Agency Fund 74	Private Purpose Trust Scholarship Fund 75
	<u> </u>	<u> </u>
ASSETS		
Cash and Investments	\$ 1,435,583	\$ 34,312
Total Assets	<u>1,435,583</u>	<u>34,312</u>
LIABILITIES		
Accounts Payable	45,466	-
Assigned Student Related Activities	<u>1,390,117</u>	<u>-</u>
Total Liabilities	<u>\$ 1,435,583</u>	<u>-</u>
NET POSITION		
Held in Trust for Scholarships		<u>34,312</u>
Total Net Position		<u>\$ 34,312</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, 2016

	<u>Private Purpose Trust Scholarship</u>
ADDITIONS	
Contributions	<u>\$ 63,000</u>
Total Additions	<u> 63,000</u>
DEDUCTIONS	
Grants and Scholarships	<u> 70,000</u>
Total Deductions	<u> 70,000</u>
CHANGE IN NET POSITION	(7,000)
NET POSITION, Beginning	<u> 41,312</u>
NET POSITION, Ending	<u><u> \$ 34,312</u></u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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 fifteen separately authorized charters: Academy, American Academy, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, Parker Core Knowledge, North Star Academy, Platte River Academy, DCS Montessori, SkyView Academy, STEM High (Science, Technology, Engineering and Math), Hope On Line Learning Academy Co-Op, Global Village Academy, World Compass Academy, and Parker Performing Arts. Global Village Academy and World Compass Academy are new charter schools that opened in the fall of 2015. Parker Performing Arts is a new charter school scheduled to open in the fall of 2016.

Charter schools are public schools authorized by the State of Colorado 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, except Parker Performing Arts, are available at each school location and online. Parker Performing Arts received an exception for their first year audit requirement from the Colorado Office of the State Auditor.

Joint Venture (Parker Joint Service Facility) - In September 1991, the District and the Parker Fire Protection District (Parker Fire) 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's Board and the governing body of Parker Fire. The District's 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 Parker Fire. 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, 2016

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 1) 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 2) 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's 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, pensions, 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's 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 all 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. This fund is presented as major for public interest purposes.

Non-major governmental funds:

The *Nutrition Services Fund*, accounts for the financial resources that are restricted for activities associated with the District's school lunch program.

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 that are restricted for activities associated with athletics and other Colorado High School Activities Association (CHSAA) governed programs.

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.

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 as well as other employee 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, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deposits and Investments

The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments. All pooled cash investment income is allocated to the general fund.

As of June 30, 2016, the District's investments consist of money market funds and investment in an external investment pool - Colorado Surplus Asset Fund (CSAFE). The money market funds are reported at amortized cost. The external investment pool, CSAFE, is not SEC registered and is regulated by the State of Colorado and is reported at amortized cost pursuant to the criteria set forth in GASB Statement No. 79.

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.

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 fair market value at the date of donation.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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

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:

Assets	Years
Buildings	50
Building improvements	20 - 40
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 of unearned grant proceeds and unearned tuition or fees.

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 two 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 using a method which approximates the effective interest method. 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 proportionate share 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.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category.

Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet as unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item included in this category is the pension-related deferred inflow of resources reported on the government-wide statement of net position. These deferred inflows result from the difference between expected and actual experience, the changes in assumptions of 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. Unused sick leave 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, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 in accordance with GASB Statement No. 54:

Non-spendable - 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. As of June 30, 2016 the District has no committed amounts.

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 amounts that have not been assigned to other funds, restricted, or assigned to a specific purpose within the General Fund and negative fund balances in other governmental funds.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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)

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 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 of \$5,727,695. 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 other governments. As of June 30, 2016, the District has \$15,995,000 and the charter schools have \$3,267,694 restricted for TABOR emergency reserves, which is restricted by enabling legislation.

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.

NOTE 2: DEPOSITS AND INVESTMENTS

At June 30, 2016, deposits and investments were reported in the financial statements as follows:

Governmental Activities *	\$	200,684,638
Private Purpose Trust Scholarship		34,312
Agency		<u>1,435,583</u>
Total	\$	<u><u>202,154,533</u></u>

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

Cash and investments at June 30, 2016, consisted of the following:

Deposits	\$	31,479,206
Cash on Hand		33,750
Investments		<u>170,641,577</u>
Total	\$	<u><u>202,154,533</u></u>

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)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, 2016, all of the District bank deposits, except \$2,928,913, 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:

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

At June 30, 2016, the District had the following investments:

Investment Type	Amortized Cost	S&P Credit Ratings
Money Market Funds	\$ 171,123	Not rated
Investment Pool	170,470,454	AAAm
	\$ 170,641,577	

Local Government Investment Pools - At June 30, 2016, the District had dollars invested in local government investment pools with \$170,470,454 invested in CSAFE, Colorado Surplus Asset Fund.

CSAFE 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. CSAFE was formed in 1988 and is an original Colorado local government investment pool developed by Colorado local governments for Colorado local governments. CSAFE'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. CSAFE 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, CSAFE pools and invests the funds of Colorado local government participants within the investment policies and limitations set forth in CSAFE's Indenture of Trust and C.R.S. §24-75-601, *et seq.* Participants include municipalities, counties, school districts and special districts.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)Investments (Continued)

CSAFE is structured to be a stable value investment pool to meet the investment needs of local governments in Colorado. CSAFE will follow strict guidelines to maintain a AAAM credit rating from Standard & Poor's (S&P). The portfolio will be priced by a third party entity (US Bank N.A.) each week to calculate its net position value. Davidson Fixed Income Management, Inc. (DFIM) will independently research each security in the portfolio to ensure compliance with all regulations and rating requirements, and to implement a high level of due diligence. CSAFE's investment policy is designed with a priority given to safety of principal. CSAFE will invest primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, AAAM rated money market funds, approved Colorado Banks and highly rated commercial paper. Asset allocation will be in full conformance with S&P AAAM credit rating guidelines. CSAFE's investments will conform to its Permitted Investments and is structured to meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool. The weighted average maturity of the portfolio shall not exceed 60 days per S&P guidelines. CSAFE seeks to maintain, but does not guarantee, a net asset value at \$1.00 per share.

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).

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.

NOTE 3: INTER-FUND BALANCES AND TRANSFERS

Inter-fund balances are created when there is a liability of one fund due to another fund. Inter-fund balances for the year ended June 30, 2016, were composed of the following:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Grant Fund	General Fund	\$ 1,726,474

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, 2016 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	COP Lease Payment Fund	\$ 1,910,782
General Fund	Student Athletics & Activities Fund	5,317,406
	<u>Total</u>	<u>\$ 7,228,188</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 3: INTER-FUND BALANCES AND TRANSFERS (Continued)

All transfers were made from the General Fund to support the operations of various other funds that statute or budget requires to expend them.

NOTE 4: CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities					
Land	\$ 13,316,685	\$ -	\$ (6,444)	\$ -	\$ 13,310,241
Construction in Progress (CIP)	25,948,373	8,203,621	-	(19,841,979)	14,310,015
Total Capital Assets (Not Depreciated)	39,265,058	8,203,621	(6,444)	(19,841,979)	27,620,256
Buildings and Improvements	914,194,593	1,745,696	-	24,336,061	940,276,350
Machinery and Equipment	83,634,711	5,532,508	(7,689,812)	(4,494,082)	76,983,325
Total Depreciable Capital Assets	997,829,304	7,278,204	(7,689,812)	19,841,979	1,017,259,675
<u>Accumulated Depreciation</u>					
Building and Improvements	(286,615,663)	(20,355,342)	-	(2,823,249)	(309,794,254)
Machinery and Equipment	(59,725,330)	(7,109,806)	7,648,859	2,823,249	(56,363,028)
Total Accumulated Depreciation	(346,340,993)	(27,465,148)	7,648,859	-	(366,157,282)
Net Depreciated Capital Assets	651,488,311	(20,186,944)	(40,953)	19,841,979	651,102,393
Net Capital Assets with Land and CIP	<u>\$ 690,753,369</u>	<u>\$ (11,983,323)</u>	<u>\$ (47,397)</u>	<u>\$ -</u>	<u>\$ 678,722,649</u>

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 4: CAPITAL ASSETS (Continued)

For the year ended June 30,2016, depreciation expense was charged to functions of the District as follows:

Governmental Activities:

Instruction	\$ 3,083,860
Supporting Services	<u>24,381,288</u>
Total	<u>\$ 27,465,148</u>

**Discretely Presented Component Units-
Charter Schools**

	June 30, 2015	Additions	Deletions	June 30, 2016
Land	\$ 13,866,001	\$ 325,000	\$ -	\$ 14,191,001
Construction in Progress (CIP)	<u>320,572</u>	<u>662,907</u>	<u>(96,673)</u>	<u>886,806</u>
Total Capital Assets (Not Depreciated)	<u>14,186,573</u>	<u>987,907</u>	<u>(96,673)</u>	<u>15,077,807</u>
Buildings and Improvements	120,455,113	18,893,234	(275,000)	139,073,347
Machinery and Equipment	<u>5,926,264</u>	<u>584,914</u>	<u>(574,036)</u>	<u>5,937,142</u>
Total Depreciable Capital Assets	<u>126,381,377</u>	<u>19,478,148</u>	<u>(849,036)</u>	<u>145,010,489</u>
Accumulated Depreciation:				
Buildings and Improvements	(18,095,471)	(3,471,647)	-	(21,567,118)
Machinery and Equipment	<u>(4,599,997)</u>	<u>(1,060,739)</u>	<u>510,310</u>	<u>(5,150,426)</u>
Total Accumulated Depreciation	<u>(22,695,468)</u>	<u>(4,532,386)</u>	<u>510,310</u>	<u>(26,717,544)</u>
Net Depreciated Capital Assets	<u>103,685,909</u>	<u>14,945,762</u>	<u>(338,726)</u>	<u>118,292,945</u>
Net Capital Assets with Land and CIP	<u>\$ 117,872,482</u>	<u>\$ 15,933,669</u>	<u>\$ (435,399)</u>	<u>\$ 133,370,752</u>

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, 2016 are recorded in the funds as follows:

Governmental Activities:

Combined General Fund	\$ 20,991,154
Non-major Governmental Funds	<u>1,483,922</u>
Total	<u>\$ 22,475,076</u>

Accrued compensation for the charter schools as of June 30, 2016, is \$3,459,152.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 6: LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Additions	Payments	Balance June 30, 2016	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 390,608,248	\$ -	\$ 48,358,534	\$ 342,249,714	\$ 37,190,142
Certificates of Participation	50,510,000	12,100,000	14,115,000	48,495,000	2,980,000
Accreted Interest	9,620,808	2,055,726	4,580,879	7,095,655	2,986,366
Bond Premiums	45,288,506	943,790	10,862,790	35,369,506	-
Extended Service Separation	993,426	-	302,538	690,888	100,000
Capital Leases	9,206,434	-	1,034,781	8,171,653	1,131,936
Compensated Absences	3,473,467	579,374	689,356	3,363,485	630,000
Total	<u>\$ 509,700,889</u>	<u>\$ 15,678,890</u>	<u>\$ 79,943,878</u>	<u>\$ 445,435,901</u>	<u>\$ 45,018,444</u>

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 6: LONG-TERM LIABILITIES (Continued)

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.

G.O. Bonds and COPs outstanding at June 30, 2016, consist of the following:

\$158,920,000 G.O. Refunding Bonds, Series 2004B; interest ranging from 2% to 5% payable semiannually; principal payable annually beginning December 2005. The final payment is due December 2016. A portion of these bonds was refunded in fiscal year 2015.	\$ 22,565,000
\$11,900,000 G.O. Refunding Bonds, Series 2005A; yielding 2.05% to 3.85% with interest ranging from 3% to 5.5% payable semiannually; principal payable annually beginning December 2005. The final payment is due December 2016.	2,425,000
\$44,115,000 G.O. Refunding Bonds, Series 2006A; yielding 3.57% to 4.01% with interest ranging from 4% to 5% payable semiannually; principal payable annually beginning December 2007. The final payment is due December 2016.	575,000
\$147,635,000 G.O. Improvement Bonds, Series 2006B; interest ranging from 3.45% to 5% payable semiannually; principal payable annually with the exception of years 2012-2013 beginning December 2009. The final payment is due December 2016. A portion of these bonds was refunded in fiscal years 2011 and 2012.	5,625,000
\$2,599,949 G.O. Capital Appreciation Bonds, Series 2007A; yielding 3.8% to 4.26%; interest compounds semiannually; principal payable annually beginning December 2012. The final payment is due December 2017.	479,714
\$13,945,000 G.O. Refunding Bonds, Series 2007B; interest ranging from 4% to 5% payable semiannually; principal payable annually beginning December 2017. The final payment is due December 2018. A portion of these bonds was refunded in fiscal year 2012.	13,945,000
\$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.	79,135,000

(Continue on next page)

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 6: LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

\$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. 81,980,000

\$560,000 G.O. Capital Appreciation Bonds, Series 2010; yielding 2.25% to 2.5%; interest compounds semiannually; principal payable annually beginning December 2016. The final payment is due December 2017. 560,000

\$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. 68,850,000

\$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. 30,450,000

\$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. 35,560,000

Total General Obligation Bonds \$ 342,249,714

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 6: LONG-TERM LIABILITIES (Continued)

Certificates of Participation

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

\$13,830,000 Certificates of Participation, Series 2006, interest ranging from 4% to 4.75% payable semiannually; principal payable annually beginning December 2008. The final payment is due December 2016. A portion of these certificates were refunded in fiscal year 2015. \$ 1,050,000

\$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. 15,250,000

\$15,000,000 Certificates of Participation, Series 2014; interest ranging from 2% to 3.97% payable semiannually; principal payable annually beginning January 2015. The final payment is due January 2034. 13,750,000

\$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 January 2021. 6,345,000

\$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. 12,100,000

Total Certificates of Participation \$ 48,495,000

Capital Leases

Copier equipment lease beginning July 2012 in the amount of \$2,065,487. Monthly payments including interest at 2.5% are due beginning August 2012. The final payment is due June 2017. \$ 574,969

Energy Performance Capital Lease Phase I beginning March 2013 in the amount of \$5,571,226. Semi-annual payments ranging from \$224,381 to \$371,610 are due beginning September 2013, including interest at 2%. Final payment is due March 2023. 4,334,633

Energy Performance Capital Lease Phase II beginning in March 2014 in the amount of \$3,530,800. Semi-annual payments ranging from \$113,039, to \$281,152 are due beginning September 2014, including interest at 2.83%. The final payment is due September 2027. 3,262,051

Total Capital Leases \$ 8,171,653

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 6: LONG-TERM LIABILITIES (Continued)**Capital Leases (Continued)**

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

Equipment (energy performance contracts)	\$	15,238,635
Less: Accumulated Depreciation		1,882,024
Total	\$	<u>13,356,611</u>

Accreted Interest

Accreted compound interest on capital appreciation bonds, due and payable upon final payment of each respective bond.	\$	<u>7,095,655</u>
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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, 2016:

General Obligation Bonds

June 30,	Principal	Interest	Total
2017	37,190,142	17,464,551	54,654,693
2018	32,624,572	18,758,742	51,383,314
2019	35,745,000	11,247,350	46,992,350
2020	29,890,000	9,935,900	39,825,900
2021	35,235,000	8,572,731	43,807,731
2022-2026	120,785,000	27,479,263	148,264,263
2027-2031	50,780,000	3,442,025	54,222,025
Total	\$ 342,249,714	\$ 96,900,562	\$ 439,150,276

Certificates of Participation

June 30,	Principal	Interest	Total
2017	2,980,000	1,458,652	4,438,652
2018	3,005,000	1,451,555	4,456,555
2019	3,075,000	1,378,555	4,453,555
2020	3,150,000	1,303,805	4,453,805
2021	3,225,000	1,227,355	4,452,355
2022-2026	11,935,000	5,062,988	16,997,988
2027-2031	12,695,000	2,971,146	15,666,146
2032-2036	7,435,000	887,856	8,322,856
2037-2041	995,000	34,825	1,029,825
Total	\$ 48,495,000	\$ 15,776,737	\$ 64,271,737

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 6: LONG-TERM LIABILITIES (Continued)

Capital Lease

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	1,131,936	197,137	1,329,073
2018	850,051	161,352	1,011,403
2019	782,311	143,742	926,053
2020	835,987	126,118	962,105
2021	892,823	107,235	1,000,058
2022-2026	3,000,470	262,420	3,262,890
2027-2031	678,075	20,297	698,372
Total	<u>\$ 8,171,653</u>	<u>\$ 1,018,301</u>	<u>\$ 9,189,954</u>

Current and Advance Refunding Debt

In March 2016, the District issued refunding certificates of participation in the amount of \$12,100,000 at an interest rate of 3 percent for the purpose of advance refunding COP Series 2009. This refunding was undertaken to reduce total debt service payments by \$648,977 and resulted in an economic gain of \$770,903.

The net proceeds of this refunding were deposited in an irrevocable trust with escrow agent to provide for all future debt service payments on these COPs. As a result, these certificates are defeased and the liability for these certificates have been removed from the government-wide statement of net position. The advanced refunding resulted in a difference between the reacquisition price in the net carrying amount of the old debt of \$1,040,977 (a deferred gain).

Defeased Debt

In the current and prior years, the District issued various refunding certificates of participation and general obligation refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds and certificates are considered to be defeased, and the liability has been removed from the financial statements. At June 30, 2016, the outstanding balance of the defeased debt was \$170,613,645.

Employee Compensation

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 \$5.5 million was paid out in October of the past three years (2012-2016) leaving a liability of \$690,888. 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.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 6: LONG-TERM LIABILITIES (Continued)**Charter School Debt and Capital Lease Activity**

Charter school debt and lease activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Payments	Balance June 30, 2016	Due Within One Year
<u>Charter Schools:</u>					
Loans	\$ 134,963,544	\$ 76,680,000	\$ (50,414,544)	\$ 161,229,000	\$ 2,409,297
Capital Lease	6,364,304	-	(358,526)	6,005,778	276,050
Discount	(311,741)	-	146,487	(165,254)	-
Premium	281,106	1,574,767	(164,765)	1,691,108	-
Compensated Absences	39,716	89,557	(19,364)	130,879	19,905
	<u>\$ 141,336,929</u>	<u>\$ 78,344,324</u>	<u>\$ (50,810,712)</u>	<u>\$ 168,891,511</u>	<u>\$ 2,705,252</u>

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, Hope Online leases software under a capital lease. Minimum lease payments, to maturity for capital leases and loans, are as follows:

Year Ended June 30,	Principal	Interest	Total
2017	\$ 2,705,252	7,062,979	\$ 9,768,231
2018	3,609,523	7,297,673	10,907,196
2019	3,717,185	7,165,383	10,882,568
2020	3,828,424	7,026,694	10,855,118
2021	4,001,635	6,878,458	10,880,093
2022-2026	53,670,782	31,263,604	84,934,386
2027-2031	29,383,996	19,517,234	48,901,230
2032-2036	25,240,714	14,018,224	39,258,938
2037-2041	17,274,000	8,377,547	25,651,547
2042-2046	14,595,000	4,688,262	19,283,262
2047-2051	10,734,121	1,106,650	11,840,771
Total	<u>\$ 168,760,632</u>	<u>\$ 114,402,708</u>	<u>\$ 283,163,340</u>

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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

Charter School operating lease expenses for the year ending June 30, 2016 are \$2,107,140.

Charter School Long Term Lease Commitments

Year Ended June 30,	Total
2017	\$ 2,912,930
2018	3,008,156
2019	3,118,945
2020	2,790,519
2021	2,824,524
2022-2026	13,845,805
2027-2031	10,194,476
2032-2036	10,258,004
2037-2041	5,749,021
2042-2046	5,578,660
	<u>\$ 60,281,040</u>

NOTE 7: SHORT-TERM DEBT

During the fiscal year ended June 30, 2016, the District borrowed \$21,000,000 from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year. None of the amount borrowed was outstanding as of June 30, 2016.

