

Comprehensive Annual Financial Report

For the Year Ended June 30, 2013

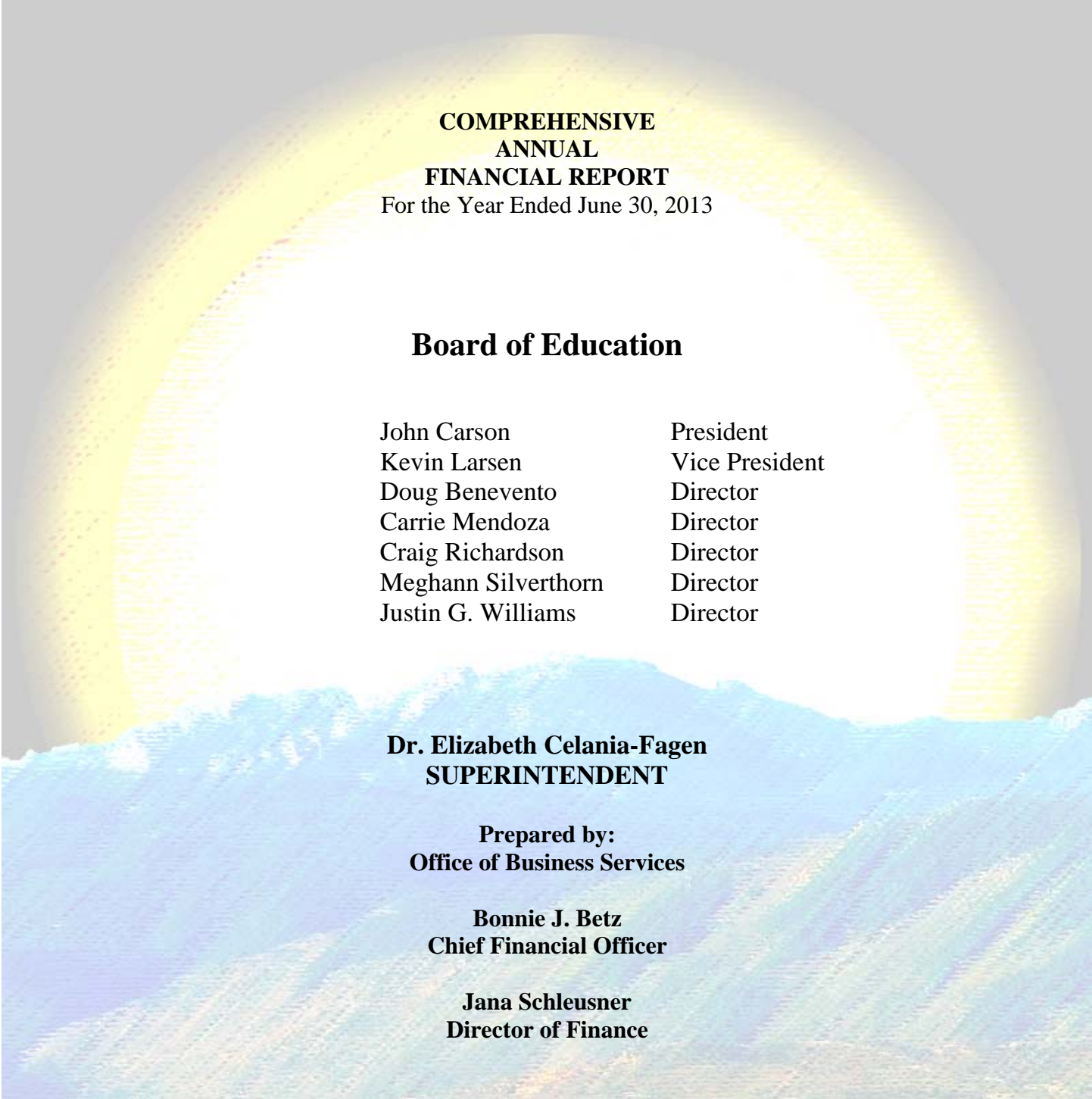


Douglas County
School District

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Castle Rock, CO

DOUGLAS COUNTY SCHOOL DISTRICT RE.1

620 Wilcox Street
Castle Rock, Colorado 80104



**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**
For the Year Ended June 30, 2013

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Prepared by:
Office of Business Services

Bonnie J. Betz
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DOUGLAS COUNTY SCHOOL S DISTRICT RE.1
 Comprehensive Annual Financial Report
 June 30, 2013

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	8
GFOA Certificate of Achievement	14
Organization Chart	15

FINANCIAL SECTION

Independent Auditor’s Report	18
Management’s Discussion and Analysis	20

Basic Financial Statements

Statement of Net Position	35
Statement of Activities	36
Balance Sheet—Governmental Funds	38
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances— Governmental Funds.....	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	41
Proprietary Funds	
Statement of Net Position	42
Statement of Revenues, Expenses and Changes in Fund Net Position	43
Statement of Cash Flows	44
Fiduciary Funds	
Statement of Net Position	45
Statement of Changes in Fiduciary Net Position	46
Notes to the Financial Statements.....	47

Required Supplementary Information

Combined General Fund	
Budgetary Comparison Schedule.....	72
Note to Required Supplementary Information.....	73

Supplementary Information

Combined General Fund—Comparative Balance Sheet.....	77
General Fund—Combining Balance Sheet.....	78
Combined General Fund—Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	79
Combined General Fund—Schedule of Expenditures by Object—Budget and Actual.....	80
Combined General Fund—Schedule of Expenditures by Program—Budget and Actual.....	81

DOUGLAS COUNTY SCHOOL S DISTRICT RE.1

Comprehensive Annual Financial Report

June 30, 2013

Table of Contents

FINANCIAL SECTION (continued)

Supplementary Information (continued)

Combined General Fund - Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	82
Non-Major Governmental Funds—Combining Balance Sheet	83
Non-Major Governmental Funds—Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	84
Fund 22—Governmental Designated Purpose Grants Fund—Schedule of Revenues, Expenses and Changes in Fund Balance.....	85
Fund 26—Athletics and Activities Fund—Schedule of Revenues, Expenses and Changes in Fund Balances.....	87
Fund 31—Bond Redemption Fund—Comparative Balance Sheet.....	88
Fund 31—Bond Redemption Fund—Schedule of Revenues, Expenses and Changes in Fund Balances	89
Fund 39—Certificates of Participation Lease Payment Fund—Comparative Balance Sheet.....	90
Fund 39—Certificates of Participation Lease Payment Fund—Schedule of Revenues, Expenses and Changes in Fund Balances	91
Building Funds—Comparative Balance Sheet	92
Building Funds—Combining Balance Sheet.....	93
Building Funds—Schedule of Revenues, Expenses and Changes in Fund Balances.....	94
Building Funds—Combining Schedule of Revenues, Expenses and Changes in Fund Balances.....	95
Fund 51—Nutrition Services Fund—Comparative Balance Sheet.....	96
Fund 51—Nutrition Services Fund—Schedule of Revenues, Expenses and Changes in Fund Net Position	97
Non-Major Enterprise Funds—Combining Balance Sheet.....	98
Non-Major Enterprise Funds—Combining Statement of Revenues, Expenses and Changes in Fund Net Position	99
Fund 52—Child Care Fund—Schedule of Revenues, Expenses and Changes in Fund Net Position.....	100

DOUGLAS COUNTY SCHOOL S DISTRICT RE.1
 Comprehensive Annual Financial Report
 June 30, 2013

Table of Contents

FINANCIAL SECTION (continued)

Supplementary Information (continued)

Fund 54—Outdoor Education Center Fund—Schedule of Revenues, Expenses and Changes in Fund Net Position.....	101
Fund 65—Medical Fund (Internal Service Fund)—Comparative Balance Sheet.....	102
Fund 65—Medical Fund (Internal Service Fund)—Schedule of Revenues, Expenses and Changes in Fund Net Position.....	103
Fund 74—Agency Fund—Statement of Changes in Assets and Liabilities	104
Fund 75 —Private Purpose Trust Scholarship—Schedule of Changes in Fiduciary Net Position—Budget and Actual.....	105
Component Units—Combining Statement of Net Position	106
Component Units—Combining Statement of Activities	112

STATISTICAL SECTION (unaudited)

Listing of Statistical Information.....	121
Net Position by Component.....	122
Change in Net Position	124
Fund Balances, Governmental Funds	126
Change in Fund Balances, Governmental Funds.....	128
Assessed Value and Estimated Actual Value of Taxable Property.....	130
Direct and Overlapping Property Tax Rates.....	132
Principal Property Tax Payers	133
Property Tax Levies and Collections.....	134
Ratios of Outstanding Debt by Type	135
Ratios of Net General Bonded Debt Outstanding.....	137
Estimated Overlapping General Obligation Debt.....	138
Legal Debt Margin.....	140
Demographic and Economic Statistics	142
Principal Employers	143

DOUGLAS COUNTY SCHOOLS DISTRICT RE.1
Comprehensive Annual Financial Report
June 30, 2013

Table of Contents

STATISTICAL SECTION (unaudited—Continued)

Full-time Equivalent District Employees by Function/Program	144
Operating Indicators by Function/Program	146
Capital Asset Statistics by Function/Program	148

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	150
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	152
Schedule of Expenditures of Federal Awards	154
Notes to Schedule of Expenditures of Federal Awards	155
Summary Schedule of Prior Audit Findings	156
Schedule of Findings and Questioned Costs	157
Corrective Action Plan	159
Independent Auditors' Report on Electronic Financial Data Integrity Check Figures	160
Electronic Financial Data Integrity Check Figures	161

***INTRODUCTORY
SECTION***

December 12, 2013

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 (DCSD) RE. 1 (the District) Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. 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. McGladrey LLP, Certified Public Accountants, have issued an unmodified (clean) opinion on the District's financial statements for the year ended June 30, 2013. 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, 2013, 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 Douglas County School District's MD&A 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 to 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 approximately 295,600.