NOTE 8: RISK MANAGEMENT

The deductible for all perils, except 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 \$350,000 per person per occurrence and \$990,000 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 four 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.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 8: RISK MANAGEMENT (Continued)

The following represents the change in the claims liability for the District during the fiscal year ended June 30, 2016.

	Property/Workers		
	Medical	Compensation	Total
Claims Liability June 30, 2013	\$ 3,070,960	\$ 3,379,464	\$ 6,450,424
Claims Incurred and Adjusted	19,051,675	2,349,913	21,401,588
Claims Payments	(19,722,635)	(1,970,273)	(21,692,908)
Claims Liability June 30, 2014	2,400,000	3,759,104	6,159,104
Claims Incurred and Adjusted	22,974,047	1,805,913	24,779,960
Claims Payments	(22,564,047)	(1,616,642)	(24,180,689)
Claims Liability June 30, 2015	2,810,000	3,948,375	6,758,375
Claims Incurred and Adjusted	24,550,075	2,694,557	27,244,632
Claims Payments	(24,148,955)	(1,606,765)	(25,755,720)
Claims Liability June 30, 2016	\$ 3,211,120	\$ 5,036,167	\$ 8,247,287

The District's property and workers' compensation activity is reported within the Risk Insurance Fund, a subfund of 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 \$3,211,120 is reported within the Medical Fund as a current liability.

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 fund 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 that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided - 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 9: PENSION PLAN (Continued)

Defined Benefit Pension Plan (Continue)

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit .
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 9: PENSION PLAN (Continued)

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

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
Employer Contribution Rate	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(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	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. §24-51-411 ¹	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF	17.33%	18.13%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$54.5 million for the year ended June 30, 2016.

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

At June 30, 2016, the District reported a liability of \$1,009,453,904 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of PERA's net pension liability was based on the District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District proportion was approximately 6.60 percent, which was a decrease of approximately 0.07 percent from its proportion measured as of December 31, 2014.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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

For the year ended June 30, 2016, the District recognized pension expense of \$44,754,722. At June 30, 2016, 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	\$13,330,629	\$42,045
Changes of assumptions or other inputs	-	\$14,266,534
Net difference between projected and actual earnings on pension plan investments	\$85,990,211	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	\$9,543,568
Contributions subsequent to the measurement date	\$27,946,341	N/A
Total	\$127,267,181	\$23,852,147

\$27,946,341 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, 2017. Deferred inflows and outflows of resources, except for differences between actual and expected investment earnings, are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. The deferred outflows related to the difference between expected and actual investment earnings is being amortized over a closed 5-year period. 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:	Outflows	Inflows
2016	\$27,845,661	\$9,686,635
2017	27,845,661	9,137,512
2018	26,027,848	5,028,000
2019	17,601,670	
Total	\$99,320,840	\$23,852,147

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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

Actuarial assumptions - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increases including wage inflation	3.90—10.10%
Long-term investment Rate of Return, net of pension plan	7.50%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00%
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011 adopted by PERA's Board on November 13, 2012, and an economic assumption study adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target 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	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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

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 7.50 percent.

Discount rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and 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. Based on those assumptions, 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior 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 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$1,308,613,576	\$1,009,453,904	\$760,702,541

Defined Contribution Pension Plan**Voluntary 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, 2016 program members contributed \$5,722,492.

Other Post Employment Benefits**Health Care Trust Fund**

Plan Description - The District contributes to the Health Care Trust Fund (HCTF), a cost sharing multiple employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and 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 health

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 9: PENSION PLAN (Continued)

Other Post Employment Benefits (Continued)

Health Care Trust Fund (Continued)

care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2014, 2015 and 2016, the District contributions to the HCTF were \$2,776,357, \$2,974,543 and \$3,184,844, respectively, equal to their required contributions for each year.

NOTE 10: 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 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, 2016, 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, 2016, the District had contractual commitments for the construction of various major capital projects and facilities of \$1,538,887. Certificates of participation, 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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 10: COMMITMENTS AND CONTINGENCIES (Continued)**TABOR Amendment (Continued)**

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, 2016, the District and charter school reserves of \$15,995,000 and \$3,267,694 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 11: NEW GASB PRONOUNCEMENTS FOR FUTURE IMPLEMENTATION

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situation, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the District beginning with its fiscal year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.

GASB Statement No. 82, *Pension Issues*, issued April 2016, will be effective for the District beginning with its fiscal year ending June 30, 2017. Statement No. 82 is designed to improve consistency in the application of the pension standards by clarifying or amending related areas of existing guidance with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 11: NEW GASB PRONOUNCEMENTS FOR FUTURE IMPLEMENTATION (Continue)

The District's management has not yet determined the effect these Statements will have on the District's financial statements, although management believes that GASB Statement No. 75 will have a significant impact on the government-wide financial statements.

NOTE 12: SUBSEQUENT EVENT

On August 31, 2016, Colorado Educational and Cultural Facilities Authority (CECFA) issued \$27,570,000 Charter School Revenue Bonds, Series 2016. Bond proceeds were loaned to the American Academy Corporation to acquire and construct a new school campus. Interest accrues on the outstanding balance of the bonds at 4.05 percent per annum, and is payable semi-annually on December 1 and June 1. Principal is payable annually beginning December 1, 2019, with a balloon payment of \$23,240,000 due on December 1, 2026. In conjunction, the Academy entered into a lease agreement that requires monthly payments to the Corporation for using the new campus. The Corporation is required under a loan agreement to make equal payments to the trustee, for payment of the bonds.

On August 31, 2016, Aspen View Academy Building Corporation, a discretely presented component unit, obtained a bank loan for \$3,000,000 to purchase a modular building. The loan bears interest at 5.5 percent per annum. Monthly principal and interest payments of \$6,742 are required by the loan agreement from October 1, 2016, through September 1, 2021.

***REQUIRED
SUPPLEMENTARY
INFORMATION***



Douglas County School District
Learn today. Lead tomorrow.

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	2016			Variance with Budget
	Adopted Budget	Amended Budget	Actual	
REVENUES				
Taxes:				
Local Property Taxes	\$ 165,575,693	\$ 176,687,219	\$ 177,920,563	\$ 1,233,344
Specific Ownership Taxes	20,791,268	20,473,661	22,236,877	1,763,216
Total Taxes	<u>186,366,961</u>	<u>197,160,880</u>	<u>200,157,440</u>	<u>2,996,560</u>
Intergovernmental State Funding:				
State Equalization	307,806,847	290,719,612	288,952,398	(1,767,214)
Special Education	10,896,206	11,129,985	11,323,379	193,394
Vocational Education	594,171	594,171	474,907	(119,264)
Other	10,232,564	10,538,597	12,401,668	1,863,071
Total Intergovernmental State Funding	<u>329,529,788</u>	<u>312,982,365</u>	<u>313,152,352</u>	<u>169,987</u>
Other:				
Investment Income	60,000	60,000	190,151	130,151
Charges for Services	26,095,141	26,284,374	22,235,367	(4,049,007)
Other	3,763,814	6,360,728	11,273,118	4,912,390
Total Other	<u>29,918,955</u>	<u>32,705,102</u>	<u>33,698,636</u>	<u>993,534</u>
Total Revenue	<u>545,815,704</u>	<u>542,848,347</u>	<u>547,008,428</u>	<u>4,160,081</u>
EXPENDITURES				
Current Operating:				
Instructional Services	279,616,842	303,660,478	265,841,914	37,818,564
Supporting Services:				
Pupil Support Services	73,288,258	81,534,627	76,054,412	5,480,215
Operations and Maintenance	69,672,677	75,767,264	59,267,434	16,499,830
Central Supporting Services	34,250,556	40,907,611	40,479,737	427,874
Payments to Component Units	96,453,649	91,757,526	91,493,127	264,399
Total Expenditures	<u>553,281,982</u>	<u>593,627,506</u>	<u>533,136,624</u>	<u>60,490,882</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(7,466,278)</u>	<u>(50,779,159)</u>	<u>13,871,804</u>	<u>64,650,963</u>
OTHER FINANCING (USES)				
Compensation for Loss of Asset	-	-	1,062,500	1,062,500
Transfers Out	(3,460,407)	(2,602,045)	(7,228,188)	(4,626,143)
Total Other Financing (Uses)	<u>(3,460,407)</u>	<u>(2,602,045)</u>	<u>(6,165,688)</u>	<u>(3,563,643)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (10,926,685)</u>	<u>\$ (53,381,204)</u>	<u>7,706,116</u>	<u>\$ 61,087,320</u>
FUND BALANCE, Beginning			<u>95,665,599</u>	
FUND BALANCE, Ending			<u>\$ 103,371,715</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				
	2016	2015	2014	2013	2012
Contractually required contributions	\$ 54,485,818	\$ 50,888,022	\$ 47,497,483	\$ 42,826,213	\$ 39,173,651
Contributions in relation to the contractually required contribution	54,485,818	50,888,022	47,497,483	42,826,213	39,173,651
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	266,312,420	293,267,118	281,267,898	275,020,795	265,598,444
Contributions as a percentage of covered-employee payroll	20.46%	17.35%	16.89%	15.57%	14.75%

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

2011	2010	2009	2008	2007
\$ 37,768,910	\$ 34,488,384	\$ 33,194,527	\$ 29,263,121	\$ 27,136,935
37,768,910	34,488,384	33,194,527	29,263,121	27,136,935
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 271,163,890	\$ 290,261,702	\$ 301,181,102	\$ 286,587,226	\$ 255,542,444
13.93%	11.88%	11.02%	10.21%	10.62%

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

Douglas County School District Re. 1
Schedule of the District's Proportionate
Share of Net Pension Liabilities
Last Two Calendar Years

	2014	2015
District's proportion of the net pension liability (asset)	6.664%	6.601%
District's proportionate share of the net pension liability (asset)	\$ 903,520,866	\$ 1,009,505,041
District's covered-employee payroll	\$ 249,141,046	\$ 256,750,149
District's proportionate share of the net pension liability(asset) as a percentage of its covered-employee payroll	362.65%	393.19%
Plan fiduciary net position as a percentage of the total pension liability	62.84%	59.16%

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

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

NOTE 1: BUDGET COMPLIANCE WITH COLORADO STATE LAW**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America (U.S. GAAP) for all funds. The budgetary comparison schedules included for the Combined General Fund as well as the other fund schedules included in the Supplementary Information are presented on a U.S. GAAP basis.

Budgets are required by state law for all funds. During May, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. Public hearings are conducted by the Board of Education to obtain taxpayer comments. Prior to June 30, the budget is adopted by formal resolution. Revisions are allowed until the final budget is adopted on or before January 31. After this date, the Board may adopt a supplemental budget if additional revenue becomes available.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the Combined General Fund rests with the Superintendent of Schools and/or his or her delegate. Revisions that alter the total expenditures of any fund must be approved by the Board of Education through a formal resolution.

NOTE 2: PENSION PLAN CONTRIBUTIONS

The District is required to contribute to PERA as provided under Senate Bill (SB) 10-001. The Districts required contribution rates are as follows:

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2010	10.15%	2.20%	1.50%	13.85%
Jan 2011	10.15%	2.60%	2.00%	14.75%
Jan 2012	10.15%	3.00%	2.50%	15.65%
Jan 2013	10.15%	3.40%	3.00%	16.55%
Jan 2014	10.15%	3.80%	3.50%	17.45%
Jan 2015	10.15%	4.20%	4.00%	18.35%
Jan 2016	10.15%	4.50%	4.50%	19.15%
Jan 2017	10.15%	4.50%	5.00%	19.65%
Jan 2018	10.15%	4.50%	5.50%	20.15%

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

NOTE 2: PENSION PLAN CONTRIBUTIONS (Continued)

In 2004 and 2006, legislation was passed that required employers to remit additional contributions to PERA. These additional contributions are the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED). The AED is an additional amount contributed by PERA employers that has gradual increases. The SAED is also an amount contributed by employers and is, to the extent permitted by law, to be funded by moneys otherwise available for employee wage increases. The SAED also has gradual increases. These additional employer contributions, based on the total payroll of PERA members and employees who can elect either PERA or another plan (regardless of the plan elected), are designed to reduce PERA's unfunded liability and amortization period.

For the School Division, the AED will continue to increase by 0.4 percent per year from 2013 through 2015 and by 0.3 percent in 2016 for a total rate of 4.5 percent. In addition, the SAED will continue to increase by 0.5 percent per year to a total rate of 5.5 percent by 2018. Also the 0.4 percent increase in the statutory employer contribution rate in 2013 was eliminated. However, if the funding ratio reaches 103 percent, the AED and SAED will be reduced by 0.5 percent of pay each.

The actuarially determined contribution (ADC) rates, as a percentage of pensionable payroll, used to determine the ADC amounts in the Schedule of District Contributions are calculated as of December 31, two years prior to the end of the year in which ADC amounts are reported. The following actuarial methods and assumptions (from the December 31, 2012 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending December 31, 2014:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Amortization period	30 years, open
Asset valuation method	4-year smoothed market
Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increases, including wage inflation	4.90 to 10.85%
Long-term investment rate of return, net of pension plan investment expense, including price inflation	7.50%
Future post-retirement benefit increases	
PERA benefit structure hired prior to 1/1/07	2.00%
PERA benefit structure hired after 12/31/06	0.00% as financed by the annual increase reserve

NOTE 3: PENSION PLAN PROVISIONS

For benefit recipients of the PERA benefit structure based upon a membership date before January 1, 2007, future Post-Retirement Benefits Increases are set at an amount equal to 2 percent (the lesser of that or the annual Consumer Price Index for Urban Wage Earners and Clerical Workers [CPI-W] increase for 2010). However, if the investment return for the prior year is negative, then the increase is an amount equal to the annual CPI-W increase with a cap of 2 percent. The 2 percent cap may be adjusted based upon the year-end funded status, with increases mandated when the funded status reaches 103 percent and decreases mandated when the funded status subsequently falls below 90 percent. The cap will not be reduce below 2 percent. In addition, the increase is first paid on the July 1st that is at least 12 months after retirement for those members who retire on or after January 1, 2011. Members not eligible to retire as of January 1, 2011, who retire with a reduced service retirement allowance must reach age 60 or the age and service requirements for unreduced service retirement to be eligible for the Post-Retirement Benefit increases.

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

NOTE 3: PENSION PLAN PROVISIONS (Continued)

Effective January 1, 2011, other than in the Judicial Division, for all active members, who are not eligible for retirement on January 1, 2011, the annual salary increase cap in determination of Highest Average Salary (HAS) was lowered from 15 percent to 8 percent for PERA benefit structure members and for DPS benefit structure members, a change from the average of salaries of the highest 36 months of earned service to the PERA benefit structure method with an annual salary cap of 8 percent.

Effective January 1, 2011, a new requirement was added that PERA benefit structure members must have five years of earned service credit in order to receive a 50 percent match on a refund.

Effective January 1, 2011, the reduction factors for a reduced service retirement benefit for members not eligible to retire as of January 1, 2011, were changed to an actuarial equivalent basis.

Effective January 1, 2011, a modified Rule of 85 for service retirement eligibility was implemented for members with less than 5 years of service credit as of January 1, 2011.

Effective January 1, 2011, a modified Rule of 88 with a minimum age of 58 for service retirement eligibility was implemented for members hired on or after January 1, 2011, but before January 1, 2017.

Effective January 1, 2011, a modified Rule of 90 with a minimum age of 60 for service retirement eligibility was implemented for members hired on or after January 1, 2017.

The following changes were made to the Plan's provisions as a result of the passage of SB 06-235:

The Annual Increase Reserve (AIR) was established January 1, 2007 and will be used to provide post-retirement benefit increases for members hired on or after that date. The AIR is financed by an allocation from the employer statutory contributions made on behalf of members hired on or after January 1, 2007 equal to 1.00 percent of pensionable payroll and through an allocation of purchase of service dollars.

The Service Retirement Eligibility for those members hired after January 1, 2007 was changed at age 55 by increasing the age and service requirement from 80 years to 85 years.

Other Plan provisions and assumptions include the following:

The investment return assumption is 7.50 percent which is net of investment expenses to better represent the investment consultant's assumptions and predictions and also to better align with GASB accounting and reporting requirements. An ongoing estimated administrative expense of 0.35 percent of pensionable payroll was added to the normal cost beginning with the December 31, 2012 actuarial valuation.

The post-retirement mortality tables used are the RP-2000 Combined Mortality tables projected with a Scale AA to 2020 set back one year for males and two years for females.

The assumed interest rate credited on member contribution accounts is 3 percent.

For the AIR established on January 1, 2007, the AIR balance is excluded from both assets and liabilities in the determination of the ADC rate as a percentage of pensionable payroll.



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***SUPPLEMENTARY
INFORMATION***



Douglas County School District
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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, 2016 and 2015

	2016	2015
ASSETS		
Cash and Investments	\$ 119,679,357	\$ 107,096,472
Receivables:		
Property Taxes, Net of Allowance for Uncollectible Taxes	9,113,471	8,820,793
Other	548,491	1,078,308
Inventories	593,096	582,493
Due from Other Funds	1,726,474	6,336,443
Prepaid Costs	141,023	152,414
Total Assets	<u>\$ 131,801,912</u>	<u>\$ 124,066,923</u>
LIABILITIES		
Accounts Payable	\$ 4,104,681	\$ 4,734,792
Accrued Compensation	20,991,154	20,175,108
Unearned Revenues	489,730	509,641
Total Liabilities	<u>25,585,565</u>	<u>25,419,541</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	<u>2,844,632</u>	<u>2,981,783</u>
FUND BALANCES		
Nonspendable:		
Inventories & Prepaid Costs	734,119	734,907
Restricted:		
TABOR Emergency Reserve	15,995,000	15,290,000
Assigned:		
3% Board Reserves & 1% Contingency	21,326,000	20,390,000
Extended Service Severance	690,888	993,426
1% Pay Increase & One-Time Increase for Employees at Max of Salary Range FY 2017	4,000,000	3,500,000
Transfer to Non-Major Governmental Funds	1,271,572	1,800,000
Pay for Performance Carryover	4,424,202	3,121,155
School and Department Carryover	20,288,013	18,543,328
Department Carryover	-	3,459,903
One-Time Allocations to Schools	1,500,000	1,285,568
Full Day Kindergarten Scholarships	250,000	-
Master Capital Plan Projects	6,000,000	5,500,000
Future Athletic Facility Renovations	774,812	-
Medicaid Grant	1,622,473	903,544
Technology - Classroom Devices and InspirED Support	3,950,000	-
Energy Performance Proceeds & Cash In Lieu	-	2,055,209
Security/Transportation/Technology	-	4,327,938
Sub-fund Carryover	19,988,969	13,297,487
Unassigned	555,667	463,134
Total Fund Balances	<u>103,371,715</u>	<u>95,665,599</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 131,801,912</u>	<u>\$ 124,066,923</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
Combining Balance Sheet
June 30, 2016

	General Fund 10	Outdoor Education Fund 13	Full Day Kindergarten Fund 15	Risk Insurance Fund 18	Transportation Fund 25	Capital Projects Fund 43	Combined General Fund
ASSETS							
Cash and Investments	\$ 97,305,607	\$ 207,078	\$ 2,074,544	\$ 1,861,756	\$ 2,331,367	\$ 15,899,005	\$ 119,679,357
Receivables:							
Property Taxes, Net of Allowance for Uncollectible Taxes	9,113,471	-	-	-	-	-	9,113,471
Other	403,324	-	-	-	78,732	66,435	548,491
Inventories	365,461	-	-	-	227,635	-	593,096
Due from Other Funds	1,726,474	-	-	-	-	-	1,726,474
Prepaid Costs	1,023	-	-	140,000	-	-	141,023
Total Assets	\$108,915,360	\$ 207,078	\$ 2,074,544	\$ 2,001,756	\$ 2,637,734	\$ 15,965,440	\$131,801,912
LIABILITIES							
Accounts Payable	\$ 2,941,127	\$ 5,217	\$ 7,977	\$ 131,563	\$ 186,599	\$ 832,198	\$ 4,104,681
Accrued Compensation	19,929,763	16,453	362,012	-	682,926	-	20,991,154
Unearned Revenues	184,727	-	305,003	-	-	-	489,730
Total Liabilities	23,055,617	21,670	674,992	131,563	869,525	832,198	25,585,565
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	2,844,632	-	-	-	-	-	2,844,632
FUND BALANCES							
Nonspendable:							
Inventories & Prepaid Costs	366,484	-	-	140,000	227,635	-	734,119
Restricted:							
TABOR Emergency Reserve	15,995,000	-	-	-	-	-	15,995,000
Assigned:							
3% Board Reserves & 1% Contingency	21,326,000	-	-	-	-	-	21,326,000
Extended Service Severance	690,888	-	-	-	-	-	690,888
1% Pay Increase & One-Time Increase for Employees at Max of Salary Range FY 2017	4,000,000	-	-	-	-	-	4,000,000
Transfer to Non-Major Governmental Funds	1,271,572	-	-	-	-	-	1,271,572
Pay for Performance Carryover	4,424,202	-	-	-	-	-	4,424,202
School and Department Carryover	20,288,013	-	1,065,898	-	-	29,978	21,383,889
One-Time Allocations to Schools	1,500,000	-	-	-	-	-	1,500,000
Full Day Kindergarten Scholarships	250,000	-	-	-	-	-	250,000
Master Capital Plan Projects	6,000,000	-	-	-	-	-	6,000,000
Future Athletic Facility Renovations	774,812	-	-	-	-	-	774,812
Medicaid Grant	1,622,473	-	-	-	-	-	1,622,473
Technology - Classroom Devices and InspirED Support	3,950,000	-	-	-	-	-	3,950,000
Sub-Fund Carryover	-	185,408	333,654	1,730,193	1,540,574	15,103,264	18,893,093
Unassigned	555,667	-	-	-	-	-	555,667
Total Fund Balances	83,015,111	185,408	1,399,552	1,870,193	1,768,209	15,133,242	103,371,715
Total Liabilities and Fund Balances	\$108,915,360	\$ 207,078	\$ 2,074,544	\$ 2,001,756	\$ 2,637,734	\$ 15,965,440	\$131,801,912

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, 2016

	General Fund 10	Outdoor Education Fund 13	Full Day Kindergarten Fund 15	Risk Insurance Fund 18	Transportation Fund 25	Projects Fund 43	Combined General Fund
REVENUES							
Property Taxes	\$ 177,920,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,920,563
Specific Ownership Tax	22,236,877	-	-	-	-	-	22,236,877
Intergovernmental State Sources:							
Equalization	288,952,398	-	-	-	-	-	288,952,398
Special Education	11,323,379	-	-	-	-	-	11,323,379
Vocational Education	474,907	-	-	-	-	-	474,907
Other State	8,030,433	-	-	-	4,371,235	-	12,401,668
Charges for Services	15,289,893	649,496	4,097,973	-	2,198,005	-	22,235,367
Investment Earnings	190,151	-	-	-	-	-	190,151
Other	8,173,174	57,634	3,591	-	253,335	2,785,384	11,273,118
Total Revenues	532,591,775	707,130	4,101,564	-	6,822,575	2,785,384	547,008,428
EXPENDITURES							
Current Operating:							
Instructional Services	257,873,605	693,687	4,356,797	-	-	2,917,825	265,841,914
Supporting Services:							
Pupil Support Services	74,791,385	90,126	263,410	-	-	909,491	76,054,412
Operations and Maintenance	36,249,809	-	-	704,946	21,386,504	926,175	59,267,434
Central Supporting Services	30,094,535	32,423	1,561	3,383,429	1,729	6,966,060	40,479,737
Payments to Component Units	91,493,127	-	-	-	-	-	91,493,127
Total Expenditures	490,502,461	816,236	4,621,768	4,088,375	21,388,233	11,719,551	533,136,624
EXCESS (DEFICIENCY) OF							
REVENUES OVER EXPENDITURES	42,089,314	(109,106)	(520,204)	(4,088,375)	(14,565,658)	(8,934,167)	13,871,804
OTHER FINANCING SOURCES (USES)							
Compensation for Loss of Asset	-	-	-	-	-	1,062,500	1,062,500
Transfers In/Out	(39,064,197)	275,000	-	4,662,288	14,205,695	12,693,026	(7,228,188)
Total Other Financing Sources (Uses)	(39,064,197)	275,000	-	4,662,288	14,205,695	13,755,526	(6,165,688)
NET CHANGE IN FUND BALANCES	3,025,117	165,894	(520,204)	573,913	(359,963)	4,821,359	7,706,116
FUND BALANCES, Beginning	79,989,994	19,514	1,919,756	1,296,280	2,128,172	10,311,883	95,665,599
FUND BALANCES, Ending	\$ 83,015,111	\$ 185,408	\$ 1,399,552	\$ 1,870,193	\$ 1,768,209	\$ 15,133,242	\$ 103,371,715

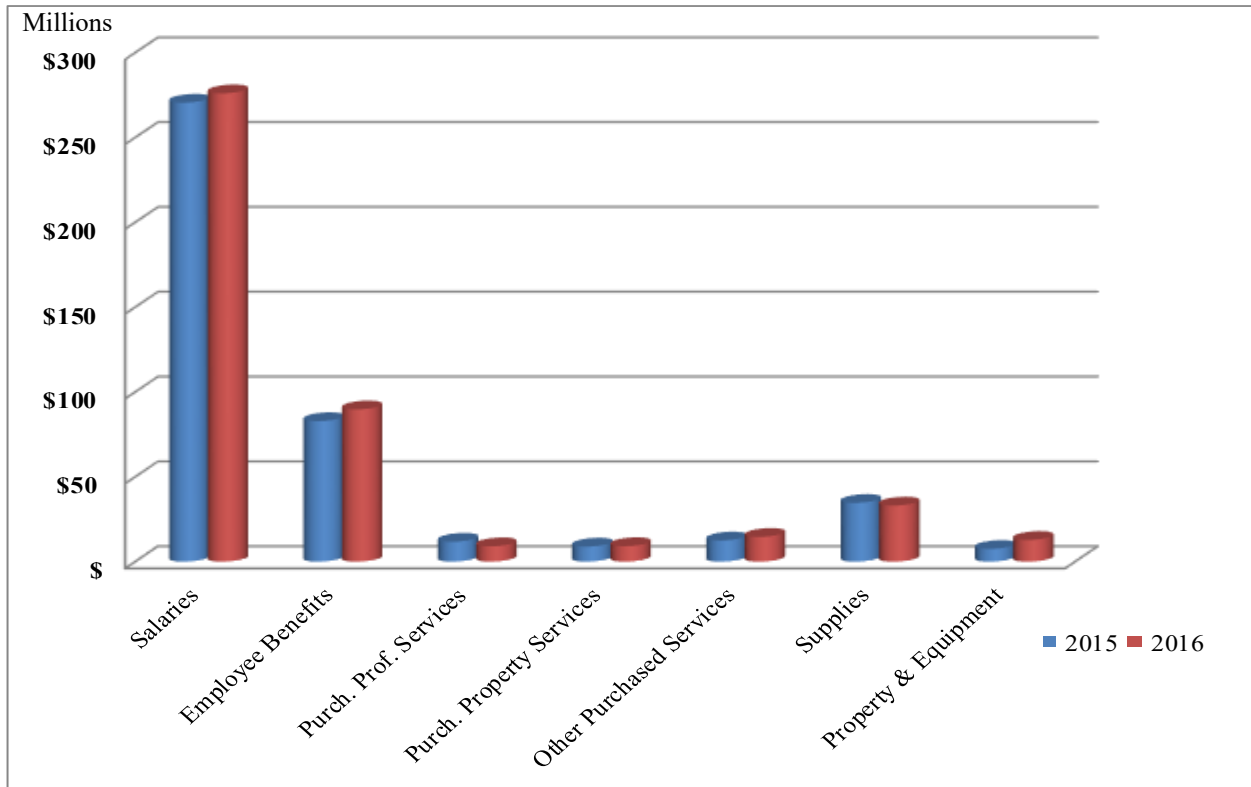
DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
 Schedule of Expenditures by Object - Budget to Actual
 For the Fiscal Year Ended June 30, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

EXPENDITURES	2016			Variance with Budget	2015 Actual
	Adopted Budget	Amended Budget	Actual		
Salaries	\$ 281,658,277	\$ 285,524,607	\$ 276,103,300	\$ 9,421,307	\$ 270,571,584
Employee Benefits	97,495,095	97,937,796	89,769,428	8,168,368	82,865,178
Purchased Professional Services	6,104,099	7,440,326	9,072,156	(1,631,830)	11,720,399
Purchased Property Services	8,119,345	8,248,560	9,178,427	(929,867)	8,895,859
Other Purchased Services	11,179,218	11,726,265	12,116,026	(389,761)	12,472,175
Supplies	40,684,364	66,030,171	33,080,411	32,949,760	34,660,869
Property & Equipment	13,140,442	25,037,311	12,822,182	12,215,129	7,506,255
Other, Chargebacks/Credits	(1,552,507)	(75,056)	(498,433)	423,377	640
Total Expenditures	456,828,333	501,869,980	441,643,497	60,226,483	428,692,959
Charter Schools	96,453,649	91,757,526	91,493,127	264,399	80,957,702
Interfund Transfers, net	7,747,663	7,228,188	7,228,188	-	7,436,481
Total Expenditures	\$ 561,029,645	\$ 600,855,694	\$ 540,364,812	\$ 60,490,882	\$ 517,087,142

FY 2016 and 2015
 Combined General Fund Expenditures by Object



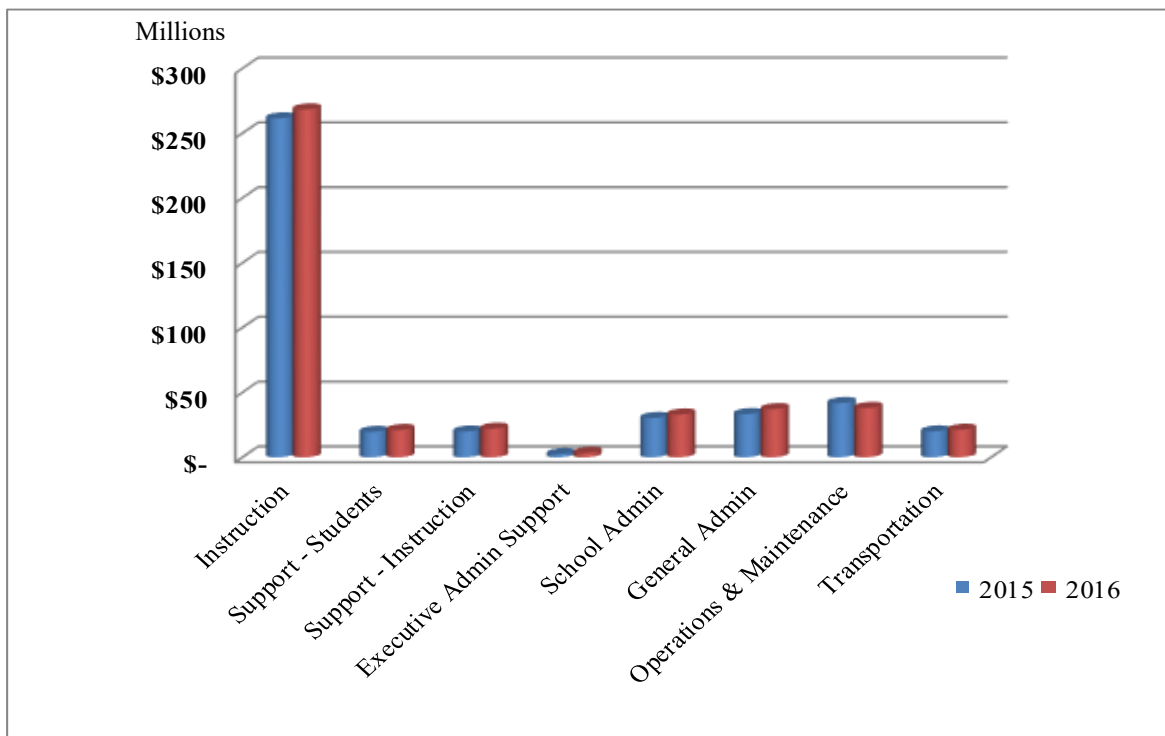
DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
 Schedule of Expenditures by Program - Budget to Actual
 For the Fiscal Year Ended June 30, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016			Variance with Budget	2015 Actuals
	Adopted Budget	Amended Budget	Actual		
EXPENDITURES					
Instructional:					
Instruction	\$ 279,616,842	\$ 303,660,478	\$ 265,841,914	\$ 37,818,564	\$ 261,502,772
Support - Students	19,553,759	20,932,262	21,033,764	(101,502)	19,575,125
Support - Instruction	23,025,229	26,876,866	22,029,860	4,847,006	19,823,880
Support Services:					
Executive Admin Support	2,340,606	2,589,184	3,369,073	(779,889)	2,468,723
School Admin	30,709,270	33,725,499	32,990,788	734,711	30,277,732
General Admin	31,909,950	38,318,427	37,110,664	1,207,763	33,303,776
Operations & Maintenance	47,908,934	52,308,721	38,006,606	14,302,115	41,813,731
Transportation	21,763,743	23,458,543	21,260,828	2,197,715	19,927,220
Total Expenditures	456,828,333	501,869,980	441,643,497	60,226,483	428,692,959
Charter Schools	96,453,649	91,757,526	91,493,127	264,399	80,957,702
Interfund Transfers, net (for Instructional Programs)	4,287,256	4,626,143	4,626,143	-	3,882,065
Interfund Transfers, net (for Support Programs)	3,460,407	2,602,045	2,602,045	-	3,554,416
Total Expenditures	<u>\$ 561,029,645</u>	<u>\$ 600,855,694</u>	<u>\$ 540,364,812</u>	<u>\$ 60,490,882</u>	<u>\$ 517,087,142</u>

**FY 2016 and FY 2015
 Combined General Fund Expenditures by Program**



(Graph only was updated on February 7, 2017)

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, 2016 and 2015

	2016	2015
REVENUES		
Taxes	\$ 200,157,440	\$ 178,445,727
Intergovernmental:		
State Equalization	288,952,398	293,357,217
Special Education	11,323,379	11,116,902
Vocational Education	474,907	447,612
Other State	12,401,668	10,155,090
Charges for Services	22,235,367	22,803,420
Investment Earnings	190,151	69,346
Other	11,273,118	8,131,306
Total Revenue	<u>547,008,428</u>	<u>524,526,620</u>
EXPENDITURES		
Current Operating:		
Instructional Services	265,841,914	261,502,772
Supporting Services:		
Pupil Support Services	76,054,412	69,676,737
Operations and Maintenance	59,267,434	61,740,951
Central Supporting Services	40,479,737	35,772,499
Charter School Allocations	91,493,127	80,957,702
Total Expenditures	<u>533,136,624</u>	<u>509,650,661</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>13,871,804</u>	<u>14,875,959</u>
OTHER FINANCING SOURCES (USES)		
Compensation for Loss of Asset	1,062,500	-
Transfers Out	(7,228,188)	(7,436,481)
Total Other Financing Sources (Uses)	<u>(6,165,688)</u>	<u>(7,436,481)</u>
NET CHANGE IN FUND BALANCE	7,706,116	7,439,478
FUND BALANCE, Beginning	<u>95,665,599</u>	<u>88,226,121</u>
FUND BALANCE, Ending	<u>\$ 103,371,715</u>	<u>\$ 95,665,599</u>



Douglas County School District
Learn today. Lead tomorrow.

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Non-Major Governmental Funds

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

*Nutrition Services Fund
Governmental Designated Purpose Grants Fund
Athletics and Activities 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, 2016

	Nutrition Services Fund 21	Governmental Designated Purpose Grants Fund 22	Athletics and Activities Fund 26	Child Care Fund 28	COP Lease Payment Fund 39	Total Non-Major Governmental Funds
ASSETS						
Cash and Investments	\$ 781,004	\$ -	\$ 753,237	\$6,638,359	\$ 22,918	\$ 8,195,518
Intergovernmental and Grants Receivable	35,814	3,094,550	-	-	-	3,130,364
Inventories	647,527	-	-	-	-	647,527
Total Assets	<u>\$1,464,345</u>	<u>\$ 3,094,550</u>	<u>\$ 753,237</u>	<u>\$6,638,359</u>	<u>\$ 22,918</u>	<u>\$ 11,973,409</u>
LIABILITIES						
Accounts Payable	\$ 23,461	\$ 384,106	\$ 285,117	\$ 242,448	\$ -	\$ 935,132
Due to Other Funds	-	1,726,474	-	-	-	1,726,474
Accrued Compensation	171,143	613,032	71,817	627,930	-	1,483,922
Unearned Revenues	-	185,818	21,834	-	-	207,652
Total Liabilities	<u>194,604</u>	<u>2,909,430</u>	<u>378,768</u>	<u>870,378</u>	<u>-</u>	<u>4,353,180</u>
FUND BALANCES						
Non-spendable	647,527	-	-	-	-	647,527
Restricted	622,214	185,120	272,516	5,767,981	22,918	6,870,749
Assigned:						
School Carryover	-	-	101,953	-	-	101,953
Total Fund Balances	<u>1,269,741</u>	<u>185,120</u>	<u>374,469</u>	<u>5,767,981</u>	<u>22,918</u>	<u>7,620,229</u>
Total Liabilities and Fund Balances	<u>\$1,464,345</u>	<u>\$ 3,094,550</u>	<u>\$ 753,237</u>	<u>\$6,638,359</u>	<u>\$ 22,918</u>	<u>\$ 11,973,409</u>

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, 2016

	Nutrition Services Fund 21	Governmental Designated Purpose Grants Fund 22	Athletics and Activities Fund 26	Child Care Fund 28	COP Lease Payment Fund 39	Total Non-Major Governmental Funds
REVENUES						
Intergovernmental	\$ 3,161,332	\$ 12,990,052	\$ -	\$ -	\$ -	\$ 16,151,384
Charges for Services	14,050,480	-	3,143,180	11,657,295	-	28,850,955
Aspen View COP Lease Payment	-	-	-	-	809,223	809,223
Other	148,927	261,446	7,540,216	10,376	3,174	7,964,139
Total Revenues	17,360,739	13,251,498	10,683,396	11,667,671	812,397	53,775,701
EXPENDITURES						
Current Operating:						
Instruction	-	9,483,254	14,015,369	10,445,547	-	33,944,170
Supporting Services	17,014,279	3,768,244	2,006,707	452,617	-	23,241,847
Lease Payments:						
Principal Retirement	-	-	-	-	2,505,000	2,505,000
Debt Issuance Costs	-	-	-	-	190,545	190,545
Interest and Fiscal Charges	-	-	-	-	1,740,480	1,740,480
Total Expenditures	17,014,279	13,251,498	16,022,076	10,898,164	4,436,025	61,622,042
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	346,460	-	(5,338,680)	769,507	(3,623,628)	(7,846,341)
OTHER FINANCING SOURCES (Uses)						
Proceeds from COP Refunding	-	-	-	-	12,100,000	12,100,000
Refunding COP Premium	-	-	-	-	943,790	943,790
Payment to Refunding Escrow Agent	-	-	-	-	(12,846,310)	(12,846,310)
Proceeds from Sale of Capital Assets	1,574	-	-	-	-	1,574
Transfers In	-	-	5,317,406	-	1,910,782	7,228,188
Total Other Financing Sources	1,574	-	5,317,406	-	2,108,262	7,427,242
NET CHANGE IN FUND BALANCES	348,034	-	(21,274)	769,507	(1,515,366)	(419,099)
FUND BALANCE, Beginning	921,707	185,120	395,743	4,998,474	1,538,284	8,039,328
FUND BALANCE, Ending	<u>\$ 1,269,741</u>	<u>\$ 185,120</u>	<u>\$ 374,469</u>	<u>\$5,767,981</u>	<u>\$ 22,918</u>	<u>\$ 7,620,229</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 21