The District provides a full range of PK-12 educational school programs and services including basic education in elementary, middle and senior high schools, special education for handicapped students, online educational options, vocational education, home schooled student support and other educational programs for approximately 64,600 students. About 3,300 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. For the election of November 5, 2013, four of the seven Board seats were up for election. Two incumbent directors, Mr. Doug Benevento and Ms. Meghann Silverthorn, were successful in their bid to retain their seats. Ms. Judy Reynolds and Mr. Jim Geddes were successful in their bids for the two seats vacated by term limited Mr. John Carson, and resigning Director, Dr. Carrie Mendoza.

General duties which the Board is empowered to perform include employing and compensating all personnel necessary to maintain operations and carry out the educational programs of the District; fixing attendance boundaries; establishing annual budgets; determining the educational programs carried on in the schools of the District; and prescribing the textbooks of any course of instruction or study in such educational programs. The District receives funding from local, state and federal government sources and must comply with the requirements of each of these funding sources.

The District includes as discretely presented component units twelve (12) charter schools; Academy Charter, American Academy now with a second site expanded into Parker, Aspen View Academy opening in FY 2013-2014, Ben Franklin Academy, Challenge to Excellence, Core Knowledge, Platte River Academy, North Star Academy, DCS Montessori, Sky View Academy, STEM High (Science, Technology, Engineering and Math) and Hope Online Learning Academy Co-Op. During FY 2012-2013, Aspen View Academy and the second site of American Academy were under construction and their financial statement summaries included in this report reflect the construction activity. 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 Mill Levy Override funds, with revenues passing through the District. Though fiscally independent, the District provides many supports and services for all of these charter schools.

Local Factors Affecting Financial Condition

District Leadership: The District's Superintendent, Dr. Elizabeth Celania-Fagen, began her tenure at DCSD on July 2, 2010. June 30, 2013 marks the completion of her third year as the District's leader. Throughout FY 2012-2013, continued progress has been made towards achieving the goals established in the District's Strategic Plan, New Outcomes for a New Day. This Plan, approved by the Board of Education in March of 2011, includes Douglas County's commitments to parents, students, employees and community members, as well as the statement of three overriding priorities: Choice, World Class Education and System Performance. Though the District continues to focus on providing numerous choices for parents and their students and works towards achieving world class instruction in all of these choices, significant progress has been made in developing and gauging system performance. Milestones have been achieved in the development of formative and interim assessments in reading, math, social studies and science. In tandem with this assessment work, the work associated with creating a Guaranteed and Viable Curriculum (GVC) for all of our subject matter areas has been completed. Finally the assessment and curriculum creation work has been supported with the development of rigorous and relevant professional development. All of this work has been done collaboratively with hundreds of the District's teachers working with educational leadership for the benefit of all District students.

In addition, the District has defined the teacher metrics to be included in the newly required State teacher evaluations which includes student performance data as required by Colorado Senate Bill 191. DCSD chose not to adopt the State's evaluation instrument and instead, developed collaboratively with teachers, over 120 different evaluation rubrics associated with teachers providing instruction in all subject matter areas, specialist teachers such as speech pathologists, counselors, librarians and psychologists providing support to students, and finally, evaluation instruments specific to school nurses. In the spring of 2013, teachers were evaluated based on these new rubrics which determined their level of effectiveness in the classroom. Each teacher's effectiveness rating was used in assigning their salary increase for FY 2013-2014. Next year, all of these evaluation instruments will include a standard - known as CITE Standard 6 in DCSD - incorporating student performance data.

The teacher's performance associated with student success will be measured by data included in the District's balanced assessment system. Our balanced assessment system incorporates performance assessments to measure what matters most and does not solely rely on a student's performance on the state tests given once a year. In order to facilitate the collection of this data and to support the teacher in assessing their students and therefore, their own effectiveness, DCSD has embarked on a software project, InspirED Innovation, which will work in conjunction with the balanced assessment system to gather and analyze all the teacher data needed to determine the teacher's level of effectiveness. The State of Colorado mandates that student data be a part of a teacher's evaluation and pursuant to our Strategic Plan, we are committed to providing our educational professionals with the tools they need to comply with these State requirements.

June 30, 2013, marks the end of the first year in which the traditional teacher step and lane salary schedule has been replaced with market ranges and compensation increases based on performance as opposed to years of service and the attainment of education credits. During the FY 2012-2013 hiring season (spring of 2012), a recruitment and hiring pilot was approved to bring in new teachers at a market value salary determined by the number of applicants in a particular teacher subject opening. This pilot was successful resulting in the most efficient allocation of salary dollars. In the past, due to the constraints of the salary schedule, it has been difficult to pay hard to hire teachers such as those in math, science and special education enough to attract them to work in our school district. By moving to a market based pay system where we often have hundreds of applicants for some teaching positions, but a handful of applicants in others, we offer what the market will bear freeing up salary dollars to attract and retain our hard to hire positions.

Demographic Data¹: The County's population continues to grow. During 2013, Castle Rock's population exceeded the 50,000 person mark and the County overall increased in population by about 1.6% over last year. Since 2010, the population has increased by over 3,000 persons each year. Indicative of the nation's economic recovery, unemployment has dropped from a high of 6.7% in 2010 down to 5.6% in 2013. 7,300 new jobs were added in the County this year.

Douglas County School District enrollment continues to grow an average of 1,500 students per year and remains the third largest school district in the State of Colorado. Enrollment for FY 2013-2014 is expected to reach about 66,000 students compared to about 64,600 in the current year. Continued growth provides additional revenue as well as additional needs for classrooms, teachers, bus drivers and employees of every type. On average, since 1998, two new elementary schools have been completed each year and a high school or middle school opened every other year. This construction has been funded through voter-approved bond elections, the last one approved in November of 2006. These bond proceeds have been fully spent as of June 30, 2013.

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% more students in our existing buildings as needed, utilizing mobile buildings when necessary, and partnering with charter schools. New in FY 2012-2013, the District has called upon its approved Certificate of Participation (COP) policy to provide land and/or lease proceeds to charter schools wishing to open or expand into areas of the District experiencing high student growth. Aspen View Academy, a new charter school in the Meadows area of Castle Rock, a region of the District that expects another 500 to 1,000 students in the next three year planning period, partnered with the District under this policy and provided about 600 new student seats. Aspen View, through their per pupil revenue, is responsible for the lease payments on the certificates but due to the District's strong credit rating, these payments are much more affordable. Another charter school, American Academy, expanded their program into Parker again providing much needed classroom spaces in an area experiencing high student growth. Under this partnership, the District allowed American Academy to use property previously designated for a school by the Town of Parker. This partnership saved American Academy the cost of the land. For both of these new charter schools, the District maintains title to the land throughout the partnership period.

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. In 1984, the Long Range Planning Committee (LRPC) was created. The charge of this committee is to study 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. Recommendations are made to the Board of Education on enrollment capacity needs, attendance boundaries and school locations. The LRPC is charged with managing 5-year growth projections and bond cycles.

Long Range Planning Committee findings have formed the basis of the District's capital facility programs which have historically been 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. It is this committee, in collaboration with the District's Fiscal Oversight Committee, which developed the Certificate of Participation policy providing guidelines for the District and a charter school partner to mitigate enrollment capacity shortfalls. 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.

The LRPC updates the Master Capital Plan yearly which is presented to the Board of Education in the spring. The most recent revision presented in June of 2013 specified needs totaling about \$222.5 million: \$134.6 million for facility renewal, \$28.6 million to accommodate early childhood centers and new classroom wings for student growth, \$50.5 million for technology infrastructure upgrades and strategic deployment of technology to our schools and \$8.8 million designated for security and transportation. Given the loss of the November 2011 election, the Long Range Planning Committee has further prioritized these needs based on life safety criteria. The use of General Fund monies as well as Certificates of Participation proceeds within the

¹ Source: Douglas County Comprehensive Annual Financial Report, December 31, 2012

District's COP policy will provide the necessary resources to meet these most urgent needs. The Long Range Planning Committee, in collaboration with the Fiscal Oversight Committee, continues to investigate various ways in which the District's long term capital needs can be met.

Additional information regarding the Long-Range Planning Committee and their work is discussed under Long-Term Debt on page 28.

Federal and State Funding: There continues to be funding issues facing the State and the District though the economic outlook in Colorado is improving. For FY 2013-2014, the Colorado State Legislature approved an education budget that included fully funding student growth and inflation. For Douglas County School District, this new funding amounted to a total of just under \$20 million - \$168/student per pupil revenue (PPR) increase and just over 1,400 funded pupil increase. The Board of Education approved new allocations out to our schools of just over \$16 million in one-time and ongoing increases plus nearly \$19 million in one-time and ongoing employee compensation increases. The Board also approved the elimination of the student technology fee saving our students' families about \$1.2 million this year.