Nutrition Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016			Variance with Budget	2015 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Intergovernmental:					
Federal Government Lunch Program	\$ 2,300,000	\$ 2,300,000	\$ 2,296,434	\$ (3,566)	\$ 2,265,855
Commodity Contribution	713,000	713,000	729,981	16,981	631,335
State Match	93,500	93,500	134,917	41,417	98,940
Food Sales	13,567,090	13,667,860	14,050,480	382,620	13,356,242
Other	8,000	132,230	148,927	16,697	88,115
Total Revenue	<u>16,681,590</u>	<u>16,906,590</u>	<u>17,360,739</u>	<u>454,149</u>	<u>16,440,487</u>
EXPENDITURES					
Supporting Services:					
Food Purchases	7,069,325	6,769,325	6,830,844	(61,519)	6,813,296
Salaries and Benefits	6,942,580	7,226,476	7,175,259	51,217	6,531,093
Purchased Services	766,100	766,100	796,619	(30,519)	880,878
Supplies and Equipment	767,000	2,266,711	704,870	1,561,841	782,832
Capital Outlay	-	-	202,394	(202,394)	56,644
Other	571,700	574,684	1,304,293	(729,609)	567,585
Total Expenditures	<u>16,116,705</u>	<u>17,603,296</u>	<u>17,014,279</u>	<u>589,017</u>	<u>15,632,328</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>564,885</u>	<u>(696,706)</u>	<u>346,460</u>	<u>1,043,166</u>	<u>808,159</u>
OTHER FINANCING SOURCES					
Proceeds from Sale of Capital Assets	-	-	1,574	1,574	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,574</u>	<u>1,574</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 564,885</u>	<u>\$ (696,706)</u>	<u>348,034</u>	<u>\$ 1,044,740</u>	<u>808,159</u>
FUND BALANCE, Beginning			<u>921,707</u>		<u>113,548</u>
FUND BALANCE, Ending			<u>\$ 1,269,741</u>		<u>\$ 921,707</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, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016				2015 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Intergovernmental:					
Federal	\$ 12,151,110	\$ 13,153,447	\$ 12,528,900	\$ (624,547)	\$ 11,515,348
State and Local	570,000	422,811	461,152	38,341	537,601
Other	307,032	521,997	261,446	(260,551)	362,927
Total Revenues	<u>13,028,142</u>	<u>14,098,255</u>	<u>13,251,498</u>	<u>(846,757)</u>	<u>12,415,876</u>
EXPENDITURES					
Instruction:					
Salaries and Benefits	10,086,727	7,064,071	7,218,055	(153,984)	6,894,236
Purchased Services	1,993,948	2,329,847	2,093,268	236,579	1,515,722
Supplies and Materials	844,936	199,001	134,812	64,189	306,145
Capital Outlay	-	41,490	37,119	4,371	-
Other	102,531	9,597	-	9,597	-
Support Services:					
Salaries and Benefits	-	2,568,797	2,440,594	128,203	1,946,524
Purchased Services	-	542,477	436,773	105,704	713,006
Supplies and Materials	-	241,194	135,052	106,142	178,325
Other	-	1,101,781	755,825	345,956	861,918
Total Expenditures	<u>13,028,142</u>	<u>14,098,255</u>	<u>13,251,498</u>	<u>846,757</u>	<u>12,415,876</u>
NET CHANGE IN FUND BALANCE					
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCE, Beginning			<u>185,120</u>		<u>185,120</u>
FUND BALANCE, Ending			<u>\$ 185,120</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, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016			Variance with Budget	2015 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Charges for Services:					
Student Fees	\$ 3,535,763	\$ 3,547,789	\$ 2,546,968	\$ (1,000,821)	\$ 2,754,474
Gate Fees	705,201	709,173	596,212	(112,961)	687,503
Merchandise Sales	2,664,237	3,098,558	4,196,942	1,098,384	3,711,805
Fundraising and Donations	1,727,587	1,878,879	2,994,292	1,115,413	2,801,006
Other	1,388,226	1,472,822	348,982	(1,123,840)	396,569
Total Revenues	<u>10,021,014</u>	<u>10,707,221</u>	<u>10,683,396</u>	<u>(23,825)</u>	<u>10,351,357</u>
EXPENDITURES					
Instructional:					
Salaries and Benefits	5,666,205	5,348,633	5,874,102	(525,469)	5,569,840
Purchased Services	1,776,837	1,787,409	2,283,735	(496,326)	2,411,459
Supplies	5,175,375	6,318,904	5,101,985	1,216,919	5,271,033
Capital Outlay	6,000	106,000	105,383	617	-
Other	547,015	746,852	650,164	96,688	389,399
Supporting Services:					
Salaries and Benefits	548,970	567,323	628,739	(61,416)	190,296
Purchased Services	181,826	194,326	287,130	(92,804)	281,306
Supplies	360,968	994,522	952,923	41,599	614,150
Capital Outlay	-	-	32,480	(32,480)	229,593
Other	685,699	356,401	105,435	250,966	135,777
Total Expenditures	<u>14,948,895</u>	<u>16,420,370</u>	<u>16,022,076</u>	<u>398,294</u>	<u>15,092,853</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,927,881)</u>	<u>(5,713,149)</u>	<u>(5,338,680)</u>	<u>374,469</u>	<u>(4,741,496)</u>
OTHER FINANCING SOURCES					
Transfers In	<u>4,313,406</u>	<u>5,317,406</u>	<u>5,317,406</u>	<u>-</u>	<u>4,313,406</u>
NET CHANGE IN FUND BALANCE	<u>\$ (614,475)</u>	<u>\$ (395,743)</u>	<u>(21,274)</u>	<u>\$ 374,469</u>	<u>(428,090)</u>
FUND BALANCE, Beginning			<u>395,743</u>		<u>823,833</u>
FUND BALANCE, Ending			<u>\$ 374,469</u>		<u>\$ 395,743</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 28

Child Care Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016				2015 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Charges for Services	\$ 11,349,189	\$ 11,349,189	\$ 11,657,295	\$ 308,106	\$ 10,636,071
Other	-	-	10,376	10,376	3,169
Total Revenue	<u>11,349,189</u>	<u>11,349,189</u>	<u>11,667,671</u>	<u>318,482</u>	<u>10,639,240</u>
EXPENDITURES					
Instructional:					
Salaries and Benefits	7,632,333	7,632,333	7,682,271	(49,938)	7,323,713
Purchased Services	1,277,478	1,277,478	789,442	488,036	651,317
Supplies	5,691,596	5,525,164	1,017,618	4,507,546	825,721
Other	1,387,927	1,387,927	956,216	431,711	1,016,351
Supporting Services:					
Salaries and Benefits	401,702	401,702	408,096	(6,394)	225,548
Purchased Services	53,229	53,229	35,081	18,148	9,789
Supplies	57,491	55,810	8,000	47,810	470
Other	14,020	14,020	1,440	12,580	352
Total Expenditures	<u>16,515,776</u>	<u>16,347,663</u>	<u>10,898,164</u>	<u>5,449,499</u>	<u>10,053,261</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>(5,166,587)</u>	<u>(4,998,474)</u>	<u>769,507</u>	<u>5,767,981</u>	<u>585,979</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,166,587)</u>	<u>\$ (4,998,474)</u>	<u>769,507</u>	<u>\$ 5,767,981</u>	<u>585,979</u>
FUND BALANCE, Beginning			<u>4,998,474</u>		<u>4,412,495</u>
FUND BALANCE, Ending			<u>\$ 5,767,981</u>		<u>\$ 4,998,474</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, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016			Variance with Budget	2015 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Aspen View COP Lease Payment	\$ 809,223	\$ 809,223	\$ 809,223	\$ -	\$ 561,598
Investment Earnings	1,125	5,219	3,174	(2,045)	1,564
Total Revenues	<u>810,348</u>	<u>814,442</u>	<u>812,397</u>	<u>(2,045)</u>	<u>563,162</u>
EXPENDITURES					
Lease Payments:					
Principal Retirement	-	2,574,550	2,505,000	69,550	2,190,000
Debt Issuance Costs	-	197,480	190,545	6,935	150,114
Interest and Fiscal Charges	1,670,930	1,688,956	1,740,480	(51,524)	1,721,145
Total Expenditures	<u>1,670,930</u>	<u>4,460,986</u>	<u>4,436,025</u>	<u>24,961</u>	<u>4,061,259</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(860,582)</u>	<u>(3,646,544)</u>	<u>(3,623,628)</u>	<u>22,916</u>	<u>(3,498,097)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from COP Refunding	-	12,100,000	12,100,000	-	6,470,000
Refunding COP Premium	-	943,790	943,790	-	145,159
Payment to Refunded Escrow Agent	-	(12,846,310)	(12,846,310)	-	(6,458,799)
Transfers In	3,434,257	1,910,782	1,910,782	-	3,123,075
Total Other Financing Sources (Uses)	<u>3,434,257</u>	<u>2,108,262</u>	<u>2,108,262</u>	<u>-</u>	<u>3,279,435</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,573,675</u>	<u>\$ (1,538,282)</u>	<u>(1,515,366)</u>	<u>\$ 22,916</u>	<u>(218,662)</u>
FUND BALANCE, Beginning			<u>1,538,284</u>		<u>1,756,946</u>
FUND BALANCE, Ending			<u>\$ 22,918</u>		<u>\$ 1,538,284</u>

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Receivables:		
Property Taxes, Net of Allowance for Uncollectible Taxes	\$ 1,624,841	\$ 2,230,665
Restricted Cash and Investment	<u>58,242,189</u>	<u>72,052,438</u>
Total Assets	<u>\$ 59,867,030</u>	<u>\$ 74,283,103</u>
LIABILITIES		
Due to Other Funds	<u>\$ -</u>	<u>\$ 4,565,759</u>
Total Liabilities	<u>-</u>	<u>4,565,759</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable - Property Taxes	<u>782,441</u>	<u>1,216,098</u>
FUND BALANCES		
Restricted:		
Debt Service	<u>59,084,589</u>	<u>68,501,246</u>
Total Fund Balances	<u>59,084,589</u>	<u>68,501,246</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 59,867,030</u>	<u>\$ 74,283,103</u>

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, 2016
 (With Comparative Actual Information for the Year Ended June 30, 2015)

	2016				2015 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Property Taxes	\$ 69,632,500	\$ 59,999,715	\$ 60,069,873	\$ 70,158	\$ 73,646,635
Investment Earnings	64,000	64,000	145,971	81,971	53,599
Total Revenues	<u>69,696,500</u>	<u>60,063,715</u>	<u>60,215,844</u>	<u>152,129</u>	<u>73,700,234</u>
EXPENDITURES					
Debt Service:					
Principal Retirement	48,358,535	48,358,535	48,358,535	-	40,108,688
Debt Issuance Costs	5,000	50,000	-	50,000	281,565
Interest and Fiscal Charges	21,273,966	21,273,966	21,273,966	-	27,932,668
Total Expenditures	<u>69,637,501</u>	<u>69,682,501</u>	<u>69,632,501</u>	<u>50,000</u>	<u>68,322,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>58,999</u>	<u>(9,618,786)</u>	<u>(9,416,657)</u>	<u>202,129</u>	<u>5,377,313</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Bond Refunding	-	-	-	-	40,665,000
Refunding Bond Premium	-	-	-	-	3,052,530
Payment to Refunding Bond Escrow Agent	-	-	-	-	(43,432,257)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,273</u>
NET CHANGE IN FUND BALANCE	<u>\$ 58,999</u>	<u>\$ (9,618,786)</u>	<u>(9,416,657)</u>	<u>\$ 202,129</u>	<u>5,662,586</u>
FUND BALANCE, Beginning			<u>68,501,246</u>		<u>62,838,660</u>
FUND BALANCE, Ending			<u>\$ 59,084,589</u>		<u>\$ 68,501,246</u>



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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 45
 Building Fund
 Comparative Balance Sheet
 June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Restricted Cash and Investments	\$ 6,131,344	\$ 10,320,440
Total Assets	<u>\$ 6,131,344</u>	<u>\$ 10,320,440</u>
LIABILITIES		
Accounts Payable	\$ 403,649	\$ 1,248,542
Total Liabilities	<u>403,649</u>	<u>1,248,542</u>
FUND BALANCES		
Restricted:		
Aspen View Academy Charter School	-	437,120
Building Expenditures	<u>5,727,695</u>	<u>8,634,778</u>
Total Fund Balances	<u>5,727,695</u>	<u>9,071,898</u>
Total Liabilities and Fund Balances	<u>\$ 6,131,344</u>	<u>\$ 10,320,440</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 45

Building Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016			Variance with Budget	2015 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Investment Earnings	\$ -	\$ 18,818	\$ 27,374	\$ 8,556	\$ 17,729
Total Revenues	-	18,818	27,374	8,556	17,729
EXPENDITURES					
Repair and Replacement	-	-	1,328,086	(1,328,086)	4,763,658
Capital Outlay:					
Building and Building Improvements	7,718,879	7,432,211	2,037,291	5,394,920	1,138,308
Equipment	437,673	1,639,687	6,200	1,633,487	30,258
Total Expenditures	8,156,552	9,071,898	3,371,577	5,700,321	5,932,224
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,156,552)	(9,053,080)	(3,344,203)	5,708,877	(5,914,495)
NET CHANGE IN FUND BALANCE	\$ (8,156,552)	\$ (9,053,080)	(3,344,203)	\$ 5,708,877	(5,914,495)
FUND BALANCE, Beginning			9,071,898		14,986,393
FUND BALANCE, Ending			\$ 5,727,695		\$ 9,071,898



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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, 2016

	Medical Fund 65	Short Term Disability Fund 66	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Investments	\$ 8,262,714	\$ 173,516	\$ 8,436,230
Other Receivables	-	66,176	66,176
Prepaid Costs	-	103,000	103,000
Total Assets	\$ 8,262,714	\$ 342,692	\$ 8,605,406
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 308,914	\$ -	\$ 308,914
Accrued Insurance Claims	3,211,120	-	3,211,120
Total Current Liabilities	3,520,034	-	3,520,034
NET POSITION			
Unrestricted	4,742,680	342,692	5,085,372
Total Net Position	4,742,680	342,692	5,085,372
Total Liabilities and Net Position	\$ 8,262,714	\$ 342,692	\$ 8,605,406

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, 2016

	Medical Fund 65	Short Term Disability Fund 66	Total Internal Service Funds
REVENUES			
Premium Revenue	\$ 41,859,485	\$ 760,193	\$ 42,619,678
Other	17,989	-	17,989
Total Revenue	<u>41,877,474</u>	<u>760,193</u>	<u>42,637,667</u>
EXPENSES			
Insurance and Claims	41,483,391	446,198	41,929,589
Stop Loss Premiums	516,307	-	516,307
Salaries and Benefits	15,935	-	15,935
Purchased Services	932,373	-	932,373
Other	45,003	142,631	187,634
Total Expenses	<u>42,993,009</u>	<u>588,829</u>	<u>43,581,838</u>
OPERATING INCOME (LOSS)	<u>(1,115,535)</u>	<u>171,364</u>	<u>(944,171)</u>
NON-OPERATING REVENUES			
Investment Earnings	15,077	-	15,077
Total Non-Operating Revenues	<u>15,077</u>	<u>-</u>	<u>15,077</u>
CHANGE IN NET POSITION	(1,100,458)	171,364	(929,094)
NET POSITION, Beginning	<u>5,843,138</u>	<u>171,328</u>	<u>6,014,466</u>
NET POSITION, Ending	<u>\$ 4,742,680</u>	<u>\$ 342,692</u>	<u>\$ 5,085,372</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Medical Fund 65	Short Term Disability Fund 66	Total Internal Services Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 41,877,474	\$ 872,154	\$ 42,749,628
Payments to Suppliers	(42,454,486)	(698,638)	(43,153,124)
Payments to Employees	(15,935)	-	(15,935)
Net Cash Used by Operating Activities	<u>(592,947)</u>	<u>173,516</u>	<u>(419,431)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Earnings on Investments	15,077	-	15,077
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(577,870)</u>	<u>173,516</u>	<u>(404,354)</u>
CASH AND CASH EQUIVALENTS, Beginning	8,840,584	-	8,840,584
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 8,262,714</u>	<u>\$ 173,516</u>	<u>\$ 8,436,230</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating Loss	\$ (1,115,535)	\$ 171,364	\$ (944,171)
Changes in Assets and Liabilities:			
Change in Other Receivables	-	111,961	111,961
Change in Accounts Payable	121,468	(109,809)	11,659
Change in Accrued Insurance Claims	401,120	-	401,120
Total Adjustments	<u>522,588</u>	<u>2,152</u>	<u>524,740</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (592,947)</u>	<u>\$ 173,516</u>	<u>\$ (419,431)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 65

Medical Fund (Internal Service Fund)

Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016				2015 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUE					
Health Revenue	\$ 39,728,781	\$ 39,728,781	\$ 39,749,396	\$ 20,615	\$ 38,255,827
Dental Revenue	1,979,978	1,979,978	2,110,089	130,111	2,036,434
Other	566,100	566,100	17,989	(548,111)	5,920
Total Revenue	<u>42,274,859</u>	<u>42,274,859</u>	<u>41,877,474</u>	<u>(397,385)</u>	<u>40,298,181</u>
EXPENSES					
Health Plan	38,758,357	38,758,357	38,657,384	100,973	38,948,255
Dental Plan	2,939,248	2,939,248	2,826,007	113,241	2,793,917
Stop Loss Premiums	720,000	720,000	516,307	203,693	552,645
Salaries and Benefits	19,724	68,400	15,935	52,465	20,326
Purchased Services	1,054,983	1,054,983	932,373	122,610	798,733
Other	55,561	4,361,672	45,003	4,316,669	46,623
Total Expenses	<u>43,547,873</u>	<u>47,902,660</u>	<u>42,993,009</u>	<u>4,909,651</u>	<u>43,160,499</u>
OPERATING INCOME (LOSS)	<u>(1,273,014)</u>	<u>(5,627,801)</u>	<u>(1,115,535)</u>	<u>4,512,266</u>	<u>(2,862,318)</u>
NON-OPERATING REVENUES					
Investment Earnings	<u>10,173</u>	<u>10,173</u>	<u>15,077</u>	<u>4,904</u>	<u>6,497</u>
Total Non-Operating Revenues	<u>10,173</u>	<u>10,173</u>	<u>15,077</u>	<u>4,904</u>	<u>6,497</u>
CHANGE IN NET POSITION	<u>\$ (1,262,841)</u>	<u>\$ (5,617,628)</u>	<u>(1,100,458)</u>	<u>\$ 4,517,170</u>	<u>(2,855,821)</u>
NET POSITION, Beginning			<u>5,843,138</u>		<u>8,698,959</u>
NET POSITION, Ending			<u>\$ 4,742,680</u>		<u>\$ 5,843,138</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 66

Short Term Disability Fund (Internal Service Fund)

Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016			Variance with Budget	2015 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUE					
Short Term Disability Revenue	\$ 683,071	\$ 683,071	\$ 760,193	\$ 77,122	\$ 640,962
Total Revenue	683,071	683,071	760,193	77,122	640,962
EXPENSES					
Claims	447,414	447,414	446,198	1,216	283,746
Other	151,568	211,466	142,631	68,835	185,888
Total Expenses	598,982	658,880	588,829	70,051	469,634
OPERATING INCOME	84,089	24,191	171,364	147,173	171,328
CHANGE IN NET POSITION	\$ 84,089	\$ 24,191	171,364	\$ 147,173	171,328
NET POSITION, Beginning			171,328		-
NET POSITION, Ending			\$ 342,692		\$ 171,328

Fiduciary Fund

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, 2016

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
<u>Student Activity Funds</u>				
ASSETS				
Cash and Investments	\$ 1,295,649	\$ 1,571,237	\$ 1,667,958	\$ 1,198,928
LIABILITIES				
Accrued Liabilities:				
Accounts Payable	33,655	37,114	33,655	37,114
Due to Student Groups	1,261,994	1,571,237	1,671,417	1,161,814
Total Liabilities	1,295,649	1,608,351	1,705,072	1,198,928
<u>School Discretionary Funds</u>				
ASSETS				
Cash and Investments	701,192	-	464,537	236,655
LIABILITIES				
Accrued Liabilities:				
Accounts Payable	26,852	8,352	26,852	8,352
Due to Schools	674,340	-	446,037	228,303
Total Liabilities	701,192	8,352	472,889	236,655
Grand Total Agency Fund Assets	\$ 1,996,841	\$ 1,571,237	\$ 2,132,495	\$ 1,435,583
Grand Total Agency Fund Liabilities	\$ 1,996,841	\$ 1,616,703	\$ 2,177,961	\$ 1,435,583