Looking forward to the FY 2014-2015 school year and considering the September 2013 Revenue Forecast, the Governor of Colorado, Governor Hickenlooper, has proposed an education budget that includes a per pupil revenue (PPR) increase for Douglas County of about \$213/student. This would bring DCSD's funding level up to a PPR of \$6,601. It's important to note, however, that this new proposed level is still about \$198/student less than the funding level provided in FY 2009-2010. After a \$9 million rescission, the final average 2009-2010 PPR was \$6,799.

Though the national economy is slowly recovering, concerns remain associated with the threat of federal sequestration. In FY 2013-2014, we have budgeted enough contingency to offset the possibility of up to a 20% reduction in our federal funding earmarked for our at risk and special education student populations. We are committed to meet the needs of these diverse students now and in the future regardless of funding levels.

In planning for the current year, FY 2012-2013, though there were no reductions in State PPR, we faced a budget shortfall of \$18.1 million. This shortfall was due to the combined effect of a \$2.2 million increase in the PERA contribution, \$11.7 million of one-time use of reserves to offset additional cuts in FY 2011-2012 anticipating a successful election that was not realized, as well as the reallocation of Pay for Performance dollars. This \$4.2 million Pay for Performance budget line was re-allocated in FY 2012-2013 to pay teachers for their work on assessments, curricula for all grade levels and subjects, professional development, and teacher evaluation rubrics.

In spite of these planned reductions, the Board of Education approved a 1% ongoing and 2% one-time retention bonus for all employees and allocated out an additional \$125/student one time resource to our schools. Any available one time monies were allocated out ensuring that our schools and teachers are meeting the needs of students. The ongoing 1% pay increase was funded by reallocating dollars previously associated with the Extended Service Separation benefit, Knowledge Level Advancement (automatic pay increases associated with the attainment of education credits) and longevity programs specified in the prior DCFT and DCFCE union contracts. Compensation dollars allocated to just a few employees in the past were reallocated to salary increases for all employees. The net result of these additional allocations is evident on page 81. Note that \$14.8 million more was spent on instruction in the current fiscal year in comparison to FY 2011-2012.

In spite of the difficult economy, the District has continued to improve its fiscal health. Our schools and departments continue to spend with caution increasing carry over balances. The District allowed the Letter of Credit with J.P. Morgan Chase to lapse for 2012-2013 and has returned the fund balance policy back to the historical three percent over the TABOR requirement and mandating a contingency budget of at least 1% of total budgeted expenditures each year. In light of GASB Statement No. 54, this policy has been further clarified by designating fund balance as the "unassigned" fund balance.

Significant Financial Policy Changes

1. Ending Fund Balance Policy and Cancellation of Letter of Credit

Though this policy change was reported last year, it's still important to note this very positive financial policy change. At the end of FY 2012-2013, the District's continued fiscal health easily accommodates funding the TABOR and Board of Education reserves with cash. Again, this policy calls for an additional reserve of 3% plus 1% held for contingency in addition to the 3% TABOR restricted reserve. Please note that this Board of Education additional reserve is part of the assigned fund balance in the financial statements consistent with GASB Statement No. 54.

2. Certificate of Participation Policy

This policy, adopted in the spring of 2012, established limits of District outstanding Certificates of Participation (COPs) and defined the circumstances in which the District would partner with a new charter school to provide classroom spaces for new students in high growth areas of the District. As was noted earlier, this COP policy was used to support the construction of Aspen View Academy charter school and the expansion of American Academy. These two new charter school partnerships allowed the District to efficiently and innovatively meet its obligation of providing new classroom spaces where needed.

3. Medical Fund Reserving Policy

This policy, also adopted last spring, established a minimum and maximum Medical Fund ending fund balance as well as a target fund balance level to ensure fund financial stability. Please note that this policy is revised yearly to reflect the new minimums and maximums and that our Medical Fund ending fund balance is at the targeted level.

4. Certified Compensation and Benefits Program and Classified Compensation and Benefits Program

These Board of Education approved documents replace the DCFT and DCFCE contracts and were adopted on July 1, 2012 after the unsuccessful completion of FY 2012-2013 negotiations. These documents specify the terms of employment for all of our certified and non-ATU classified employees. The Certified Document references the new salary bands replacing the traditional step and lane salary schedule and includes the percent pay increases associated with the various evaluation ratings and the employee's salary position against their market. In addition, the document establishes the new Pay for Performance program plan including the addition of bonus dollars awarded for a teacher's achievement of world class targets. Eleven (11) teachers were awarded these bonuses for their work in FY 2012-2013 and were paid in October of 2013.

5. Short Term Disability Insurance Program

DCSD previously offered a sick leave bank to all employees requiring a short term medical leave. As a cost reduction measure, the sick leave bank program was replaced with a short term disability insurance plan providing employees with salary protection while they are recovering from a medical illness or pregnancy. The basic plan provides 50% of their gross salary up to \$1,000/week. Each employee has the option to buy-up to a 70% of salary plan up to \$1,500/week. The plan also allows employees to use their own sick leave to augment the short term disability insurance.

Awards and Acknowledgements

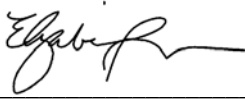
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Douglas County School District RE.1 for its comprehensive financial report for the year ended June 30, 2012. The Certificate of Achievement is a prestigious national award, 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 Certificate of Achievement for the last twenty-five consecutive years (fiscal years ended 1987-2012). We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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 McGladrey LLP, particularly Michael DeKock, Joel Banas and Kevin Smith for their contribution to the preparation of this report. 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,



Dr. Elizabeth Celania-Fagen
Superintendent of Schools



Bonnie J. Betz
Chief Financial Officer



Jana Schleusner
Director of Finance



Government Finance Officers Association

**Certificate of
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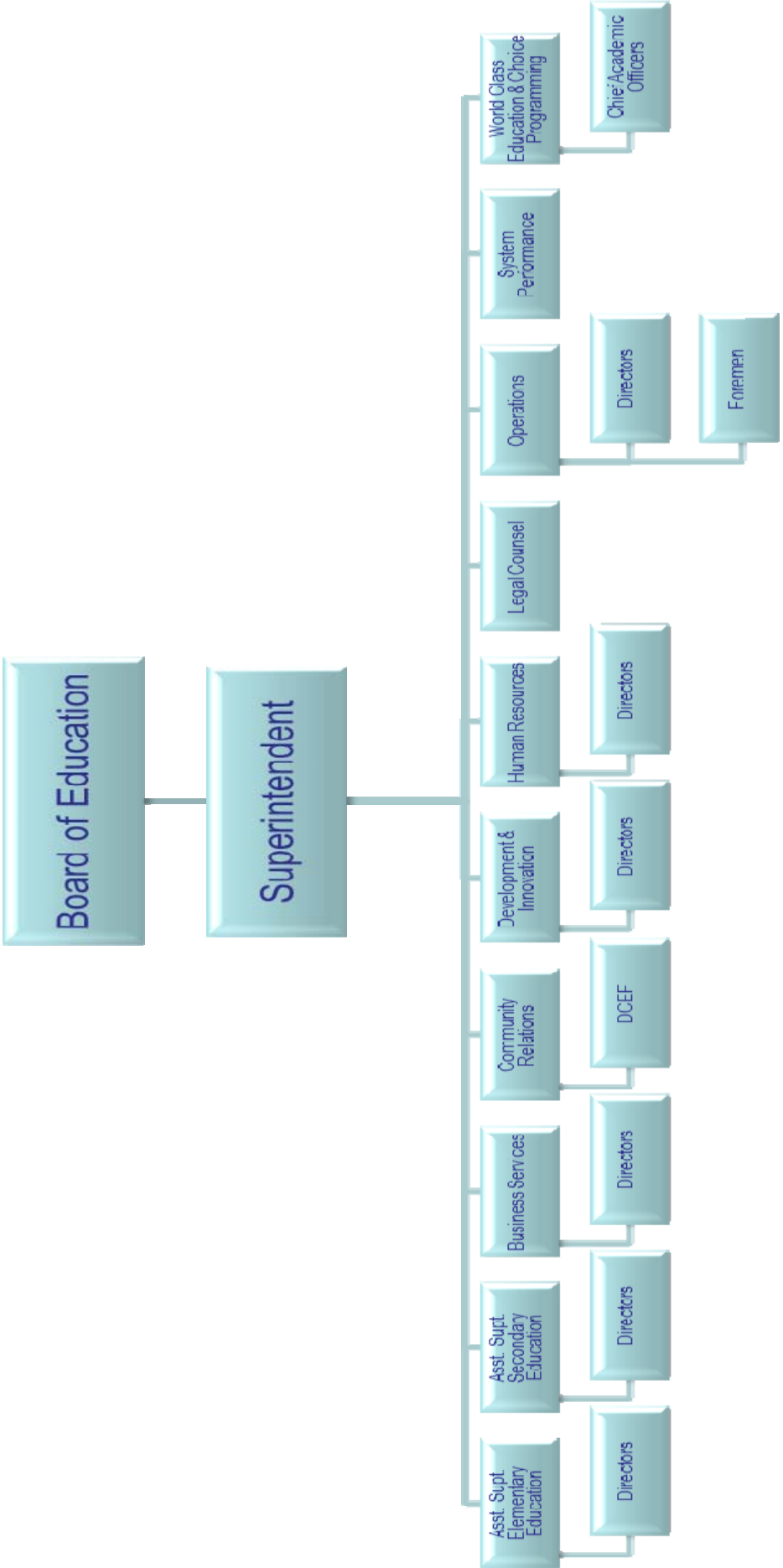
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012



Executive Director/CEO

Douglas County School District





***FINANCIAL
SECTION***



Independent Auditor's Report

Members of 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 business-type 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, 2013, 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 the District's Charter Schools, discretely presented component units of the District, which represent all of the assets and revenues of the aggregate discretely presented component units. Those 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, 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, aggregate discretely presented component units, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, 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 20 through 32 and Budgetary Comparison Information on pages 72 and 73 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 the U.S. Office of Management and Budget Circular A-133, 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 has 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 2, 2013 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.