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, 2016

(With Comparative Actual Information for the Year Ended June 30, 2015)

	2016			Variance with Budget	2015 Actual
	Adopted Budget	Amended Budget	Actual		
ADDITIONS					
Contributions	\$ 62,000	\$ 63,000	\$ 63,000	\$ -	\$ 63,646
Total Additions	62,000	63,000	63,000	-	63,646
DEDUCTIONS					
Grants and Scholarships	62,000	70,000	70,000	-	68,000
Total Deductions	62,000	70,000	70,000	-	68,000
CHANGE IN NET POSITION	\$ -	\$ (7,000)	(7,000)	\$ -	(4,354)
NET POSITION, Beginning			41,312		45,666
NET POSITION, Ending			\$ 34,312		\$ 41,312



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COMPONENT UNITS

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units
Combining Statement of Net Position
June 30, 2016

	American Academy	Academy Charter School	Aspen View Academy	Ben Franklin Academy Charter School	Challenge to Excellence (C2E) Charter School
ASSETS					
Cash and Investments	\$ 2,935,016	\$ 3,356,666	\$ 1,976,337	\$ 3,939,085	\$ 1,970,370
Accounts Receivable	2,999	751	2,837	-	1,404
Inventories	-	-	-	-	-
Prepaid Costs & Other Assets	269,792	-	179,988	-	5,763
Deposits	33,903	-	-	-	-
Restricted Cash and Investments	1,701,864	533,014	-	6,224,456	663,684
Capital Assets, Not Being Depreciated	2,374,037	1,386,531	2,000,000	415,428	1,010,419
Capital Assets, Net of Accumulated Depreciation	28,849,023	4,845,132	13,509,955	13,680,631	3,779,546
Total Assets	<u>36,166,634</u>	<u>10,122,094</u>	<u>17,669,117</u>	<u>24,259,600</u>	<u>7,431,186</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to Pensions	7,795,748	870,194	3,535,366	1,910,703	922,006
Loss on Debt Refunding	3,994,482	504,324	-	-	245,932
Total Deferred Outflows of Resources	<u>11,790,230</u>	<u>1,374,518</u>	<u>3,535,366</u>	<u>1,910,703</u>	<u>1,167,938</u>
LIABILITIES					
Accounts Payable	120,797	41,390	39,843	267,358	7,928
Accrued Liabilities	-	-	-	55,744	9,764
Accrued Compensation	531,470	274,783	282,057	497,476	145,947
Accrued Interest Payable	135,538	-	-	196,279	25,253
Unearned Revenues	235,920	-	89,422	11,784	-
Non-Current Liabilities:					
Due Within One Year	726,050	115,000	505,000	-	175,000
Due in More Than One Year	38,079,728	6,607,567	13,344,000	20,193,348	6,103,829
Net Pension Liability	25,396,025	6,367,656	10,338,964	10,559,285	6,654,262
Total Liabilities	<u>65,225,528</u>	<u>13,406,396</u>	<u>24,599,286</u>	<u>31,781,274</u>	<u>13,121,983</u>
DEFERRED INFLOWS OF RESOURCES					
Related to Pension	359,798	2,162,915	146,475	149,642	119,804
NET POSITION					
Net Investment in Capital Assets	(3,773,162)	42,110	1,660,955	(1,488,109)	(1,242,932)
Restricted for:					
Emergencies	500,000	156,000	211,000	230,000	125,000
Debt Service, Repairs	1,566,326	-	-	1,154,409	508,417
Capital Projects	-	-	-	-	130,014
Unrestricted	(15,921,626)	(4,270,809)	(5,413,233)	(5,656,913)	(4,163,162)
Total Net Position	<u>\$ (17,628,462)</u>	<u>\$ (4,072,699)</u>	<u>\$ (3,541,278)</u>	<u>\$ (5,760,613)</u>	<u>\$ (4,642,663)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)

Combining Statement of Net Position

June 30, 2016

	Parker Core Knowledge, Inc. (CKCS)	Global Village Academy	Hope Online Learning Academy Co-Op	DCS Montessori Charter School	North Star Academy
ASSETS					
Cash and Investments	\$ 2,233,884	\$ 76,748	\$ 1,432,719	\$ 1,467,987	\$ 2,614,838
Accounts Receivable	2,000,049	93,686	332,460	3,317	-
Inventories	-	-	-	15,413	-
Prepaid Costs & Other Assets	-	-	68,460	20,862	22,852
Deposits	5,784	8,700	86,221	-	-
Restricted Cash and Investments	1,592,748	-	-	1,132,137	1,297,620
Capital Assets, Not Being Depreciated	235,020	-	-	508,415	465,000
Capital Assets, Net of Accumulated Depreciation	4,911,906	55,333	462,063	6,378,638	6,744,199
Total Assets	10,979,391	234,467	2,381,923	9,526,769	11,144,509
DEFERRED OUTFLOWS OF RESOURCES					
Related to Pensions	1,728,769	1,784,269	1,818,849	1,001,535	1,138,441
Loss on Debt Refunding	895,891	-	-	445,671	1,622,084
Total Deferred Outflows of Resources	2,624,660	1,784,269	1,818,849	1,447,206	2,760,525
LIABILITIES					
Accounts Payable	40,640	33,316	687,378	14,612	8,430
Accrued Liabilities	152,078	-	413,118	-	-
Accrued Compensation	-	61,117	71,505	134,912	200,327
Accrued Interest Payable	23,660	-	-	173,588	102,719
Unearned Revenues	44,740	1,627	10,505	104,991	-
Non-Current Liabilities:					
Due Within One Year	166,297	-	-	265,000	285,000
Due in More Than One Year	9,542,203	-	-	8,393,964	11,982,400
Net Pension Liability	9,698,202	2,312,123	14,933,807	7,409,088	8,166,339
Total Liabilities	19,667,820	2,408,183	16,116,313	16,496,155	20,745,215
DEFERRED INFLOWS OF RESOURCES					
Related to Pension	137,443	32,770	306,215	176,291	173,032
NET POSITION					
Net Investment in Capital Assets	(470,685)	55,333	462,063	(1,326,240)	(3,436,117)
Restricted for:					
Emergencies	175,000	63,246	517,579	152,000	163,756
Debt Service, Repairs	516,263	-	-	960,999	1,194,901
Capital Projects	-	-	-	-	-
Unrestricted	(6,421,790)	(540,796)	(13,201,398)	(5,485,230)	(4,935,753)
Total Net Position	\$ (6,201,212)	\$ (422,217)	\$ (12,221,756)	\$ (5,698,471)	\$ (7,013,213)

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)
Combining Statement of Net Position
June 30, 2016

	Parker Performing Arts	Platte River Academy	SkyView Academy Charter School	STEM Charter School	World Compass Academy	Totals
ASSETS						
Cash and Investments	\$ 27,639	\$ 2,006,780	\$ 2,084,352	\$ 2,667,905	\$ 148,160	\$ 28,938,486
Accounts Receivable	-	7,300	7,808	-	61,119	2,513,730
Inventories	-	-	-	-	-	15,413
Prepaid Costs & Other Assets	-	-	23,249	66,667	2,513	660,146
Deposits	-	-	-	-	4,200	138,808
Restricted Cash and Investments	-	829,660	3,162,309	2,516,248	-	19,653,740
Capital Assets, Not Being Depreciated	-	553,332	3,758,655	2,370,970	-	15,077,807
Capital Assets, Net of Accumulated Depreciation	-	3,861,175	20,181,697	10,996,201	37,446	118,292,945
Total Assets	27,639	7,258,247	29,218,070	18,617,991	253,438	185,291,075
DEFERRED OUTFLOWS OF RESOURCES						
Related to Pensions	-	1,348,745	4,845,653	4,014,072	2,655,421	35,369,771
Loss on Debt Refunding	-	928,523	67,830	154,257	-	8,858,994
Total Deferred Outflows of Resources	-	2,277,268	4,913,483	4,168,329	2,655,421	44,228,765
LIABILITIES						
Accounts Payable	-	1,409	265,785	158,578	10,299	1,697,763
Accrued Liabilities	-	-	20,354	-	-	651,058
Accrued Compensation	-	318,317	463,272	459,476	18,493	3,459,152
Accrued Interest Payable	-	92,228	757,544	137,074	-	1,643,883
Unearned Revenues	-	15,597	-	-	112,216	626,802
Non-Current Liabilities:						
Due Within One Year	-	223,000	4,905	240,000	-	2,705,252
Due in More Than One Year	-	5,674,028	29,131,160	17,134,032	-	166,186,259
Net Pension Liability	-	8,106,423	18,383,237	13,232,559	3,394,517	144,952,487
Total Liabilities	-	14,431,002	49,026,257	31,361,719	3,535,525	321,922,656
DEFERRED INFLOWS OF RESOURCES						
Related to Pension	-	114,883	260,452	187,446	48,111	4,375,277
NET POSITION						
Net Investment in Capital Assets	-	(542,684)	(5,270,908)	(3,217,215)	37,446	(18,510,145)
Restricted for:						
Emergencies	-	133,000	330,000	395,000	116,113	3,267,694
Debt Service, Repairs	-	737,432	2,339,957	1,068,722	-	10,047,426
Capital Projects	-	170,677	-	-	-	300,691
Unrestricted	27,639	(5,508,795)	(12,554,205)	(7,009,352)	(828,336)	(91,883,759)
Total Net Position	\$ 27,639	\$ (5,010,370)	\$ (15,155,156)	\$ (8,762,845)	\$ (674,777)	\$ (96,778,093)

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Discretely Presented Component Units
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	American Academy	Academy Charter School	Aspen View Academy	Ben Franklin Academy Charter School
EXPENSES				
Instruction	\$ 11,135,779	\$ 3,013,332	\$ 4,913,333	\$ 3,893,589
Supporting Services	6,098,500	1,368,900	2,685,004	3,511,769
Interest on Long-Term Debt	-	494,398	464,223	-
Business Type Activities	3,019,547	-	69,934	576,684
Total Expenses	<u>20,253,826</u>	<u>4,876,630</u>	<u>8,132,494</u>	<u>7,982,042</u>
PROGRAM REVENUES				
Charges for Services	3,009,625	296,769	714,718	916,227
Capital Grants and Contributions	-	163,909	-	-
Operating Grants and Contributions	62,565	90,429	30,487	14,211
Total Program Revenues	<u>3,072,190</u>	<u>551,107</u>	<u>745,205</u>	<u>930,438</u>
Net Program Expenses	<u>(17,181,636)</u>	<u>(4,325,523)</u>	<u>(7,387,289)</u>	<u>(7,051,604)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	11,874,135	4,451,053	5,634,461	5,960,010
Mill Levy	929,899	348,435	441,369	468,001
Capital Construction	437,652	-	207,750	220,209
Investment Earnings	18,927	7,040	-	7,332
Contributions and Grants	283,752	-	118,414	69,021
Other	87,346	9,773	5,766	2,916
Total General Revenues and Transfers	<u>13,631,711</u>	<u>4,816,301</u>	<u>6,407,760</u>	<u>6,727,489</u>
CHANGE IN NET POSITION	(3,549,925)	490,778	(979,529)	(324,115)
NET POSITION, Beginning	<u>(14,078,537)</u>	<u>(4,563,477)</u>	<u>(2,561,749)</u>	<u>(5,436,498)</u>
NET POSITION, Ending	<u>\$ (17,628,462)</u>	<u>\$ (4,072,699)</u>	<u>\$ (3,541,278)</u>	<u>\$ (5,760,613)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Discretely Presented Component Units (Continued)
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Challenge to Excellence (C2E) Charter School	Parker Core Knowledge Inc.	Global Village Academy	Hope Online Learning Academy Co-Op
EXPENSES				
Instruction	\$ 2,815,590	\$ 3,998,998	\$ 1,875,609	\$ 14,467,709
Supporting Services	1,139,990	1,836,734	1,008,623	3,699,121
Interest on Long-Term Debt	1,960	-	-	-
Business Type Activities	484,276	585,440	-	-
Total Expenses	<u>4,441,816</u>	<u>6,421,172</u>	<u>2,884,232</u>	<u>18,166,830</u>
PROGRAM REVENUES				
Charges for Services	358,515	942,263	25,014	-
Capital Grants and Contributions	-	-	63,408	-
Operating Grants and Contributions	16,168	8,244	272,612	2,704,919
Total Program Revenues	<u>374,683</u>	<u>950,507</u>	<u>361,034</u>	<u>2,704,919</u>
Net Program Expenses	<u>(4,067,133)</u>	<u>(5,470,665)</u>	<u>(2,523,198)</u>	<u>(15,461,911)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	3,360,807	4,326,516	1,748,993	14,703,007
Mill Levy	263,268	340,667	131,218	-
Capital Construction	123,611	160,213	-	-
Investment Earnings	4,495	8,110	-	1,449
Contributions and Grants	-	6,631	-	-
Other	9,527	33,133	54,384	-
Total General Revenues and Transfers	<u>3,761,708</u>	<u>4,875,270</u>	<u>1,934,595</u>	<u>14,704,456</u>
CHANGE IN NET POSITION	(305,425)	(595,395)	(588,603)	(757,455)
NET POSITION, Beginning	<u>(4,337,238)</u>	<u>(5,605,817)</u>	<u>166,386</u>	<u>(11,464,301)</u>
NET POSITION, Ending	<u>\$ (4,642,663)</u>	<u>\$ (6,201,212)</u>	<u>\$ (422,217)</u>	<u>\$ (12,221,756)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Discretely Presented Component Units (Continued)
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	DCS Montessori Charter School	North Star Academy	Parker Performance Arts	Platte River Academy
EXPENSES				
Instruction	\$ 2,848,170	\$ 3,304,155	\$ -	\$ 3,525,809
Supporting Services	1,416,470	1,380,766	162,361	996,657
Interest on Long-Term Debt		-	-	-
Business Type Activities	876,931	1,224,718	-	466,175
Total Expenses	<u>5,141,571</u>	<u>5,909,639</u>	<u>162,361</u>	<u>4,988,641</u>
PROGRAM REVENUES				
Charges for Services	1,689,233	297,681	-	280,056
Capital Grants and Contributions	-	-	-	-
Operating Grants and Contributions	18,173	25,560	-	7,856
Total Program Revenues	<u>1,707,406</u>	<u>323,241</u>	<u>-</u>	<u>287,912</u>
Net Program Expenses	<u>(3,434,165)</u>	<u>(5,586,398)</u>	<u>(162,361)</u>	<u>(4,700,729)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	2,929,021	4,434,981	-	3,641,602
Mill Levy	229,423	347,048	-	287,126
Capital Construction	108,205	163,340	-	134,855
Investment Earnings	18,321	2,393	-	32,505
Contributions and Grants	293,917	345,654	-	38,779
Other	12,483	7,741	190,000	6,044
Total General Revenues and Transfers	<u>3,591,370</u>	<u>5,301,157</u>	<u>190,000</u>	<u>4,140,911</u>
CHANGE IN NET POSITION	157,205	(285,241)	27,639	(559,818)
NET POSITION, Beginning	<u>(5,855,676)</u>	<u>(6,727,972)</u>	<u>-</u>	<u>(4,450,552)</u>
NET POSITION, Ending	<u>\$ (5,698,471)</u>	<u>\$ (7,013,213)</u>	<u>\$ 27,639</u>	<u>\$ (5,010,370)</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Discretely Presented Component Units (Continued)
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	SkyView Academy	STEM Charter School	World Compass Academy	Totals
EXPENSES				
Instruction	\$ 7,425,235	\$ 5,832,019	\$ 2,429,732	\$ 71,479,059
Supporting Services	6,129,305	4,154,869	2,064,916	37,653,985
Interest on Long-Term Debt		-	-	960,581
Business Type Activities	-	1,633,189	-	8,936,894
Total Expenses	<u>13,554,540</u>	<u>11,620,077</u>	<u>4,494,648</u>	<u>119,030,519</u>
PROGRAM REVENUES				
Charges for Services	1,335,601	378,961	528,312	10,772,975
Capital Grants and Contributions		350,000	94,220	671,537
Operating Grants and Contributions	37,220	3,858	459,063	3,751,365
Total Program Revenues	<u>1,372,821</u>	<u>732,819</u>	<u>1,081,595</u>	<u>15,195,877</u>
Net Program Expenses	<u>(12,181,719)</u>	<u>(10,887,258)</u>	<u>(3,413,053)</u>	<u>(103,834,642)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	8,411,902	9,047,927	2,762,987	83,287,402
Mill Levy	659,973	715,180	-	5,161,607
Capital Construction	309,544	333,196	-	2,198,575
Investment Earnings	1,192	5,016	-	106,780
Contributions and Grants	312,540	44,695	-	1,513,403
Other	101,339	-	25,856	546,308
Total General Revenues and Transfers	<u>9,796,490</u>	<u>10,146,014</u>	<u>2,788,843</u>	<u>92,814,075</u>
CHANGE IN NET POSITION	(2,385,229)	(741,244)	(624,210)	(11,020,567)
NET POSITION, Beginning	<u>(12,769,927)</u>	<u>(8,021,601)</u>	<u>(50,567)</u>	<u>(85,757,526)</u>
NET POSITION, Ending	<u>\$ (15,155,156)</u>	<u>\$ (8,762,845)</u>	<u>\$ (674,777)</u>	<u>\$ (96,778,093)</u>

***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 140-147

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 148-153

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..... 154-163

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
- Direct and Overlapping Debt
- Legal Debt Margin

Demographic and Economic Statistics 164-165

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

- Demographic and Economic Statistics
- Principal Employers

Operating Information 166-170

These schedules contain service and infrastructure data pertaining 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

	2016	2015 ⁽¹⁾	2014
General activities:			
Net Investment in Capital Assets	\$ 266,307,934	\$ 223,953,589	\$ 195,973,287
Restricted	87,678,033	102,440,756	95,722,952
Unrestricted	(829,825,456)	(800,342,280)	45,382,747
Total governmental activities net position	<u>\$(475,839,489)</u>	<u>\$(473,947,935)</u>	<u>\$ 337,078,986</u>
Business-type activities			
Invested in Capital Assets	\$ -	\$ -	\$ 3,528,490
Restricted	-	-	-
Unrestricted	-	-	4,526,262
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,054,752</u>
Primary government			
Net Investment in Capital Assets	\$ 266,307,934	\$ 223,953,589	\$ 199,501,777
Restricted	87,678,033	102,440,756	95,722,952
Unrestricted	(829,825,456)	(800,342,280)	49,909,009
Total primary government net position	<u>\$(475,839,489)</u>	<u>\$(473,947,935)</u>	<u>\$ 345,133,738</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.

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.

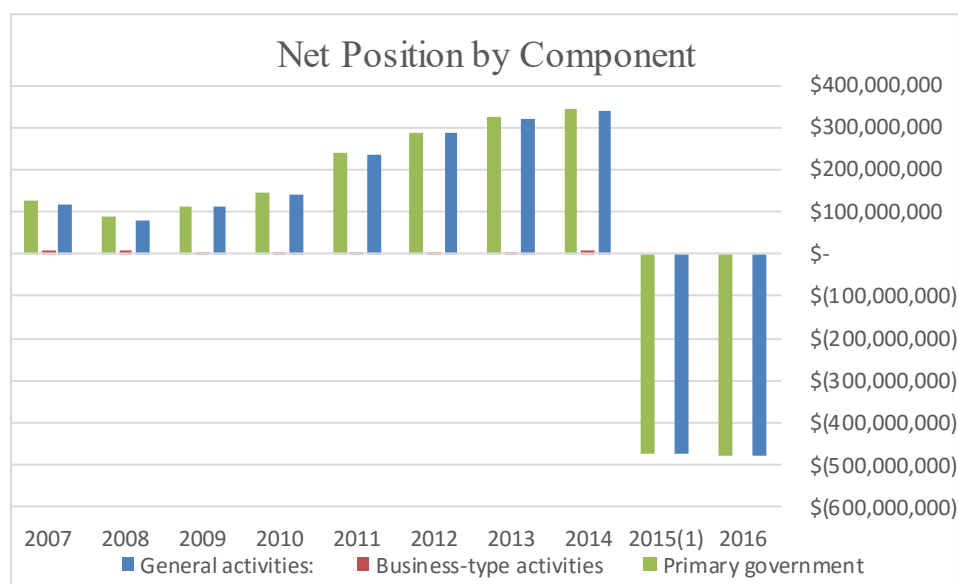
Balances prior to 2015 are shown as originally presented and have not been restated for accounting changes.

Table 1

2013	2012	Restated 2011	2010	2009	2008	2007
\$ 174,072,099	\$ 125,537,753	\$ 95,943,480	\$ 37,510,363	\$ 42,172,382	\$ 27,281,732	\$ 42,795,199
74,749,578	92,237,379	100,536,282	97,561,208	141,671,418	204,803,878	230,580,780
72,738,537	67,437,692	40,060,467	6,722,286	(72,687,504)	(150,796,048)	(157,426,046)
\$ 321,560,214	\$ 285,212,824	\$ 236,540,229	\$ 141,793,857	\$ 111,156,296	\$ 81,289,562	\$ 115,949,933

\$ 3,290,033	\$ 3,721,875	\$ 4,090,512	\$ 4,332,085	\$ 2,730,010	\$ 2,505,690	\$ 1,414,170
-	-	-	-	-	-	-
839,446	181,336	(1,568,281)	(1,371,707)	659,110	5,122,236	7,770,595
\$ 4,129,479	\$ 3,903,211	\$ 2,522,231	\$ 2,960,378	\$ 3,389,120	\$ 7,627,926	\$ 9,184,765

\$ 177,362,132	\$ 129,259,628	\$ 100,033,992	\$ 41,842,448	\$ 44,902,392	\$ 29,787,422	\$ 44,209,369
74,749,578	92,237,379	100,536,282	97,561,208	141,671,418	204,803,878	230,580,780
73,577,983	67,619,028	38,492,186	5,350,579	(72,028,394)	(145,673,812)	(149,655,451)
\$ 325,689,693	\$ 289,116,035	\$ 239,062,460	\$ 144,754,235	\$ 114,545,416	\$ 88,917,488	\$ 125,134,698



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

	2016	2015 ⁽¹⁾	2014
EXPENSES			
Governmental activities:			
Instruction	\$ 329,000,833	\$ 301,623,918	\$ 269,742,706
Supporting services	220,462,709	224,759,449	196,761,368
Funding to Component Units ⁽²⁾	91,493,127	80,957,702	73,281,995
Interest on long-term debt	20,438,609	24,041,678	28,911,330
Total primary government program expenses	<u>661,395,278</u>	<u>631,382,747</u>	<u>568,697,399</u>
Business-type activities:			
Nutrition Services	-	-	14,628,994
Non-Major Enterprise Funds	-	-	9,938,248
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>24,567,242</u>
Total primary government program expenses	<u><u>661,395,278</u></u>	<u><u>631,382,747</u></u>	<u><u>593,264,641</u></u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services	56,412,403	53,492,483	28,530,827
Operating grants and contributions	40,351,338	36,769,664	30,342,355
Capital grants and contributions	-	-	-
Total governmental activities	<u>96,763,741</u>	<u>90,262,147</u>	<u>58,873,182</u>
Business type activities:			
Charges for services - Nutrition Services	-	-	12,179,758
Operating grants and contributions	-	-	3,091,358
Charges for services - non-major enterprise funds	-	-	10,490,492
Total business-type activities	<u>-</u>	<u>-</u>	<u>25,761,608</u>
Total primary government program revenues	<u><u>96,763,741</u></u>	<u><u>90,262,147</u></u>	<u><u>84,634,790</u></u>
Net (Expense)/Revenue			
Governmental activities	(564,631,537)	(541,120,600)	(509,824,217)
Business-type activities	-	-	1,194,366
Total primary government net expense	<u><u>(564,631,537)</u></u>	<u><u>(541,120,600)</u></u>	<u><u>(508,629,851)</u></u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	237,419,629	230,044,555	224,180,235
Specific ownership taxes	22,236,877	21,630,690	19,916,387
State equalization	288,952,398	293,357,217	270,410,414
COP Charter school repayment	-	-	-
Investment earnings	378,573	147,171	144,848
Grants and contributions not specific to programs	8,651,744	-	-
Other	5,100,762	9,923,025	13,296,105
Transfers	-	-	(2,605,000)
Total governmental activities	<u>562,739,983</u>	<u>555,102,658</u>	<u>525,342,989</u>
Business-type activities:			
Investment earnings	-	-	-
Other	-	-	125,907
Extraordinary item (w/o assets <\$5k)	-	-	-
Transfers	-	-	2,605,000
Total business-type activities	<u>-</u>	<u>-</u>	<u>2,730,907</u>
Total primary government general revenues	<u><u>562,739,983</u></u>	<u><u>555,102,658</u></u>	<u><u>528,073,896</u></u>
CHANGE IN NET POSITION			
Governmental activities	(1,891,554)	13,982,058	15,518,772
Business-type activities	-	-	3,799,366
	<u><u>\$ (1,891,554)</u></u>	<u><u>\$ 13,982,058</u></u>	<u><u>\$ 19,318,138</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.

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

Table 2

	2013	2012	2011	2010	2009	2008	2007
\$	270,892,918	\$ 266,574,362	\$ 255,901,180	\$ 305,026,427	\$ 280,588,259	\$ 330,050,883	\$ 262,994,204
	171,113,103	149,913,182	142,363,827	182,308,594	197,239,443	153,020,191	138,132,132
	59,994,588	54,244,208	46,384,715	-	-	-	-
	30,187,963	28,148,114	35,322,746	31,755,542	31,732,601	32,362,410	31,977,580
	532,188,572	498,879,866	479,972,468	519,090,563	509,560,303	515,433,484	433,103,916
	14,470,523	14,163,053	14,396,183	15,301,521	16,488,675	13,958,595	11,369,440
	9,457,490	8,945,976	8,560,831	8,857,027	9,464,830	7,596,573	6,740,000
	23,928,013	23,109,029	22,957,014	24,158,548	25,953,505	21,555,168	18,109,440
	556,116,585	521,988,895	502,929,482	543,249,111	535,513,808	536,988,652	451,213,356
	27,874,860	26,326,938	24,594,662	17,634,758	18,493,995	13,907,195	5,902,190
	28,777,165	23,774,694	28,805,131	26,849,162	24,380,125	19,776,495	35,835,862
	-	-	-	63,492	-	-	-
	56,652,025	50,101,632	53,399,793	44,547,412	42,874,120	33,683,690	41,738,052
	10,941,844	10,624,082	10,850,000	11,621,798	9,851,990	9,412,258	9,437,965
	3,602,925	3,576,019	3,726,239	2,917,705	2,803,292	2,346,509	1,685,307
	9,664,554	9,139,908	8,905,075	9,122,383	9,158,931	8,223,883	6,903,660
	24,209,323	23,340,009	23,481,314	23,661,886	21,814,213	19,982,650	18,026,932
	80,861,348	73,441,641	76,881,107	68,209,298	64,688,333	53,666,340	59,764,984
	(475,536,547)	(448,778,234)	(426,572,675)	(474,543,151)	(466,686,183)	(481,749,794)	(391,365,864)
	281,310	230,980	524,300	(496,662)	(4,139,292)	(1,572,518)	(82,508)
	(475,255,237)	(448,547,254)	(426,048,375)	(475,039,813)	(470,825,475)	(483,322,312)	(391,448,372)
	225,526,250	213,087,082	232,462,054	227,029,556	224,686,214	210,261,080	187,833,547
	17,961,028	16,186,615	15,522,850	15,949,421	17,932,981	19,748,994	18,554,862
	255,686,365	246,289,764	244,359,000	249,467,855	234,872,441	191,877,073	161,027,430
	-	12,364,050	-	-	-	-	-
	247,485	174,758	442,416	1,331,324	5,157,300	11,510,006	10,879,889
	-	159,476	1,572,533	-	-	-	-
	12,407,767	10,339,083	9,160,063	11,402,556	13,786,604	13,692,270	20,061,898
	55,042	(1,150,000)	-	-	117,377	-	-
	511,883,937	497,450,828	503,518,916	505,180,712	496,552,917	447,089,423	398,357,626
	-	-	-	-	-	5	200,428
	-	-	9,308	67,920	17,863	15,674	17,567
	-	-	-	-	-	-	(804,630)
	(55,042)	1,150,000	-	-	(117,377)	-	-
	(55,042)	1,150,000	9,308	67,920	(99,514)	15,679	(586,635)
	511,828,895	498,600,828	503,528,224	505,248,632	496,453,403	447,105,102	397,770,991
	36,347,390	48,672,594	76,946,241	30,637,561	29,866,734	(34,660,371)	6,991,762
	226,268	1,380,980	524,300	(496,662)	(4,256,669)	(1,572,518)	(82,508)
\$	36,573,658	\$ 50,053,574	\$ 77,470,541	\$ 30,140,899	\$ 25,610,065	\$ (36,232,889)	\$ 6,909,254

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

	2016	2015 ⁽²⁾	2014	2013
Combined General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	734,119	734,907	1,027,061	820,300
Restricted - TABOR Emergency Reserve	15,995,000	15,290,000	15,132,000	14,043,000
Assigned	86,086,929	79,177,558	71,579,987	89,027,824
Unassigned	555,667	463,134	486,854	537,143
Total General Fund	\$ 103,371,715	\$ 95,665,599	\$ 88,225,902	\$ 104,428,267
All other governmental funds				
Non Spendable	\$ 647,527	\$ 671,255	\$ -	\$ 30,000
Reserved for Emergencies	-	-	-	-
Reserved:				
Special Revenue Funds	6,764,664	5,644,669	823,833	735,492
Restricted:				
Building Aspen View Academy	5,727,695	9,071,898	14,986,393	14,342,407
Debt Service/Lease Payment Funds	59,107,507	70,039,530	64,595,606	59,785,966
Grants	185,120	185,120	185,120	185,120
Total all other governmental funds	\$ 72,432,513	\$ 85,612,472	\$ 80,590,952	\$ 75,078,985
Governmental Funds				
Reserved/Assigned	\$ 175,248,561	\$ 180,814,937	\$ 168,330,000	\$ 178,970,109
Unreserved	555,667	463,134	486,854	537,143
Total governmental funds	\$ 175,804,228	\$ 181,278,071	\$ 168,816,854	\$ 179,507,252

(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.

Table 3

	2012	Restated ⁽¹⁾ 2011	2010	2009	2008	2007
\$	-	\$ -	\$ -	\$ 2,065,105	\$ 1,213,125	\$ 1,183,606
	806,542	762,782	750,463	-	-	-
	12,790,000	11,745,301	12,313,022	12,414,008	11,750,000	10,377,000
	68,735,779	41,226,027	22,832,627	-	-	-
	18,052,019	26,815,727	10,197,615	6,141,834	7,224,933	24,065,111
\$	<u>100,384,340</u>	<u>\$ 80,549,837</u>	<u>\$ 68,926,354</u>	<u>\$ 20,620,947</u>	<u>\$ 20,188,058</u>	<u>\$ 35,625,717</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	926,040	1,076,248	10,422,477	5,649,724	5,837,202	11,764,401
	18,002,255	15,338,607	30,123,296	81,761,934	152,572,604	185,916,546
	60,333,964	59,340,736	55,124,890	45,430,371	40,481,274	34,287,234
	185,120	185,120	-	-	-	-
\$	<u>79,447,379</u>	<u>\$ 75,940,711</u>	<u>\$ 95,670,663</u>	<u>\$ 132,842,029</u>	<u>\$ 198,891,080</u>	<u>\$ 231,968,181</u>
\$	161,779,700	\$ 129,674,821	\$ 131,566,775	\$ 147,321,142	\$ 211,854,205	\$ 243,528,787
	18,052,019	26,815,727	10,197,615	6,141,834	7,224,933	24,065,111
\$	<u>179,831,719</u>	<u>\$ 156,490,548</u>	<u>\$ 141,764,390</u>	<u>\$ 153,462,976</u>	<u>\$ 219,079,138</u>	<u>\$ 267,593,898</u>

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

	2016	2015	2014	2013
REVENUES				
Taxes	\$ 260,227,313	\$ 252,092,362	\$ 247,142,354	\$ 237,365,348
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	329,303,736	330,125,900	300,752,769	284,463,530
Charges for services	51,086,322	53,492,483	28,530,827	27,874,860
Investment Earnings	363,496	140,674	132,902	276,635
Other	20,046,480	12,803,286	13,932,610	12,211,910
Total Revenues	661,027,347	648,654,705	590,491,462	562,192,283
EXPENDITURES				
Current operating:				
Instruction	299,786,084	283,860,606	276,669,387	274,167,817
Supporting Services	199,043,430	198,026,671	180,116,275	160,186,452
Payment to Component Unit	91,493,127	80,957,702	73,281,995	59,994,588
Capital Outlay	3,371,577	5,904,688	12,945,707	18,620,893
Debt Service:				
Debt issuance costs	190,545	431,679	172,052	483,024
Principal	50,863,535	42,298,688	41,851,380	43,289,338
Interest and fiscal charges	23,014,446	29,681,349	32,193,583	29,603,277
Total Expenditures	667,762,744	641,161,383	617,230,379	586,345,389
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	12,100,000	47,135,000	-	31,020,000
Premium on Bonds	943,790	3,197,689	-	3,925,547
Payments to Refunded Bond Escrow	(12,846,310)	(49,891,056)	-	(34,353,871)
Issuance of COP	-	-	15,000,000	15,500,000
COP Charter School Repayment	-	-	-	-
Compensation for Loss of Asset	1,064,074	-	-	-
Issuance of Capital Lease	-	-	3,530,800	7,636,963
Other Sources (Uses)	-	-	122,719	100,000
Transfers In	7,228,188	7,436,481	10,063,087	6,715,311
Transfers Out	(7,228,188)	(7,436,481)	(12,668,087)	(6,715,311)
Total other financing sources (uses)	1,261,554	441,633	16,048,519	23,828,639
Net change in fund balances	\$ (5,473,843)	\$ 7,934,955	\$ (10,690,398)	\$ (324,467)
Debt service as a percentage of non-capital expenditures	11.4%	11.5%	12.5%	13.3%

Table 4

2012	Restated 2011	2010	2009	2008	2007
\$ 236,258,181	\$ 244,884,158	\$ 244,581,528	\$ 235,594,106	\$ 230,010,074	\$ 206,388,408
-	92,000	123,192	71,114	661,285	1,153,540
270,223,934	274,736,664	276,380,509	259,252,566	211,653,568	196,863,292
26,326,938	24,594,662	17,634,758	18,493,995	13,907,195	5,902,190
160,793	423,889	1,084,491	4,937,959	11,379,892	10,619,817
10,188,833	8,908,432	11,279,364	13,715,490	13,030,985	18,908,358
543,158,679	553,639,805	551,083,842	532,065,230	480,642,999	439,835,605
247,204,042	246,797,488	285,889,484	287,206,411	258,791,779	238,315,149
143,195,462	138,836,902	154,940,755	161,978,101	154,749,135	130,719,659
54,244,208	46,384,715	867,667	-	-	-
19,743,061	30,882,869	72,549,474	85,360,848	121,340,086	83,770,734
489,201	542,871	832,407	-	-	-
40,960,449	38,179,739	30,823,505	28,945,000	22,300,000	15,963,132
29,153,263	30,532,096	31,755,542	31,732,601	32,362,410	31,977,580
534,989,686	532,156,680	577,658,834	595,222,961	589,543,410	500,746,254
71,095,000	86,405,000	101,770,000	-	63,944,949	207,944,942
14,185,059	17,247,133	13,504,761	-	12,260,702	24,533,628
(84,800,060)	(103,113,364)	(100,398,355)	-	(14,260,000)	(47,675,872)
-	-	-	-	-	-
12,364,049	-	-	-	-	-
3,478,130	-	-	-	-	-
-	-	-	-	-	-
5,377,499	19,227,111	21,136,366	24,358,656	22,240,125	14,793,293
(6,527,499)	(23,043,821)	(21,136,366)	(26,817,087)	(23,800,125)	(14,793,293)
15,172,178	(3,277,941)	14,876,406	(2,458,431)	60,385,651	184,802,698
\$ 23,341,172	\$ 18,205,185	\$ (11,698,586)	\$ (65,616,162)	\$ (48,514,760)	\$ 123,892,049
13.6%	13.5%	12.4%	11.8%	10.2%	11.2%

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
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
2008	2009	2,712,177,010	34,072,575,503	352,466,660	1,398,061,420	51,894,240	19,303,880
2007	2008	2,630,673,430	33,048,661,181	334,701,420	1,334,996,740	57,097,880	18,486,600
2006	2007	2,356,476,840	29,603,980,402	266,327,340	1,220,874,170	49,165,040	14,281,410

(1) Source: Douglas County Assessor

<http://www.douglas.co.us/documents/2015-abstract.pdf>

(2) Source Douglas County Assessors -2015 TaxDistricts and Authorities

<http://www.douglas.co.us/documents/tax-districts-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
\$ 438,980	\$ 237,761,700	\$ 1,991,114,480	\$ 6,865,912,000	\$ 4,691,911,810	\$ 40,795,526,698	42.439
458,850	227,523,800	1,980,896,450	6,830,677,414	4,753,704,520	41,664,949,650	48.277
422,900	235,325,500	1,950,291,100	6,725,141,724	4,555,351,240	39,452,027,905	48.277
435,290	209,659,400	1,924,637,390	6,636,680,655	4,759,915,590	42,255,753,519	48.727
425,920	184,707,000	2,107,375,460	7,266,811,931	4,911,990,210	42,500,665,574	48.788
343,730	158,980,100	2,079,945,980	7,172,227,517	4,792,122,990	41,244,803,020	46.890
219,050	154,083,000	1,976,028,250	6,813,890,517	4,606,701,680	39,862,551,698	46.681
318,030	143,966,400	1,889,567,070	6,515,748,517	4,246,043,910	36,119,728,919	47.103
380,290	137,184,200	1,688,212,450	5,821,422,241	3,894,601,710	33,539,880,282	46.500
401,120	115,320,030	1,617,017,453	5,575,922,252	3,590,717,123	30,371,144,237	46.500

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
2015	2016	31.763	10.676	42.439	24.270	66.71
2014	2015	32.849	15.428	48.277	24.270	72.55
2013	2014	32.935	15.342	48.277	24.270	72.55
2012	2013	33.599	15.128	48.727	24.270	73.00
2011	2012	33.341	15.447	48.788	24.270	73.06
2010	2011	32.644	14.246	46.890	24.270	71.16
2009	2010	32.485	14.196	46.681	24.270	70.95
2008	2009	33.197	13.906	47.103	24.274	71.38
2007	2008	33.358	13.142	46.500	24.274	70.77
2006	2007	33.970	12.530	46.500	24.274	70.77

(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/tax-districts-mill-levies.pdf>

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

	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Park Meadows Mall LLC	\$ 74,436,090	1	1.33%	\$ 59,629,000	1	1.48%
HCA HealthOne LLC	69,616,450	2	1.25%	38,984,260	2	0.97%
Intermountain Rural Elec Assn.	60,593,490	3	1.08%	27,311,700	4	0.68%
Public Service Co. of Colo(Xcel)	54,587,400	4	0.98%	24,775,100	5	0.62%
Century Link (was Qwest Corporation)	37,414,700	5	0.67%	28,715,700	3	0.71%
Kaiser Foundation Hospitals	34,582,440	6	0.62%	-		
CS Lone Tree	27,245,500	7	0.49%			
Portercare Adventist Health System	26,891,800	8	0.48%	-		
Century Link Communications	21,558,500	9	0.39%			
Plaza Drive Properties	19,856,400	10	0.36%	18,865,320	7	0.47%
Craig Realty Group Castle Rock LLC	-		-	20,140,830	6	0.50%
South Metro Marketplace Inc.	-		-	15,172,730	8	0.38%
VISA USA Inc.	-		-	13,100,800	9	0.33%
Liberty Property Holdings				12,328,190	10	0.31%
Total Principal Taxpayers	\$ 426,782,770		7.65%	\$ 259,023,630		6.45%

Source: Douglas County CAFR

<http://www.douglas.co.us/documents/2015-cafr.pdf>



Douglas County School District
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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⁾			Total Tax Collections	Percent of Total Tax Collections to Levy
			Current Tax Collections	Percent of Levy Collected	Collection in Subsequent Years		
2015	2016	\$ 238,509,546	\$ 237,545,623	99.60%	\$ 330,305	\$ 237,875,928	99.73%
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%
2008	2009	221,968,627	215,341,376	97.01%	30,010	215,371,386	97.03%
2007	2008	211,754,477	205,145,167	96.88%	73,455	205,218,622	96.91%
2006	2007	188,393,901	184,592,058	97.98%	120,339	184,712,397	98.05%

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.