McGladrey LLP

Denver, Colorado
December 2, 2013

**Douglas County School District RE. 1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2013**

As management of Douglas County School District RE. 1 ("the District"), 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, 2013. We encourage readers to consider this narrative in conjunction with additional information furnished in the Letter of Transmittal, located on pages 8-13 and the balance of information within this Comprehensive Annual Financial Report (the Report).

Financial Highlights

- The government-wide governmental activities assets of the District exceeded its liabilities at the close of FY 2012-2013 by \$321,560,214 (net position), an increase of \$36,347,390 over FY 2011-2012, as a result of prudent fiscal stewardship and innovative policy:
 - ◇ We continue to be conservative in estimating tax generated revenues. Over the past four years, District specific ownership tax receipts decreased significantly each year. Due to the improved economy this year, the District saw an increase in these revenues of over \$1,000,000 from projection. Property tax delinquencies and abatements are also down resulting in greater than budgeted property tax receipts.
 - ◇ We continue to look for efficiencies in our health insurance plans while still providing a valued benefit to our employees. Small plan design changes were made in preparation for FY 2012-2013 minimizing the increase in health benefit premiums. Employees continued to take more responsibility for their health care needs resulting in actual expenditures of about \$500,000 below budget. Note the financial results reported in the Medical Fund (DCSD's Internal Service Fund), page 103, which reports a healthy fund balance well in compliance with the District's Medical Fund Reserving Policy.
 - ◇ We continue to take a proactive approach to energy management and continue to see utility expenditures below budget. Continuing this focus on energy conservation, we entered into an energy performance contract associated with electrical and heating upgrades at Douglas County High School. Please note the Issuance of Capital Lease proceeds reported in the Combined General Fund. The repayment of this lease will be funded directly from utility savings over the next 10 years.
 - ◇ We again took advantage of the low bond interest rate environment by refunding \$31,020,000 worth of General Obligation Bonds, saving the District's taxpayers \$1,709,839.
 - ◇ Last year, we reported that the Board of Education approved a Certificate of Participation policy providing for partnerships with charter schools that wish to locate their school in an area of the District that is experiencing high growth. Two charter schools, Aspen View Academy, a new charter school, and American Academy, expanding to a second site in Douglas County, proposed such partnerships in the summer of 2012. Aspen View Academy, located in Castle Rock and American Academy expanded into Parker with both charter school proposals providing much needed classroom spaces in these two very high student growth areas of Douglas County. The District financed the construction of Aspen View with Certificates of Participation and signed a contract with Aspen View Academy requiring the new charter school to make the lease payments on these Certificates from their per pupil revenue beginning in July of 2013. Though American Academy financed the construction of their building, the District agreed to designate property in Parker for their construction saving American Academy the additional cost of land. Both contracts resulted in a win-win situation for all parties. The District provided needed classroom space without impacting the District's operating revenues, Aspen View opened with very affordable lease payments taking advantage of the District's high credit rating, and American Academy saved over \$1,000,000 in land costs also decreasing their outstanding debt associated with their expansion.
 - ◇ Finally, we are continuing the District policy of allowing schools and departments to carry over discretionary budget dollars into the next fiscal year. Schools and departments, over the last three years, have combined savings of over \$19 million. This policy has empowered schools and departments to scrutinize their expenditures without fear of losing unspent dollars.
- The government-wide liabilities total \$648,802,562 for the period ended June 30, 2013. The District's liabilities increased \$16,470,105 from the period ended June 30, 2012 due primarily to the sale of \$15,500,000 of Certificates of Participation as well as the capital lease obligations associated with the energy performance contract and the Konica Minolta Multi-functioning Devices lease. These increases were partially offset by the decrease in the Early Separation Agreement and Extended Service Severance benefit phase out. The final payment of the Early Separation Agreement

Financial Highlights (Continued)

of \$1,551,191 and the second year of the Extended Service Severance benefit payout of \$1,926,593 is to be paid in October of 2013 decreasing these combined liabilities by \$3,477,784.

- At the close of the fiscal year, the District's Governmental Funds reported a combined ending fund balance of \$179,507,252. This small decrease over the prior year is primarily due to the decrease in the Bond Redemption fund balance.

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.

Government-wide Financial Statements

The statement of net position (formerly net assets where this change is indicative of the adoption of GASB Statement No. 63) presents information on all of the District's assets, deferred inflows/outflows of resources and liabilities, where the difference is reported as net position. 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.

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/sick leave). The government-wide 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 (business-type activities). The governmental activities of the District include instruction and education support services of the District.

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 12 schools operating under charter 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 106-117.

The government-wide financial statements are located on pages 35-37 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 government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Governmental Funds (Continued)

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 six 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, the COP Redemption Fund, and the Building Fund, as all are considered to be major funds. Data from the other two governmental funds, the Governmental Designated Purpose Grants Fund and the Athletics and Activities Fund, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is also provided in the form of combining statements in the Supplemental Financial Statement section of this report.

The District adopts an annual appropriated budget for its Combined General Fund as well as all the other funds. On page 72, 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 two different types of proprietary funds, Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses Enterprise Funds to account for its Nutrition Services, Child Care Services and the Outdoor Education Fund, new in FY 2011-2012. Alternatively, Internal Service Funds are used to accumulate and allocate costs internally among the District's various functions. The District uses an Internal Service Fund, the Medical Fund, to account for its self-insured medical insurance activities.

Enterprise Funds are dependent on a charge for their services to remain sustainable - distinguished from other governmental funds in that they are fully supported by revenues earned in support of their operations. Enterprise Funds provide the same type of financial information as the government-wide financial statements. The financial detail for each of the District's Enterprise Funds; the Nutrition Services Fund, the Child Care Fund and the Outdoor Education Fund, can be found separately on pages 96 -101 respectively. The Outdoor Education Fund is associated with a piece of property in Larkspur, a town in south Douglas County, that was deeded to Douglas County School District from the County for instructional use. The District entered into an Inter-Governmental Agreement (IGA) with Douglas County outlining the duties and responsibilities required of each partner associated with this property.

The Medical Fund is considered a separate governmental fund and is included in the proprietary fund financial statements as an Internal Service Fund. Individual fund data for this Internal Service Fund is provided in separate detail on pages 102 and 103. Another fund, the Risk Insurance Fund, which provides services associated with property, liability and self-insured worker's compensation which predominately benefits governmental rather than business-type functions, has been included within governmental activities and in 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 those 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, and can be found on pages 47-70.

Government-wide Financial Analysis

Net Position

The following table provides a summary of the Governmental and Enterprise Funds' net position as of June 30, 2013. Comparative data for June 30, 2012 is also presented. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflow of resources exceeded liabilities by \$321,560,214 an increase of \$36,347,390 over June 30, 2012.

	Governmental Activities		Business Type Activities		Total	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Current and other assets	\$ 240,803,559	\$ 224,894,636	\$ 1,546,142	\$ 1,041,608	\$ 242,349,701	\$ 225,936,244
Capital assets	703,750,924	692,650,645	3,290,033	3,721,875	707,040,957	696,372,520
Total assets	944,554,483	917,545,281	4,836,175	4,763,483	949,390,658	922,308,764
Deferred outflows of resources	25,808,293	-	-	-	25,808,293	-
Other liabilities	47,820,641	36,734,126	706,696	860,272	48,527,337	37,594,398
Long-term liabilities outstanding	600,981,921	595,598,331	-	-	600,981,921	595,598,331
Total liabilities	648,802,562	632,332,457	706,696	860,272	649,509,258	633,192,729
Net position:						
Net investment in capital assets	174,072,099	143,542,505	3,290,033	3,721,875	177,362,132	147,264,380
Restricted for:						
Labor Emergency Reserve	14,043,000	12,790,000	-	-	14,043,000	12,790,000
Debt Service	59,785,966	60,333,964	-	-	59,785,966	60,333,964
Other Funds	920,612	1,111,160	-	-	920,612	1,111,160
Unrestricted	72,738,537	67,435,195	839,446	181,336	73,577,983	67,616,531
Total net position	\$ 321,560,214	\$ 285,212,824	\$ 4,129,479	\$ 3,903,211	\$ 325,689,693	\$ 289,116,035

The largest portion of the District's assets, about seventy-five percent (75%), reflects its investment in capital assets, less accumulated depreciation. In prior years, the largest portion of current assets, predominately cash on hand, has been in the Building Fund, restricted to the construction and remodel of schools. As of June 30, 2013, the Building Fund, specifically the COP Building Fund, reported a cash balance of \$23,795,586 which was the result of \$15,500,000 in Certificate of Participation proceeds associated with the construction of Aspen View Academy, as well as last year's pay-off of SkyView Academy's outstanding debt to the District. Most of the unspent proceeds is to be used to pay off remaining invoices and construction projects associated with this new charter school. The remaining funds will continue to be spent down for needed District building repairs and improvements as well as other one time capital infrastructure needs. Additional funding will require voter approval in a future bond election or the District and Board may propose an additional COP subject to the limits of the COP policy. All General Obligation Bond proceeds have been spent as of June 30, 2013.