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
2016	\$ 342,249,714	\$ 48,495,000	\$ 7,095,655	\$ 35,369,506	\$ 8,171,653	\$ 441,381,528
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	536,875,395
2011	543,221,501	27,540,000	-	-	-	570,761,501
2010	580,366,240	28,575,000	-	-	-	608,941,240
2009	608,924,744	16,920,000	-	-	-	625,844,744
2008	637,134,744	17,655,000	-	-	-	654,789,744
2007	609,424,795	17,980,000	-	-	-	627,404,795

(1) Douglas County Government

<http://www.douglas.co.us/documents/2015-abstract.pdf>

(2) 2015 Douglas County CAFR -Demographic and Economic Statistics

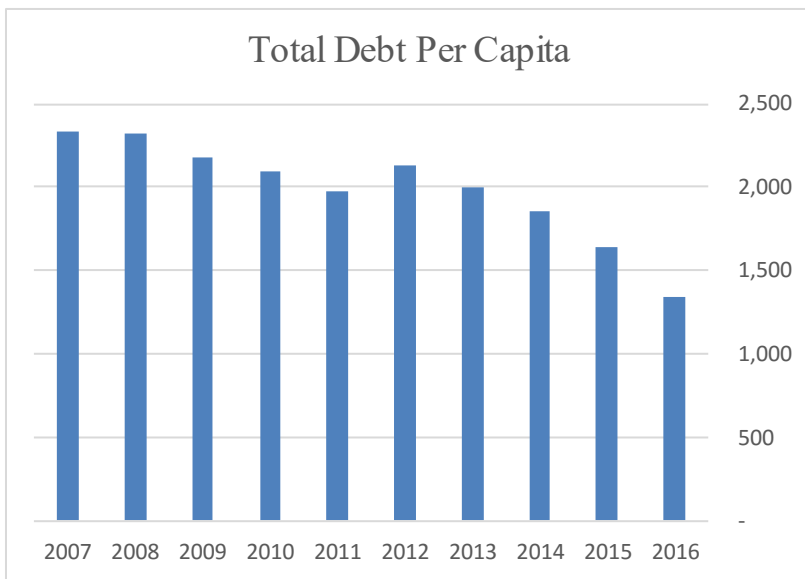
<http://www.douglas.co.us/documents/2015-cafr.pdf>

Figures included in this schedule represent the most recent data available.

2015 and prior numbers have not been revised to match the County's updated data.

Table 9

Assessed Value ⁽¹⁾	Personal Income ⁽²⁾	Population ⁽²⁾	Percentage of Personal Income	Total Debt Per Capita
\$ 5,592,997,090	\$20,589,777	328,990	4.66%	1,342
4,780,313,060	24,006,648	308,000	4.75%	1,640
4,689,459,530	22,858,414	302,464	4.08%	1,850
4,551,405,080*	21,954,925	295,689	3.71%	2,001
4,504,735,760	18,081,970	291,083	2.92%	2,128
4,916,844,570	17,514,402	288,430	3.07%	1,979
4,879,538,950	17,108,472	290,059	2.81%	2,099
4,678,187,640	16,969,723	286,780	2.71%	2,182
4,513,520,560	14,706,467	281,418	2.25%	2,327
4,022,845,950	12,993,222	268,506	2.07%	2,337



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

Year Ended June 30	General Obligation Bonds	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⁾
2016	\$384,714,874	\$ 37,190,142	\$347,524,732	0.83%	\$ 1,056	\$42,066,694,598	\$ 5,592,997,090	\$20,589,777	\$ 328,990
2015	445,517,562	48,358,535	397,159,027	0.95%	1,289	41,756,703,236	4,753,704,520	24,006,648	308,000
2014	497,216,770	39,363,688	457,853,082	1.12%	1,514	40,787,070,561	4,689,459,530	22,858,414	302,464
2013	543,691,131	46,691,379	496,999,752	1.25%	1,681	39,698,998,633	4,558,286,820	21,954,925	295,689
2012	591,667,776	40,687,776	550,980,000	1.40%	1,893	39,277,491,767	4,712,435,600	18,081,970	291,083
2011	543,221,541	34,010,448	509,211,093	1.19%	1,765	42,796,887,933	4,915,224,180	17,514,402	288,430
2010	580,366,240	37,144,738	543,221,502	1.28%	1,873	42,388,764,678	4,780,643,000	17,108,472	290,059
2009	608,924,744	28,558,504	580,366,240	1.42%	2,024	40,851,922,503	4,601,744,080	16,969,723	286,780
2008	637,134,744	28,210,000	608,924,744	1.54%	2,164	39,541,237,491	4,318,885,880	14,706,467	281,418
2007	609,424,795	34,287,234	575,137,561	1.63%	2,142	35,350,080,781	3,973,494,293	12,993,222	268,506

(1) Douglas County Government

<http://www.douglas.co.us/documents/2015-abstract.pdf>

(2) 2015 Douglas County CAFR

<http://www.douglas.co.us/documents/2015-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.

2015 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 June 30, 2016. Additional taxing entities may overlap with the District in the future.

Estimated Overlapping General Obligation Debt

	2015 Assessed Valuation ⁽²⁾	Entity's Debt Outstanding	Outstanding Debt Attributable to the District ⁽³⁾	
			Percent	Amount
Direct Debt				
Douglas County School District RE-1	\$ 5,592,997,090	\$ 342,249,714	100%	<u>\$ 342,249,714</u>

Overlapping G.O. Debt ⁽¹⁾

Name of Overlapping Entity ⁽¹⁾	Valuation ⁽²⁾	G.O. Debt	Percent	Amount
Antelope Heights Metropolitan District	\$ 14,835,450	\$ 10,870,000	100.00%	\$ 10,870,000
Arapahoe County Water and Wastewater P.I.D.	412,890,424	129,060,000	3.36	4,336,416
Canterberry Crossing Metropolitan District	29,103,440	10,295,000	100.00	10,295,000
Canterberry Crossing Metropolitan District II	23,125,450	11,700,000	100.00	11,700,000
Castle Oaks Metropolitan District	20,790,520	18,825,000	100.00	18,825,000
Castle Oaks Metropolitan District No. 3	1,380,170	17,800,000	100.00	17,800,000
Castle Pines Commercial Metro. District No. 1 ⁽⁴⁾	335,130	5,875,000	100.00	5,875,000
Castle Pines North Metropolitan District ⁽⁵⁾	159,003,720	10,130,000	100.00	10,130,000
Castlewood Ranch Metropolitan District	32,356,280	19,225,000	100.00	19,225,000
Cherokee Ridge Estates Metropolitan District	3,188,130	36,540	100.00	36,540
Cherry Creek South Metropolitan District No. 1	41,123,950	3,510,000	100.00	3,510,000
Cherry Creek South Metropolitan District No. 2	3,027,900	1,850,000	100.00	1,850,000
Compark Business Campus Metropolitan District ⁽⁶⁾	46,085,060	51,110,000	100.00	51,110,000
Concord Metropolitan District	29,314,340	5,220,000	100.00	5,220,000
Consolidated Bell Mountain Ranch Metro. District	16,140,110	12,930,000	100.00	12,930,000
Cottonwood Water and Sanitation District	87,414,130	17,042,181	100.00	17,042,181
Crystal Crossing Metropolitan District	8,914,590	8,500,000	100.00	8,500,000
Crystal Valley Metropolitan District No. 1	17,040	19,297,712	100.00	19,297,712
Crystal Valley Metropolitan District No. 2	21,544,050	38,370,000	100.00	38,370,000
Elkhorn Ranch Metropolitan District No. 1	6,216,850	7,346,000	100.00	7,346,000
Heritage Hills Metropolitan District	44,896,330	85,000	100.00	85,000
Highfield Metropolitan District	9,366,170	3,676,400	100.00	3,676,400
Highlands Ranch Metropolitan District	1,417,417,070	36,865,000	100.00	36,865,000
Horse Creek Metropolitan District	13,276,140	4,400,000	100.00	4,400,000
Horseshoe Ridge Metropolitan Districts Nos. 1-3 ⁽⁷⁾	9,602,060	3,850,000	100.00	3,850,000
Hunting Hill Metropolitan District	4,831,550	4,000,000	100.00	4,000,000
Inverness Metropolitan Improvement District	299,214,531	4,125,000	35.64	1,470,150
Inverness Water and Sanitation District	321,610,370	13,110,000	33.16	4,347,276
Jordan Crossing Metropolitan District	2,781,530	1,305,000	100.00	1,305,000
Larkspur Fire Protection District	133,444,740	2,355,000	100.00	2,355,000
Lincoln Creek Metropolitan District ⁽⁸⁾	2,140,650	4,130,000	100.00	4,130,000
Lincoln Meadows Metropolitan District	8,434,180	8,490,292	100.00	8,490,292
Lincoln Park Metropolitan District	33,953,440	31,185,000	100.00	31,185,000
Lincoln Station Metropolitan District	42,617,300	16,145,000	100.00	16,145,000
Louviers Water and Sanitation District ⁽⁹⁾	1,965,360	762,026	100.00	762,026

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
Maher Ranch Metropolitan District No. 4 ⁽¹⁰⁾	\$ 29,153,580	\$ 19,380,000	100.00	\$ 19,380,000
Meadow Station Public Improvement District	2,683,250	365,000	100.00	365,000
Meadows Metropolitan Districts Nos. 1 - 7 ⁽¹¹⁾	174,172,330	70,000,000	100.00	70,000,000
Meridian Metropolitan District	177,800,520	58,410,000	100.00	58,410,000
Meridian Village Metropolitan District Nos. 1 & 2 ⁽¹²⁾	40,907,740	35,185,000	100.00	35,185,000
Neu Towne Metropolitan District ⁽¹³⁾	4,572,800	7,607,123	100.00	7,607,123
North Meridian Metropolitan District	283,020	35,185,000	100.00	35,185,000
North Pines Metropolitan District	4,297,480	2,340,000	100.00	2,340,000
Olde Town Metropolitan District	2,711,050	900,000	100.00	900,000
Omnipark Metropolitan District	46,856,090	3,915,000	100.00	3,915,000
Parker Automotive Metropolitan District	4,639,000	3,785,000	100.00	3,785,000
Parker Homestead Metropolitan District	8,745,510	6,500,000	100.00	6,500,000
Parker Water and Sanitation District	553,661,969	88,365,000	100.00	88,365,000
Pine Bluffs Metropolitan District	9,813,886	4,510,000	100.00	4,510,000
Pinery West Metropolitan District No. 2 ⁽¹⁴⁾	39,911,750	16,480,000	100.00	16,480,000
Pinery West Metropolitan District No. 3 ⁽¹⁵⁾	11,754,160	1,660,000	100.00	1,660,000
Promenade at Castle Rock Metro. Dist. No. 1 ⁽¹⁶⁾	45,830	37,440,000	100.00	37,440,000
Ravenna Metropolitan District	7,753,340	11,695,000	100.00	11,695,000
Reata North Metropolitan District ⁽¹⁷⁾	22,152,630	9,765,000	100.00	9,765,000
Reata South Metropolitan District ⁽¹⁸⁾	14,596,390	19,350,000	100.00	19,350,000
Regency Metropolitan District	5,970,460	3,540,000	100.00	3,540,000
Robinson Ranch Metropolitan District	1,172,430	690,000	100.00	690,000
RockingHorse Metropolitan District No. 2	11,691,450	48,935,736	100.00	48,935,736
Roxborough Village Metropolitan District	62,429,520	9,785,114	100.00	9,785,114
Roxborough Water and Sanitation District	172,490,812	23,949,410	70.28	16,831,645
Sedalia Water and Sanitation District ⁽¹⁹⁾	6,020,880	92,655	100.00	92,655
Solitude Metropolitan District	3,230	4,770,000	100.00	4,770,000
South Meridian Metropolitan District	39,725,680	7,736,000	100.00	7,736,000
South Suburban Park and Recreation District	2,883,322,289	12,835,000	22.70	2,913,545
Southeast Public Improvement Metro. District	2,173,022,524	3,130,000	34.71	1,086,423
Stone Canon Ranch Metropolitan District	1,651,890	380,613	100.00	380,613
Stonegate Village Metropolitan District	82,198,420	8,583,340	100.00	8,583,340
Thunderbird Water and Sanitation District ⁽²⁰⁾	6,949,550	228,164	100.00	228,164
Village on the Green Metro. District No. 1	2,203,090	1,400,000	100.00	1,400,000
Villages at Castle Rock Metropolitan Dist. No. 4 and Founders Village Metropolitan District ⁽²¹⁾	45,719,620	25,911,000	100.00	25,911,000
Villages at Castle Rock Metropolitan District No. 6	17,384,190	39,900,000	100.00	39,900,000
Villages at Castle Rock Metropolitan District No. 7	23,429,860	2,270,000	100.00	2,270,000
West Metro Fire Protection District	3,295,834,205	30,805,000	3.50	1,078,175
Total Overlapping				<u>\$ 1,005,226,351</u>
Total Direct Debt and Overlapping Debt				<u>\$ 1,347,476,065</u>

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

Estimated Overlapping General Obligation Debt
(Continued)

(1) The following entities also overlap the District, but have no outstanding general obligation debt: Airport Vista Metropolitan Districts Nos. 1 and 2; City of Aurora; BMR Metropolitan District; Canyons Metropolitan Districts Nos. 1 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 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; Chatfield South Water District; Cherry Creek Basin Water Quality Authority; Cherry Creek South Metropolitan Districts Nos. 3 to 11; 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 Districts Nos. 1 and 2; 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 Soil Conservation District; Douglas County Woodmoor Mountain General Improvement District; Douglas County Libraries; E-470 Potomac Metropolitan District; E-470 Public Highway Authority; Elbert County; Elbert County Library now known as Pines and Plains Libraries; Foxhill Metropolitan Districts Nos. 1 and 2; Franktown Business Area Metropolitan District; Franktown Fire Protection District; Grandview Estates Rural Water Conservation; Heritage Farm Metropolitan District; Hidden Pointe Metropolitan District; High Prairie Farms Metropolitan District; High Prairie Polo Club Metropolitan Districts Nos. 1 and 2; Highlands Ranch Metropolitan District No. 5; Jackson 105 Fire Protection District; Kings Point South Metropolitan Districts Nos. 1 and 2; Kiowa Soil Conservation District; Lanterns Metropolitan Districts Nos. 1 through 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; Meadows Metropolitan Districts Nos. 3 to 6; Meridian Village Metropolitan Districts Nos. 3 and 4; Mountain Communities Fire Protection District; North Fork Fire Protection District; North Pine Vistas Metropolitan Districts Nos. 1 to 3; Northern Douglas County Water and Sanitation District; Overlook Metropolitan District; Park Meadows Business Improvement District; Park Meadows Metropolitan District; Town of Parker; Parker Central Area Urban Renewal Plan; Parker Fire Protection District; 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; Plum Creek Metropolitan District; Promenade at Castle Rock Metropolitan Districts Nos. 2 and 3; Rampart Range Metropolitan Districts Nos. 1 through 9; Rattlesnake Fire Protection District; Regional Transportation District; Remuda Ranch Metropolitan District; RockingHorse Metropolitan District No. 1; Salisbury Heights Metropolitan District; Sierra Ridge Metropolitan Districts Nos. 1 and 2; Silver Heights Water and Sanitation District; South Metro Fire Rescue; 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 to 7; Stone Creek Metropolitan District; Tallman Gulch Metropolitan District; United Water and Sanitation District; Upper South Platte Water Conservancy District; Urban Drainage and Flood Control District - South Platte Levy; Ute Pass Regional Health Service District; Villages at Castle Rock Metropolitan Districts Nos. 4 and 9; Vistas at Rock Canyon Metropolitan District; West Douglas County Fire Protection District; Westcreek Lakes Water District; Westcreek Metropolitan Districts Nos. 1 and 2; and Westfield Metropolitan Districts Nos. 1 and 2.

(2) The 2015 assessed valuation figures certified by the County Assessors are for collection of ad valorem property taxes in 2016.

(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) 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 2015 assessed valuations of No. 3 and No. 4 are \$5,827,560 and \$6,543,660, respectively, and each levied 40.000 mills for debt service in 2015.

(5) Castle Pines North Metropolitan District ("CPNMD") has issued limited tax general obligation bonds backed by a required mill levy with a variable maximum. The debt service mill levy for 2015 is 22.000 mills. CPNMD also has an agreement with Hidden Pointe Metropolitan District whereby Hidden Pointe remits net revenues equivalent to 12.000 mills to CPNMD for repayment of these bonds. The figure for CPNMD's debt is as of August 2015.

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

Estimated Overlapping General Obligation Debt
 (Continued)

- (7) Pursuant to a capital pledge agreement, Horseshoe Ridge Metropolitan Districts Nos. 2 and 3 (the "Financing Districts") pledge certain tax revenues to Horseshoe Ridge Metropolitan District No. 1 to pay obligations associated with the property tax supported revenue bonds issued by District No. 1. The Financing Districts pledge proceeds from a required mill levy of 35 mills which will be imposed upon all taxable property therein.
- (8) Lincoln Creek Metropolitan District has defaulted on its general obligation debt and, as of December 31, 2015, the outstanding principal balance is the original amount of \$4,130,000.
- (9) Louviers Water and Sanitation District's debt is comprised of general obligation bonds and a mill levy supported Colorado Water Resources and Power Development Authority loan.
- (10) Maher Ranch Metropolitan District No. 4's general obligation debt consists of limited tax general obligation bonds secured by a required mill levy not to exceed 55.063 mills and specific ownership tax revenue.
- (11) Seven contiguous districts 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.
- (12) 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.
- (13) Neu Towne Metropolitan District's general obligation debt consists of limited tax general obligation bonds secured by a required mill levy not to exceed 35 mills, facility fees, and specific ownership tax revenue.
- (14) Pinery West Metropolitan District No. 2's general obligation debt consists of limited tax general obligation bonds secured by a required mill levy not to exceed 57.475 mills and specific ownership tax revenue.
- (15) Pinery West Metropolitan District No. 3's general obligation debt consists of limited tax general obligation bonds secured by a required mill levy not to exceed 50 mills and specific ownership tax revenue.
- (16) The outstanding debt for Promenade at Castle Rock Metropolitan District No. 1 includes general obligation bonds and taxable special revenue bonds that are partially secured by property tax revenue. Pursuant to a Capital Pledge Agreement, Promenade at Castle Rock Metropolitan Districts Nos. 2 and 3 are expected to transfer property tax revenue to District No. 1 for repayment of all the bonds. For 2015, District No. 2 did not certify a mill levy and District No. 3 certified a levy of 40.000 mills for debt service.
- (17) Reata North Metropolitan District's general obligation debt consists of limited tax general obligation bonds secured by a required mill levy not to exceed 50 mills and facility fees.
- (18) Reata South Metropolitan District's general obligation debt consists of limited tax general obligation bonds secured by a required mill levy of not less than 40 mills and not more than 50 mills, facility fees, specific ownership tax revenue, and payments from the trustee under a Partial Debt Service Guaranty.
- (19) Sedalia Water and Sanitation District's debt is a mill levy supported Colorado Water Resources and Power Development Authority Loan secured with a Governmental Agency Bond.
- (20) Thunderbird Water and Sanitation's debt consists of mill levy supported loans from the Colorado Water Resources and Power Development Authority.
- (21) 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, and principal amounts due as of such date will be discharged. As of December 31, 2015, the amount of unpaid accrued interest is \$80,179,596.

Sources: Assessors' Offices of Adams, 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

	2016	2015	2014	2013	2012
Debt limit ⁽¹⁾	1,398,249,273	\$ 1,195,078,265	\$ 1,172,364,883	\$ 1,137,851,270	\$ 1,126,183,940
Total debt applicable to limit	342,249,714	390,608,248	432,426,936	543,691,131	509,211,093
Legal debt margin ⁽²⁾	1,055,999,559	804,470,017	739,937,947	594,160,139	616,972,847
Total debt applicable to the limit as a percentage of debt limit	24.48%	32.68%	36.89%	47.78%	45.22%

(1) Debt limits calculated by determining the total assessed value as reported in Table 9 on page 147 and multiplying by 2.5 percent
 (2) Legal debt margin is calculated by subtracting the "total debt applicable to limit from the debt limit".

Table 12

2011	2010	2009	2008	2007
\$ 1,229,211,143	\$ 1,219,884,738	\$ 1,169,546,910	\$ 1,128,380,140	\$ 1,005,711,488
543,221,541	580,366,240	608,924,744	637,134,744	609,424,795
685,989,602	639,518,498	560,622,166	491,245,396	396,286,693
44.19%	47.58%	52.07%	56.46%	60.60%

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

Year	Estimated Population	Per Capita Personal Income	Personal Income Total	Average Household Size	Median AGE	School Enrollment ⁽²⁾	Unemployment Rate
2015	328,990	\$ 62,585	\$ 20,589,777	2.84	37.2	66,886	2.60%
2014	308,000	77,944	24,006,648	2.82	36.9	66,702	4.50%
2013	302,464	75,574	22,858,414	2.80	37.5	66,230	5.60%
2012	295,689	74,250	21,954,925	2.95	37.4	64,657	5.90%
2011	291,083	71,463	20,801,664	2.79	36.6	63,114	6.10%
2010	288,430	63,056	17,743,150	2.86	36.6	61,465	6.70%
2009	290,059	62,633	17,255,256	2.90	34.3	59,932	6.60%
2008	286,780	58,305	15,577,869	2.88	35.7	58,723	5.10%
2007	281,418	53,329	13,659,407	2.85	33.5	50,383	3.20%
2006	268,506	48,416	11,770,604	2.80	35.4	50,370	4.90%

(1) 2015 Douglas County CAFR

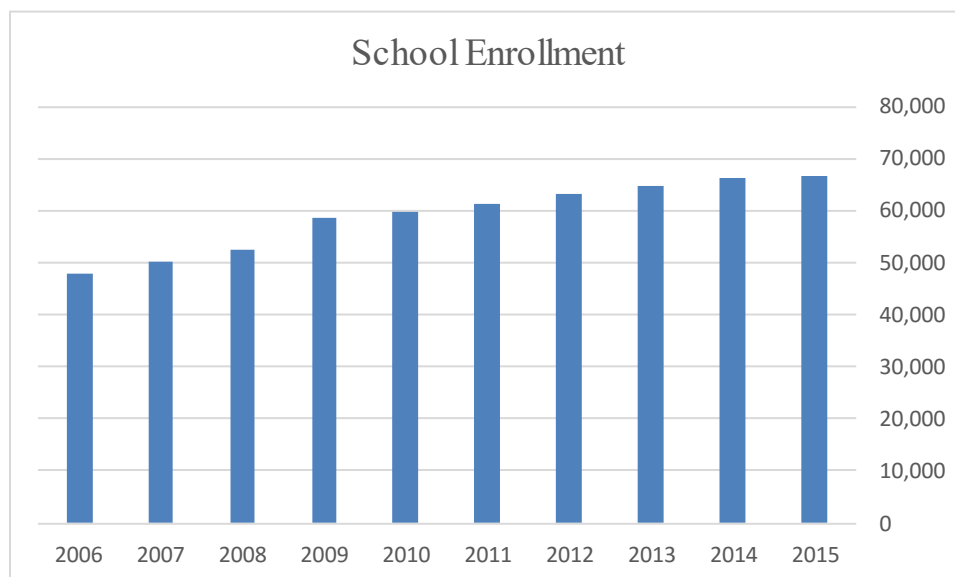
<http://www.douglas.co.us/documents/2015-cafr.pdf>

(2) School enrollment as of October 1 of the referenced calendar year.

Figures included in this schedule represent the most recent data available.

Data is estimated and is subject to change based on updated information.

2015 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

	2016			2007	
	<u>Employees</u>		<u>% of Total County Employment</u>	<u>Employees</u>	<u>% of Total County Employment</u>
Douglas County Schools	5,563	1	3.37%	5,934	4.66%
Charles Schwab	2,400	2	1.45%		
EchoStar Communications	2,010	3	1.22%	1,765	1.39%
CH2M Hill	1,660	4	1.01%	1,200	0.94%
Healthone:Sky Ridge Medical	1,220	5	0.74%		
Western Union	1,210	6	0.73%		
Douglas County Government	1,146	7	0.69%	1,085	0.85%
Centura:Parker Adventist Hospital	1,110	8	0.67%		
Information Handling Services	980	9	0.59%	800	0.63%
Specialized Loan Servicing	940	10	0.57%		
First Data Corporation				1,700	1.33%
Avaya				1,600	1.26%
VISA Debit Processing Services(Visa USA)				1,125	0.88%
Teletch Holdings				950	0.75%
Nextel				900	0.71%
Total for Principal Employers	<u>18,239</u>		<u>11.04%</u>	<u>17,059</u>	<u>13.40%</u>
Total Average Employment in Douglas County	164,964			127,390	

2015 Douglas County CAFR

<http://www.douglas.co.us/documents/2015-cafr.pdf>

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

	2016	2015 ⁽¹⁾	2014
Instructional Services:			
Administrators Direct Educational Support	12	11	15
Principals and Assistant Principals	153	148	143
Admin. Intern, BRT, RTI Staff	85	91	79
Instructional Support Professionals(2) *	32	32	19
Classroom Teachers, Regular and Special Services	2,909	2,860	2,869
Educational Assistants- Regular and Special Services *	778	799	557
Preschool and Child Care	230	207	220
Food Services*	227	225	158
Guidance Counselors	75	75	66
Student Support Professionals : (2)	300	299	223
Speech Pathologist, Orthopedic and Physical Therapists			
Psychologists, Social Workers, Occupational Therapists			
Certified Librarians	22	23	14
Media Specialists*	55	58	35
Nurses	29	29	25
Health Assistants*	32	33	19
Athletic Trainers	9	9	8
Computer Resource Tech Support*	29	30	34
Operational Support Services:			
Administrators	36	36	32
Technical Professionals	25	29	34
Business Services, Human Resources and Operational Professionals ⁽²⁾	59	61	43
Security Services; including Crossing Guards*	65	71	47
Operations & Maintenance	252	250	252
Pupil Transportation and Bus Drivers*	318	321	220
School Clerical, Business Office, Payroll and Benefits*	432	416	358
	6,165	5,695	5,112

* Definition of FTE changed beginning in FY 2016.

FTE defined for these groups to be calculated against an eight hour day /number of days worked.

(1) FTE prior to FY 2016 was defined as number of hours worked per day divided by 8 or 7.5 for licensed staff regardless of the number of months an employee works. For example, 8 hours a day equals to one FTE, 4 hours a day equal 0.5 FTE.

Prior years have been updated to reflect this definition.

(2) Job class was changed in FY 2015 for Coordinators from licensed to professional.

Table 15

2013	2012	2011	2010	2009	2008	2007
10	10	15	16	16	13	11
134	127	131	158	160	163	146
64	59	91	72	79	63	72
6	3	6	7	12	11	
2,725	2,668	2,752	2,900	2,973	2,968	2,677
546	503	509	579	539	583	532
257	250	224	241	262	252	233
128	128	134	168	162	147	96
62	62	65	66	66	76	60
191	187	144	176	192	88	166
14	25	13	13	15	15	14
36	34	22	39	42.64	41.72	45
28	21	19	21	22	21	17
20	25	28	1	22	21	20
9	9	9	9	8	8	9
30	36	51	24	46	36	32
33	34	32	34	43	44	44
30	16	24	26	29	28	25
43	49	34	30	26	26	24
35	35	31	27	32	44	40
255	260	277	298	305	319	301
224	201	209	239	258	249	236
345	352	371	428	438	380	365
5,226	5,094	5,194	5,571	5,746	5,596	5,165

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

	2016	2015	2014	2013
School Enrollment ⁽¹⁾	66,896	66,702	66,230	64,657
Funded Pupil Count ⁽¹⁾	63,159	63,037	62,241	60,823
Average Student Teacher Ratio ⁽²⁾	20.8	22.4	21.5	21.0
Expenses - Total Governmental Funds ⁽³⁾	\$ 661,395,278	\$ 631,382,747	\$ 568,697,399	\$ 532,188,572
Cost per FPC	\$ 10,472	\$ 10,016	\$ 9,137	\$ 8,750
Bus Miles Traveled ⁽⁴⁾	3,987,257	3,727,278	4,025,069	3,807,811
Preventive Maintenance Work Orders	17,119	19,136	19,287	20,438
Building Square Footage	6,680,458	6,678,758	6,661,633	6,661,633
Free & Reduced Student Count ⁽⁵⁾	8,035	7,326	8,023	7,321
% of Free & Reduced to Total School Enrollment	12.0%	11.3%	12.5%	11.6%
Average Teacher Salary ⁽⁶⁾	\$ 54,731	\$ 54,162	\$ 53,983	\$ 53,582

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

(2) Colorado Department of Education Website - 2015 Pupil FTE Ratio by School.

<https://www.cde.state.co.us/cdereval/staffcurrent>

(3) Table 2 - DCSD CAFR State Section.

(4) Per CDE 40 Transportation reimbursement form.

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

<https://www.cde.state.co.us/cdereval/pupilcurrentdistrict>

(6) Average teacher salary reported here is for teachers working within the District's neighborhood schools, does not include teachers working at District charter schools, per report as of May 1, 2016.

Table 16

2012	2011	2010	2009	2008	2007
63,114	61,465	59,932	58,723	52,393	50,370
59,232	57,566	56,181	54,921	49,695	47,363
26.7	24.2	22.1	20.6	19.3	19.6
\$ 534,989,686	\$ 532,156,679	\$ 577,658,834	\$ 594,356,294	\$ 603,803,410	\$ 548,422,117
\$ 8,975	\$ 9,244	\$ 9,639	\$ 10,121	\$ 11,525	\$ 10,888
3,600,911	3,381,542	3,295,241	4,212,904	4,196,613	3,640,784
16,861	22,428	17,777	15,539	13,865	15,618
6,660,845	6,617,016	6,282,231	6,137,617	5,596,976	5,375,895
6,867	6,502	4,887	4,416	2,377	1,972
10.9%	10.6%	8.2%	7.5%	4.5%	3.9%
\$ 54,429	\$ 54,771	\$ 54,520	\$ 54,714	\$ 51,547	\$ 53,532

Douglas County School District Re. 1
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Schools										
Elementary Schools	47	47	47	47	47	47	46	46	44	41
Middle Schools	9	9	9	9	9	9	9	9	7	7
High Schools	9	9	9	9	9	9	9	9	9	9
Charter Schools	16	15	13	13	11	9	8	8	7	6
Magnet Schools	2	2	2	2	2	2	2	2	2	1
Alternative High Schools	1	1	1	1	1	1	1	2	2	2
Night Schools	1	1	1	1	1	1	1	1	1	1
University Center	1	1	1	1	1	1	1	1	1	1
Plum Creek	1	1	1	1	1	1	1	1	1	1
Administration										
Administration	2	2	2	2	2	2	2	1	1	1
Bus Terminals	3	3	3	3	3	3	3	3	3	3
Operations & Maintenance	3	3	3	3	3	3	3	3	3	2
Warehouse	2	2	2	2	2	2	2	1	1	1
Cantril	1	1	1	1	1	1	1	1	1	1

COMPLIANCE SECTION

**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***

Independent Auditor's Report

To the Board of Education
Douglas County School District RE.1
Castle Rock, 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 RE.1 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2016. Our report includes a reference to other auditors who audited certain Charter Schools (Academy, American Academy, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, Parker Core Knowledge, North Star Academy, Platte River Academy, DCS Montessori, Sky View Academy, STEM High, Hope On Line Learning Academy Co-Op, Global Village Academy and World Compass Academy), discretely presented component units of the District, as described in our report on the District's financial statements. The financial statements of these charter schools were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the these Charter Schools.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying *schedule of findings and questioned costs* as item 2016-01.

The District's Response to the Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Denver, Colorado
December 21, 2016

**Report on Compliance for each of the Major Federal
Programs and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

To the Board of Education
Douglas County School District RE.1
Castle Rock, Colorado

Report on Compliance for the Major Federal Program

We have audited Douglas County School District 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 each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The District's financial statements include the operations of their Charter Schools, which are presented as the aggregate discretely presented component units. Any federal awards received by the Charter Schools are not included in the District's schedule of federal awards for the year ended June 30, 2016. Our audit, described below, did not include the operations of the Charter Schools because they were audited by other auditors, or did not expend more than \$750,000 of federal awards.

Management's Responsibility

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

Auditor's 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), *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on each of the Major Federal Programs

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, 2016.

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 the 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

RSM US LLP

Denver, Colorado
December 21, 2016

Douglas County School District RE.1

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through State Department of Education:			
Title I, Part A	84.010	4010--5051	\$ 1,400,787
Title I, Part A (Prevention Integration)	84.010	5010	7,260
Title I, Part A	84.010	5010 (9202--5051)	146,883
Title I, Part A	84.010	5010 (9210--5051)	35,482
Title I, Part A	84.010	5010 (9211--5051)	7,462
Title I, Part A	84.010	5010 (9206-5051)	48,142
Title I, Part A (Reading Ignite)	84.010	5010	11,072
Total CFDA No. 84.010			<u>1,657,088</u>
Special Education Cluster:			
IDEA Part B: Special Education (IDEA, Part B) Indicator 14	84.027	4027--5041	8,497,410
Special Education Preschool Grants	84.027	5027-5069	9,160
Total Special Education Cluster	84.173	4173--5049	<u>109,148</u> <u>8,615,718</u>
Title V, Part B: Charter Schools Program	84.282	5282	960,621
AP Placement Exams	84.330	5330	1,568
Title III, Part A: English Language Acquisition Grants	84.365	4365--5024	172,361
Title II, Part A: Improving Teacher Quality	84.367	4367--5056	528,517
School Readiness RTTT	84.412	5412	34,470
DCECC Race to the Top	84.412	2412	56,903
Passed Through State Department of Human Services:			
Vocational Rehabilitation Grants	84.126	5126--5050	255,633
Passed Through State Board for Community College and Occupational Education, Career & Technical Education Grant	84.048	4048--5060	146,664
Total Department of Education			<u>12,429,543</u>
U.S. Department of Health and Human Services			
Passed Through State Department of Education,			
Childcare Development & Block Grant	93.575	7575	78,376
Childcare Development & Block Grant (EQIT)	93.575	7575-1000	20,980
Total Department of Health and Human Services			<u>99,356</u>
U.S. Department of Agriculture			
Child Nutrition Cluster:			
Passed Through State Department of Education:			
School Breakfast Program	10.553	4553	183,852
National School Lunch Program	10.555	4555	2,041,893
Special Milk Program for Children	10.556	4556	21,143
Summer Food Program for Children	10.559	4559	49,547
Passed Through State Department of Human Services,			
National School Lunch Program (Non-cash)	10.555	4555	729,981
Total Child Nutrition Cluster			<u>3,026,416</u>
Total Department of Agriculture			<u>3,026,416</u>
Total Expenditures of Federal Awards			<u>\$ 15,555,315</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, 2016

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, 2016. 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 Accounting Policies

The accompanying schedule of expenditures of federal awards is presented on the 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 \$729,981 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.

Note 4. Subrecipients

For the year ended June 30, 2016, 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 RE.1

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2016**

Number	Comment	Status	Corrective Action Plan or Other Explanation
None reported			

Douglas County School District RE.1

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- . Material weakness(es) identified? Yes No
- . Significant deficiency(ies) identified? Yes None Reported
- . Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- . Material weakness(es) identified? Yes No
- . Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

- . Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.556, 10.559	Nutrition Cluster
84.282	Charter School Program
84.126	Rehabilitation Services

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

(Continued)

Douglas County School District RE.1

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2016**

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Internal Control

None reported

B. Compliance Findings

2016-01: Public Deposit Protection Act (PDPA) and Deposit Accounts

Criteria: The PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State statutes and the State regulatory commissioners regulate the eligible public depositories.

Condition and Context: The District opened an account and has deposits with a custodian that is not PDPA approved. The amount on deposit in this account that was in excess of the \$250,000 FDIC insurance limit was \$2,928,913 as of June 30, 2016.

Cause: The District opened a new bank account during 2016 without verifying if the financial institution was an eligible PDPA custodian.

Effect: The District is not in compliance with the PDPA.

Recommendation: We recommend that the District put a procedure in place ensuring that all deposits are held at PDPA eligible institutions.

Management's Response: Management is currently reviewing options to fix the compliance issue which include closing the account or changing the owner of the account to Allegiance. Additionally, the District will implement procedures to ensure all future bank accounts are PDPA eligible institutions.

III. Findings and Questioned Costs for Federal Awards

A. Internal Control in Administering Federal Awards

None reported

B. Compliance Findings

None reported

Douglas County School District RE.1

**Corrective Action Plan
Year Ended June 30, 2016**

Current Finding Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
2016-001	Instance of noncompliance with PDPA requirements.	See 2016-001	June 30, 2017	CFO



RSM US LLP

**Report on Electronic
Financial Data Integrity Check Figures**

Independent Auditor's Report

To the Board of Education
Douglas County School District RE.1
Castle Rock, Colorado

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and aggregate remaining fund information of Douglas County School District RE.1 as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2016. Our report includes a reference to other auditors who audited the District's Charter Schools (the aggregate discretely presented component units). Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of electronic financial data integrity check figures is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of electronic data integrity check figures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures described above and the reports of the other auditors, the schedule of electronic data integrity check figures is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Denver, Colorado
December 21, 2016

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Colorado Department of Education
Auditors Integrity Report
 District 0900—DOUGLAS COUNTY RE 1
 Fiscal Year 2015-2016
 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	81,929,264	409,638,255	406,967,448	84,600,071
18 Risk Mgmt Sub-Fund of General Fund	1,296,280	4,662,288	4,088,375	1,870,193
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	83,225,544	414,300,543	411,055,823	86,470,264
11 Charter School Fund	21,540,224	106,712,333	103,614,041	24,638,517
20,26-29 Special Revenue Fund	5,394,216	27,668,472	26,920,233	6,142,455
21 Food Service Spec Revenue Fund	1,003,400	18,574,295	18,003,238	1,574,457
22 Govt Designated-Purpose Grants Fund	185,120	13,251,498	13,251,500	185,118
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	2,128,172	21,028,270	21,388,234	1,768,207
31 Bond Redemption Fund	68,501,246	60,215,843	69,632,500	59,084,589
39 Certificate of Participation (COP) Debt Service Fund	1,538,283	15,766,968	17,282,334	22,918
41 Building Fund	9,071,898	27,374	3,371,577	5,727,695
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	10,311,882	16,540,911	11,719,551	15,133,242
Totals	202,899,985	694,086,508	696,239,031	200,747,461
Proprietary				
50 Other Enterprise Funds	-9,576,338	3,290,320	4,461,266	-10,747,284
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	6,014,467	9,933,498	10,862,591	5,085,374
Totals	-3,561,871	13,223,818	15,323,857	-5,661,910
Fiduciary				
70 Other Trust and Agency Funds	41,312	63,000	70,000	34,312
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	1,936,334	1,571,238	2,117,455	1,390,117
79 GASB 34-Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	1,977,646	1,634,238	2,187,455	1,424,430

FINAL

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