Remaining cash balances are shared between the Combined General Fund, \$120,383,793, the Bond Redemption Fund \$59,825,710 used to make semiannual debt service payments as well as small amounts in non-major governmental funds and in the COP Lease Payment Fund.

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

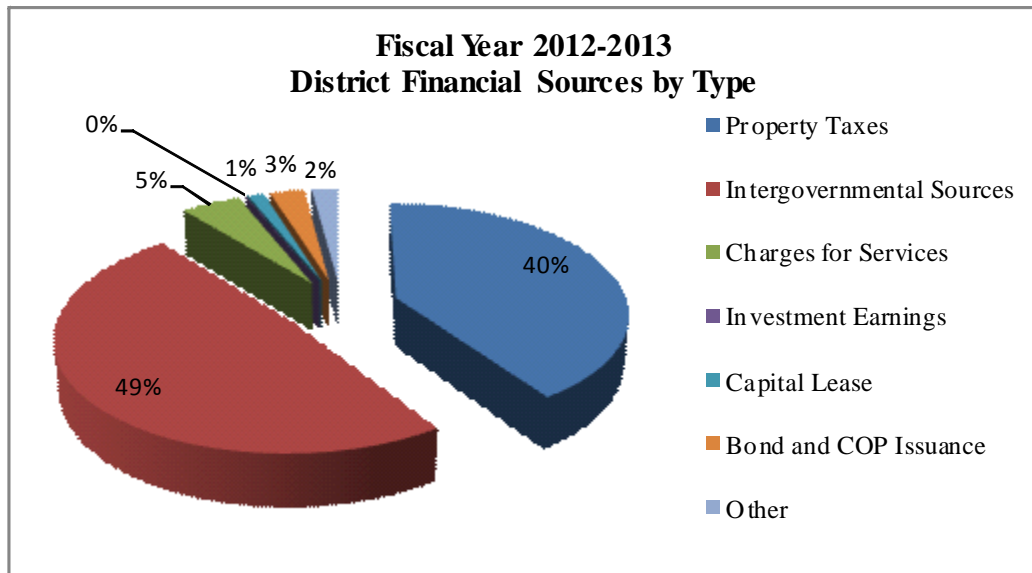
Governmental Fund Financial Analysis (Continued)

Revenues and Other Financing Sources - Governmental Funds

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. Listed below is a summary of the distribution of these revenues and sources for FY 2012-2013. The largest revenue source for the District is received from State and Federal intergovernmental sources at \$284,463,530 or 48.5% increased 0.1% from 48.4% last year. Property taxes represent the next significant source of revenue at \$237,365,348 or 40.5%, down 1.8% from the prior year. As the per pupil revenue amounts, calculated pursuant to the Colorado School Finance Act, were flat between these two years, the increases in revenues is attributable to the increases in students in the District at both our neighborhood and charter schools.

The District also charges its charter schools and students various fees. In FY 2012-2013, this amount is \$27,874,860. The balance of the revenues are generated from investment returns, gifts and donations and other sources.

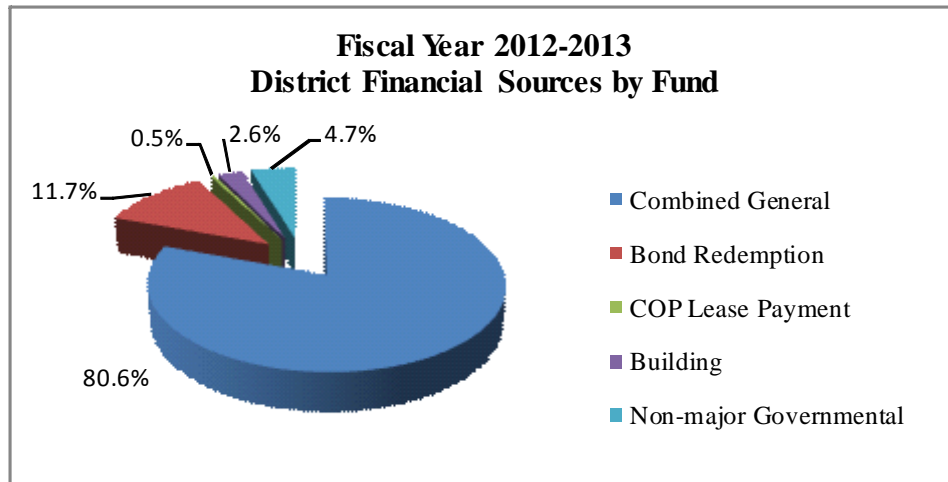
	2012-2013		2011-2012	
Property Taxes	\$ 237,365,348	40.5%	\$ 236,258,181	42.3%
Intergovernmental Sources	284,463,530	48.5%	270,223,934	48.4%
Charges for Services	27,874,860	4.8%	26,326,938	4.7%
Investment Earnings	276,635	0.0%	160,793	0.0%
Capital Lease	7,636,963	1.3%	3,478,130	0.6%
Bond and COP Issuance	16,191,676	2.8%	11,694,048	2.1%
Other	12,211,910	2.1%	10,188,833	1.8%
	<u>\$ 586,020,922</u>	<u>100%</u>	<u>\$ 558,330,857</u>	<u>100%</u>



Governmental Fund Financial Analysis (Continued)

Overall, governmental fund revenues increased by \$42,862,243 over last year reflective of increased state revenues associated with nearly 1,600 new students in the District as well as increased Federal Grant reimbursement due to increases in special education expenditures. Also, FY 2012-2013 marks the first year of our home schooled student support program, Cloverleaf, providing curriculum materials and academic enrichment to our District’s home schooled student population. These students attending one day a week at the District’s Cloverleaf school generate 50% of per pupil revenue. This school growth contributed to the nearly 1,600 new students the District educated this year. The District also issued a new COP in the amount of \$15,500,000 within the Building Fund used primarily for the construction of Aspen View Academy.

	2012-2013		2011-2012		Inc/(Dec)
Combined General	\$ 472,157,743	80.6%	\$ 453,973,917	83.6%	\$ 18,183,826
Bond Redemption	68,394,622	11.7%	69,715,225	12.8%	(1,320,603)
COP Lease Payment	2,766,677	0.5%	-	0.0%	2,766,677
Building	15,225,826	2.6%	176,013	0.0%	15,049,813
Non-major Governmental	27,476,054	4.7%	19,293,524	3.6%	8,182,530
Total	\$ 586,020,922	100%	\$ 543,158,679	100%	\$ 42,862,243



Expenditures by Fund - Governmental Funds

Governmental Fund expenditures increased by \$51,355,703 over FY 2011-2012 due primarily to the costs associated with increases in students, the construction of Aspen View Academy, the spend down of the Capital Projects Fund (part of the Combined General Fund) primarily associated with technology projects including the development of the District’s teacher evaluation system, InspirED Innovation, and finally, salary and benefit increases associated with a 3% pay increase and the statutorily mandated increase in the PERA contribution of 0.9%. We are proud to report that in spite of no increase in per pupil revenue, we were able to increase dollars to the classroom by over \$14 million from FY 2011-2012. Please see the chart and graph on page 81.

	2012-2013		2011-2012		Inc/(Dec)
Combined General	\$ 468,113,816	79.8%	\$ 431,179,221	80.6%	\$ 36,934,595
Bond Redemption	69,193,516	11.8%	70,602,913	13.2%	(1,409,397)
COP Lease Payment	2,515,781	0.4%	-	0.0%	2,515,781
Building	18,855,674	3.2%	9,876,414	1.8%	8,979,260
Non-major Governmental	27,666,602	4.7%	23,331,138	4.4%	4,335,464
Total	\$ 586,345,389	100%	\$ 534,989,686	100%	\$ 51,355,703

Governmental Fund Financial Analysis (Continued)

Ending Fund Balances

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$179,507,252, a decrease from FY 2011-2012 of \$324,467. This small decrease resulted from the spend down of the Building Fund balance completing capital projects as well as a small decrease in the Bond Redemption Fund balance. The spend down in these funds was offset by increases in property taxes, specific ownership taxes, and the increased spend and therefore reimbursement from the Governmental Designated Grant Fund.

	<u>Fund Balance Governmental Funds</u>					
	<u>2012-2013</u>		<u>2011-2012</u>		<u>Inc/(Dec)</u>	
Combined General	\$ 104,428,267	58.2%	\$ 100,384,340	55.8%	\$ 4,043,927	
Bond Redemption	59,535,070	33.2%	60,333,964	33.6%	(798,894)	
C.O.P. Lease Payment	250,896	0.1%	-	0.0%	250,896	
Building	14,372,407	8.0%	18,002,255	10.0%	(3,629,848)	
Non-major Governmental	920,612	0.5%	1,111,160	0.6%	(190,548)	
Total	<u>\$ 179,507,252</u>	<u>100%</u>	<u>\$ 179,831,719</u>	<u>100%</u>	<u>\$ (324,467)</u>	

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 \$23,067,478 due to the successful monitoring and review of expenditures district-wide. These results are consistent with the Board’s policy of allowing departments and 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. Of this approximate \$23 million, \$19,121,379 was assigned and budgeted in this reporting year. With additional school based revenues received this year along with scrutiny over spend, \$19,530,498 is assigned and budgeted to our schools and departments for FY 2013-2014. The remaining \$3.5 million is primarily due to the under-spend of the pay for performance budget as well as the utility budget lines reporting for FY 2013-2014.

The Pay for Performance plan had been revised for this year 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 were used 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 the stated World Class Targets such as Backward Design, Student Advocacy and Restorative Practices.

The District has been very successful in incentivizing students and staff at all of our schools and departments to save energy dollars. Even with allocating out over \$500,000 to our schools in incentives, our utility spend was \$2 million less than budget.

Revenues and transfers exceeded expenditures by \$4,043,927. Revenues were greater than budgeted by \$992,940 where most of the fluctuation from budget was due to school based revenues associated with charges for services.

Though the District’s PPR (per pupil revenue) was flat between FY 2011-2012 and FY 2012-2013, for FY 2013-2014, the Colorado Legislature approved an increase of about \$170/student for Douglas County School District. In addition, due to personnel turnover resulting in salary savings as well as realized savings in utility efficiencies, we were able to increase allocations for students through student based budgeting dollars and to staff through an average 5% salary increase on top of fully funding medical and PERA benefit increases of over \$33 million. We are guardedly optimistic that the economic recovery in Colorado will continue.

The September 1, 2013 Revenue Forecast anticipates flat State revenue growth of about 1% in FY 2013-2014 but expects a growth rate for FY 2014-2015 of 7.1%. Based on this forecast, Governor Hickenlooper has already proposed a State budget for FY 2014-2015 that includes fully funding student growth and inflation resulting in an average PPR (per pupil revenue) increase of \$230/student. For Douglas County, this translates to an increase of about \$213/student.

Combined General Fund Budgetary Highlights (Continued)

Business Type Activities

Nutrition Services

In FY 2012-2013, Nutrition Services net position increased slightly by \$19,204. This enterprise continues to be innovative in providing nutritious lunches and energy breaks in the morning to drive participation and a resulting increase in revenue.

Business Type Activities - Nutrition Services

	<u>2012-2013</u>	<u>2011-2012</u>	<u>Inc/(Dec)</u>
Total Assets	\$ 4,243,235	\$ 4,282,763	\$ (39,528)
Total Liabilities	4,223,212	4,281,944	(58,732)
Net Assets	<u>\$ 20,023</u>	<u>\$ 819</u>	<u>\$ 19,204</u>

Nutrition Services continued staffing corrections during FY 2012-2013 and continued to keep food prices down by maximizing warehouse operations. Please note below their increase in revenues and decreases in salaries and benefits. These gains, however, were offset by increases in food costs which was expected given the goal of providing more nutritious lunches for kids to include fresh fruits and vegetables. In FY 2013-2014, this enterprise operation is continuing to market their lunch service offerings to students and parents and plan to expand their ala carte offering to include nutritious snacks.

Business Type Activities - Nutrition Services

	<u>2012-2013</u>	<u>2011-2012</u>	<u>Inc/(Dec)</u>
Total Revenues	\$ 10,941,844	\$ 10,624,082	\$ 317,762
Salaries & Benefits	5,827,420	5,872,809	(45,389)
Food Purchases	6,284,707	5,958,012	326,695
Supplies & Other	2,358,396	2,332,232	26,164
Operating Inc.(Loss)	<u>\$ (3,528,679)</u>	<u>\$ (3,538,971)</u>	<u>\$ 10,292</u>
Non Operating Revenue	3,547,883	4,176,019	(628,136)
Net Change in Net Position	<u>\$ 19,204</u>	<u>\$ 637,048</u>	<u>\$ (617,844)</u>

In addition, Nutrition Services has signed contracts with six of the District's charter schools to provide charter student lunches. As of first quarter, FY 2013-2014, these new contracts have generated another \$120,000 of revenue.

Child Care

Child Care Services increased net position by \$379,246 for FY 2012-2013 indicative of continued progress towards their goal of carrying three months of operating expenses at each school's Before and After School Enterprise (B.A.S.E.) program. Enrollment is increasing again in these programs as each school site is focused on continuous improvement by adopting the Child Care standards reported by the Council of Accreditation, a national accreditor of the full continuum of community based human service organizations, including after school programs. In the current year, individual B.A.S.E. program sites continue to find ways to increase enrollment through better marketing strategies and enhanced programming. The District's child care program has continued to provide safe, enriching, affordable, quality services at most of our elementary schools.

Presently, two more programs have been awarded this accreditation increasing the total count to five (5) District programs. In addition, two of the first programs to be accredited also received their renewal this Fall. Two more District programs are working towards their accreditation and hope to receive that acknowledgement sometime this Spring.

Business Type Activities - Child Care

	<u>2012-2013</u>	<u>2011-2012</u>	<u>Inc/(Dec)</u>
Total Assets	\$ 4,561,149	\$ 4,193,549	\$ 367,600
Total Liabilities	567,059	578,705	(11,646)
Net Assets	<u>\$ 3,994,090</u>	<u>\$ 3,614,844</u>	<u>\$ 379,246</u>

Business Type Activities (Continued)

Outdoor Education

June 30, 2013 marked the end of the Outdoor Education Enterprise's second year of operation. The activity presented in the financial statements is an indication of the success of this program during FY 2012-2013. Over 2,330 students from 25 Douglas County schools participated in overnight and day camps. The Outdoor Education Center developed programs that included leadership opportunities for student counselors attending the camp with elementary students. At this writing, 6 of the 10 buildings have been renovated and are being used to provide outdoor education opportunities for students as well as provide an opportunity for private rentals increasing revenues to assist in keeping student tuition rates affordable.

Business Type Activities - Outdoor Education

	<u>2012-2013</u>	<u>2011-2012</u>	<u>Inc./Dec</u>
Total Assets	\$ 134,923	\$ 400,131	\$ (265,208)
Total Liabilities	<u>19,557</u>	<u>112,583</u>	<u>(93,026)</u>
Net Assets	<u>115,366</u>	<u>287,548</u>	<u>(172,182)</u>
Revenues	296,395	10,054	286,341
Salaries & Benefits	233,013	21,442	211,571
Purchased Services	81,417	37,037	44,380
Supplies & Other	<u>154,147</u>	<u>214,027</u>	<u>(59,880)</u>
Operating Inc./Loss	<u>(172,182)</u>	<u>(262,452)</u>	<u>90,270</u>
Non Operating Revenue	<u>287,548</u>	<u>550,000</u>	<u>(262,452)</u>
Net Change in Assets	<u>\$ 115,366</u>	<u>\$ 287,548</u>	<u>\$ (172,182)</u>

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for governmental and business type activities as of June 30, 2013, equaled \$707,040,957 (net of accumulated depreciation). 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 57.

	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Capital Assets:				
Land	\$ 11,705,813	\$ 10,475,218	\$ -	\$ 362,320
Buildings and Improvements	895,081,935	873,671,300	419,726	7,198,061
Machinery and Equipment	71,078,655	59,752,548	6,769,691	-
Construction in Progress	21,195,515	20,349,567	33,868	-
Depreciation	<u>(295,310,994)</u>	<u>(271,597,988)</u>	<u>(3,933,252)</u>	<u>(3,838,506)</u>
Total Capital Assets	<u>\$ 703,750,924</u>	<u>\$ 692,650,645</u>	<u>\$ 3,290,033</u>	<u>\$ 3,721,875</u>

Long-Term Debt

As of June 30, 2013, the District had outstanding long term debt of \$600,981,921. Of this amount, \$470,743,316 is general obligation bonded debt, which is backed by the full faith and credit of the District. Please also note the \$40,735,000 in outstanding Certificates of Participation.

Capital Asset and Debt Administration (Continued)

Long-Term Debt (Continued)

	Governmental Activities			
	June 30, 2013	%	June 30, 2012	%
General Obligation Bonds	\$ 470,743,316	78.3%	\$ 509,211,093	80.9%
Certificates of Participation	40,735,000	6.8%	26,405,000	4.2%
Accreted Interest	19,695,769	3.3%	18,532,441	2.9%
Bond Premiums	53,252,046	8.9%	63,924,242	10.2%
Early Separation Agreement	1,551,191	0.3%	3,137,666	0.5%
Extended Service Separation	3,672,407	0.6%	2,901,205	0.5%
Capital Leases	7,364,704	1.2%	1,159,302	0.2%
Compensated Absences	3,967,488	0.7%	3,914,107	0.6%
Total	\$ 600,981,921	100%	\$ 629,185,056	100%

November, 2006, was the last time District voters authorized the issuance of \$200,000,000 in general obligation bonds to pay the costs associated with the District's Master Capital Plan. Each year this Plan is updated and identifies 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 to meet District facility needs along with defining the circumstances under which the District would partner with charter schools to provide needed classroom spaces. Aspen View Academy, located in Castle Rock, proposed such a partnership with the District in the summer of 2012 and their new school was built with the District's 2012 COPs during this current reporting year. You will see this activity both in the District's Building Fund financials as well as in Aspen View Academy's financials included as one of our component units presented on pages 106 to 117. This partnership results in a win-win for the District and the charter school. Under this contractual arrangement, the charter school pays the lease payments on the outstanding COPs funded from their per pupil revenue. These lease payments are very affordable given the resulting interest rate associated with the District's credit ratings. The District, then, benefits due to the acquisition of much needed classroom spaces in high student growth areas with a minimal impact on the District's operating budgets.

The \$40,735,000 of outstanding Certificates of Participation are collateralized by specific buildings owned by the District. These COP lease payment obligations are subject to annual appropriation and are distinctly different from general obligation bonds which have been and must be voter approved. The aggregate yearly appropriation to Fund 39, the COP Lease Payment Fund, is just under \$2 million and includes amounts that are received from Aspen View Academy.

The District maintains credit ratings with all three credit agencies as follows: Moody's Investors Services Inc. at Aa2, 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 59.

In January, 2013, the District refunded a portion of its outstanding general obligation bonds in the amount of \$31,020,000. This resulted in a savings to the Douglas County taxpayer of \$1,709,839. The favorable refunding rates were possible because of the District's strong credit ratings and the continued favorable bond market.

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. In addition, the District has committed any unused General Fund contingency dollars to the capital projects fund designated to identified priority needs. 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.

The LRPC also annually evaluates student growth trends within the District and provides input to the long-term Master Capital Plan. They are charged with making recommendations for boundary changes, calendar changes and other actions which aid in accommodating the enrollment growth in the District. In addition, when the Capital Plan is presented to the Board of Education for review and approval, this committee may also make recommendations about the timing and dollar amount for future bond elections or Certificates of Participation sales.

Capital Asset and Debt Administration (Continued)

Other Obligations of the District

During FY 2012-2013, the District entered into two long term leases; one associated with the District's print solution and the other associated with an Energy Performance Contract. Our multi functioning devices were at their end of life at June 30, 2012 requiring them to be replaced. After an extensive Request for Proposal procurement process, Konica Minolta was granted the five year award. In addition, the District entered into an Energy Performance Contract to complete some of our highest capital priority needs such as lighting, roofing, HVAC and plumbing upgrades and electrical infrastructure at Douglas County High School. These facility upgrades were identified as some of the highest priorities in the District's Master Capital Plan and this financing alternative allowed the District to address these projects in a very innovative manner. The State of Colorado provides guidance for entering into these performance contracts and provides oversight in how these contracts are managed. The goal of an energy performance contract is to put in place upgrades that result in energy savings that will, at a minimum, provide the needed resources to pay off the ten year lease. The District was able to access very favorable interest rates for this project.

Again, comparable to COPs, these capital leases require annual appropriation and are collateralized by the equipment received. The annual lease payments are identified in the Capital Projects fund which is funded by a transfer from the District's 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 4% to 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. The District maintains an ongoing three year projection for significant operating funds.

The District continues to maintain a healthy fund balance. Our schools and departments regularly scrutinize their spend and have contributed greatly to the maintenance of this fund balance associated with the Board'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% 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 FY 2012-2013. As mentioned above, in addition to the required TABOR Reserve, the Board of Education, by policy, requires an additional 4% of yearly spend in held reserves providing financial stability and available resources to fund any unexpected emergency. You can see on page 38 that the financial statements report the District meets the TABOR and additional Board of Education reserve policy reporting restricted and assigned fund balances of \$14,043,000 and \$18,724,000 respectively.

Economic Factors and Fiscal Year 2012-2013 Budgets

- Constitutional Change to Colorado School Finance Act - Amendment 66 - During the 2013 legislative session, the Colorado Legislature passed Senate Bill 213 which proposed a rewrite of the School Finance Act for PK-12 education in the State of Colorado. Senate Bill 213 contemplated increasing funding for At-Risk and English Language Learner students, changing the funding count process from one day to a year-long average daily membership, providing for an innovation grant at the state level that would be similar to the federal Race to the Top grant, and providing more equitable funding for charter schools. Senate Bill 213's implementation was conditioned on the passage of a statewide tax increase that would have increased income taxes for all earners and changed the state's flat tax system into a two-tiered progressive tax system. If passed, this initiative, known as Amendment 66, would have provided approximately \$950M annually to increase K-12 funding. On November 5, 2013, Amendment 66 failed by nearly a 2:1 margin. Due to this failure, Colorado's PK-12 schools will continue to be funded based on the School Finance Act of 1994.
- FY 2014-2015 Colorado Revenue Forecast - The September 2013 Colorado Revenue Forecast continued to bring positive insight to the state of Colorado's economy. Revenue at the state level is forecasted to grow by a modest 1% during FY 2013-2014 but is expected to accelerate to 7.1% during FY 2014-2015. Citing some of this positive economic news, Governor Hickenlooper submitted his FY 2014-2015 budget request to the Joint Budget Committee. While much of the increased revenue experienced recently is being used to fund programs that were either cut or experienced limited growth during the recession, the Governor has proposed a modest increase to K-12 funding as well. The Governor has asked that Total Program funding in the state grow by approximately \$260M statewide. This would translate to approximately \$213/student for the Douglas County School District. While this proposal still needs to be passed by the legislature, the increase in student funding would be welcomed by our District.
- Douglas County Economy and Growth- The Douglas County 2nd Quarter 2013 Economic Development Report pronounced that economic statistics in Douglas County indicate sustained economic growth can be expected. This report cited the following statistics:
 - ◇ Employment grew 8% over the year representing 7,300 additional jobs .
 - ◇ The unemployment rate declined to its lowest point since 2008 reported at 5.6% compared to 6.5% for the same timeframe in 2012.
 - ◇ Retail trade sales increased 6.1% over the same timeframe in 2012.
 - ◇ Existing home sales in Douglas County were 25.4% higher over the same timeframe in 2012.
 - ◇ The average single family home price during the second quarter was 7.9% above the average price over the same timeframe in 2012.
 - ◇ Residential building permits throughout the County rose 9.3% in the second quarter showing an additional 48 permits during the period compared with the second quarter of 2012.
 - ◇ Commercial vacancy rates declined 1.8 percentage points down to 7.4%. This rate was the lowest since first quarter of 2008.
- Enrollment – The positive economic data reflected above continues to result in increased enrollment in Douglas County Schools. As has been the case over the past three years, enrollment is expected to increase by 1,300 to 1,500 students to approximately 66,000 in FY 2013-2014. This enrollment number is inclusive of both charter and neighborhood schools. Currently, charter schools represent approximately 17% of the District's funded pupil count. The lion's share of the charter school enrollment is made up of 3,100 students enrolled in HOPE Online Learning Academy. Over the next few years the District expects to experience continued growth at about the same rate as the last five years. Additional student enrollment results in greater revenue but also increases in costs associated with the need for new teachers and additional classroom space.
- FY 2013-2014 School Finance Act Approved Increases and New System Wide Allocations – The District adopted a budget that includes an increase in per pupil revenue of about \$170/student along with increases associated with the expected enrollment growth. In addition, the District committed to an average ongoing raise for all employees of 3% along with an average one time lump sum pay increase of 2%. This is the second year in a row in which the District has been able to award pay increases in spite of the still uncertain economy. The District absorbed the \$1.5 million increase in medical benefit premiums as well as the 0.9% increase in the PERA contribution. Finally, we increased the student based budgeting dollars by an ongoing \$100/student on top of \$105/student in one time monies. Total new allocations out to the District exceeded \$33.9 million.

Economic Factors and Fiscal Year 2012-2013 Budgets (Continued)

- The FY 2012-2013 Ending Fund Balance - Combined General Fund - This ending fund balance increased by \$4,043,927 primarily due to increased realized revenues and the unexpected growth in carry forward dollars associated with school and department savings. This ending fund balance includes the restricted TABOR reserve as well as the 4% required by Board of Education policy. \$537,143 is identified as unassigned providing flexibility for the District to meet future obligations.
- Capital Projects Fund Transfers - Note that the transfer from the General Fund to the Capital Projects Fund reflected in the Combining Revenues, Expenditures and Changes in Fund Balance on page 79, amounted to \$9,546,637. This increased transfer was approved by the Board to provide resources needed to meet the most urgent health and safety needs associated with our Master Capital Plan. The only ongoing transfer budgeted in the future funds the capital lease payments associated with the Konica Multi-Functioning devices and the Energy Performance lease.
- Strategic Plan Progress - The District continues to make progress towards achieving the priorities of its strategic plan, New Outcomes for a New Day. During FY 2012-2013, all teachers were moved from the prior step and lane salary schedule into a market based salary range system that establishes teacher salaries based on market forces as opposed to education level and years of service. This new system has allowed us to allocate out salary dollars much more efficiently. Hard to hire position salaries are set in the higher ranges while those teaching positions in which there exists numerous applicants have salaries in lower ranges. The new year focus remains on teacher evaluation and compliance with the State's SB191, mandating that student academic growth be included in the evaluation of teachers. As part of this effort, the District's pay for performance programs have been reformed so that future pay bonuses are related to the work our teachers do in the classroom every day for the District's students. This fall marked the first time that teachers were paid bonuses for achieving World Class Targets associated with backward designed lesson plans, student engagement, 21st century skills, leadership, professional growth, and restorative practices. Eleven teachers received these bonuses in September, 2013.

Component Units

Only summary information regarding component units appear in the District's financial statements. The District has twelve component units, all of which are charter schools. This number has increased from the prior year due to the establishment of Aspen View Academy. In addition, American Academy constructed a new site in Parker but both sites are under the same charter contract. Most of the charter schools have an associated Building Corporation or Foundation which are also presented separately with their charter school. Their aggregated financial statement information is presented in a separate column in the Government-wide Statement of Net Position and in the Statement of Activities on pages 106 and 117 respectively.

After a 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.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Net Position
June 30, 2013

	Primary Government		Total	Component
	Governmental Activities	Business Type Activities		Units Charter Schools
ASSETS				
Cash and Investments	\$ 129,491,872	\$ 4,334,991	\$ 133,826,863	\$ 18,083,858
Receivables:				
Property Taxes, Net of Allowance for Uncollectible Taxes	13,496,586	-	13,496,586	-
Other	3,666,895	390,380	4,057,275	419,379
Internal Balances	4,103,132	(4,103,132)	-	-
Inventories	675,286	923,903	1,599,189	25,023
Prepaid Costs and Other Assets	175,014	-	175,014	871,404
Restricted Cash and Investments	89,194,774	-	89,194,774	23,260,880
Capital Assets:				
Non-depreciable	32,901,328	33,868	32,935,196	26,845,972
Depreciable, Net	670,849,596	3,256,165	674,105,761	87,090,576
Total Assets	944,554,483	4,836,175	949,390,658	156,597,092
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding	25,808,293	-	25,808,293	3,047,086
LIABILITIES				
Accounts Payable	18,621,661	171,658	18,793,319	8,294,454
Accrued Compensation	21,638,872	535,038	22,173,910	1,379,567
Unearned Revenues	659,171	-	659,171	457,539
Accrued Insurance Claims	6,450,424	-	6,450,424	-
Accrued Interest Payable	450,513	-	450,513	1,404,309
Non-Current Liabilities:				
Due within One Year	53,472,503	-	53,472,503	1,413,958
Due in More than One Year	547,509,418	-	547,509,418	132,899,769
Total Liabilities	648,802,562	706,696	649,509,258	145,849,596
NET POSITION				
Net Investment in Capital Assets	174,072,099	3,290,033	177,362,132	(13,161,501)
Restricted:				
TABOR Emergency Reserve	14,043,000	-	14,043,000	2,048,070
Debt Service	59,785,966	-	59,785,966	10,997,322
Capital Items	-	-	-	231,551
Grants	185,120	-	185,120	-
Student Activities	735,492	-	735,492	-
Unrestricted	72,738,537	839,446	73,577,983	13,679,140
Total Net Position	\$ 321,560,214	\$ 4,129,479	\$ 325,689,693	\$ 13,794,582

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Instruction	\$ 270,892,918	\$ 27,874,860	\$ 13,657,682	\$ -
Supporting Services	171,113,103	-	15,119,483	-
Payments to Component Units	59,994,588	-	-	-
Interest on Long-Term Debt	30,187,963	-	-	-
Total Governmental Activities	532,188,572	27,874,860	28,777,165	-
Business Type Activities:				
Nutrition Services	14,470,523	10,941,844	3,602,925	-
Before and After School Programs	8,988,913	9,368,159	-	-
Outdoor Education	468,577	296,395	-	-
Total Business Type Activities	23,928,013	20,606,398	3,602,925	-
Total Primary Government	556,116,585	48,481,258	32,380,090	-
Component Units				
Charter Schools	\$ 71,252,920	\$ 6,552,697	\$ 1,762,574	\$ 2,638,505

GENERAL REVENUES

- Property Taxes
- Specific Ownership Taxes
- State Equalization
- Capital Construction Funding
- Investment Earnings
- Grants and Contributions not Specific to Programs
- Other
- Transfer In (Out)

Total General Revenues and Transfers

Change in Net Position

NET POSITION, Beginning

NET POSITION, Ending

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business Type Activities	Total	Component Units
\$ (229,360,376)	\$ -	\$ (229,360,376)	\$ -
(155,993,620)	-	(155,993,620)	-
(59,994,588)	-	(59,994,588)	-
(30,187,963)	-	(30,187,963)	-
<u>(475,536,547)</u>	<u>-</u>	<u>(475,536,547)</u>	<u>-</u>
-	74,246	74,246	-
-	379,246	379,246	-
-	(172,182)	(172,182)	-
<u>-</u>	<u>281,310</u>	<u>281,310</u>	<u>-</u>
<u>(475,536,547)</u>	<u>281,310</u>	<u>(475,255,237)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,299,144)</u>
225,526,250	-	225,526,250	3,192,770
17,961,028	-	17,961,028	-
255,686,365	-	255,686,365	56,489,896
-	-	-	487,391
247,485	-	247,485	59,635
-	-	-	1,624,919
12,407,767	-	12,407,767	181,435
55,042	(55,042)	-	-
<u>511,883,937</u>	<u>(55,042)</u>	<u>511,828,895</u>	<u>62,036,046</u>
36,347,390	226,268	36,573,658	1,736,902
<u>285,212,824</u>	<u>3,903,211</u>	<u>289,116,035</u>	<u>12,057,680</u>
<u>\$ 321,560,214</u>	<u>\$ 4,129,479</u>	<u>\$ 325,689,693</u>	<u>\$ 13,794,582</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Governmental Funds

Balance Sheet

June 30, 2013

	Combined General	Bond Redemption	COP		Non-Major Governmental	Total Governmental
			Lease Payment	Building		
ASSETS						
Cash and Investments	\$ 114,810,315	\$ -	\$ 250,896	\$ -	\$ 1,194,986	\$ 116,256,197
Receivables:						
Property Taxes, Net of Allowance for Uncollectible Taxes	10,236,677	3,259,909	-	-	-	13,496,586
Other	454,765	-	-	-	3,072,480	3,527,245
Due from Other Funds	7,493,352	-	-	-	-	7,493,352
Prepaid Costs	145,014	-	-	30,000	-	175,014
Inventories, at Cost	675,286	-	-	-	-	675,286
Restricted Cash and Investments	5,573,478	59,825,710	-	23,795,586	-	89,194,774
Total Assets	139,388,887	63,085,619	250,896	23,825,586	4,267,466	230,818,454
LIABILITIES						
Accounts Payable	8,511,947	20,000	-	7,187,638	2,251,529	17,971,114
Accrued Compensation	20,686,057	-	-	-	943,910	21,629,967
Due to Other Funds	-	1,124,679	-	2,265,541	-	3,390,220
Unearned Revenues	507,756	-	-	-	151,415	659,171
Total Liabilities	29,705,760	1,144,679	-	9,453,179	3,346,854	43,650,472
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	5,254,860	2,405,870	-	-	-	7,660,730
FUND BALANCES						
Nonspendable:						
Inventories	675,286	-	-	-	-	675,286
Prepaid Costs	145,014	-	-	30,000	-	175,014
Restricted:						
TABOR Emergency Reserve	14,043,000	-	-	-	-	14,043,000
Building	-	-	-	14,342,407	-	14,342,407
Debt Service/Lease Payments	-	59,535,070	250,896	-	-	59,785,966
Grants	-	-	-	-	185,120	185,120
Student Athletics	-	-	-	-	735,492	735,492
Assigned:						
4% Board Reserves	18,724,000	-	-	-	-	18,724,000
School Discretionary Funds-\$105/stdt	5,475,675	-	-	-	-	5,475,675
School Innovation and HS Student Rqst	2,100,000	-	-	-	-	2,100,000
Average Pay Increases - 3%	9,000,000	-	-	-	-	9,000,000
Pay for Performance Unspent	2,900,000	-	-	-	-	2,900,000
School and Department Carryover	19,530,498	-	-	-	-	19,530,498
Full Day Kindergarten	5,993,997	-	-	-	-	5,993,997
Risk Insurance	2,151,372	-	-	-	-	2,151,372
Transportation	234,592	-	-	-	-	234,592
Capital Projects	16,334,092	-	-	-	-	16,334,092
Security and Technology Equipment	1,360,000	-	-	-	-	1,360,000
Early Separation Agreement	1,551,191	-	-	-	-	1,551,191
Extended Service Severance	3,672,407	-	-	-	-	3,672,407
Unassigned	537,143	-	-	-	-	537,143
Total Fund Balances	104,428,267	59,535,070	250,896	14,372,407	920,612	179,507,252
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 139,388,887	\$ 63,085,619	\$ 250,896	\$ 23,825,586	\$ 4,267,466	\$ 230,818,454

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, 2013

Fund Balances of Governmental Funds	\$ 179,507,252
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.	703,750,924
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.	7,660,730
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Fund, the Medical Risk Fund, are included in governmental activities in the statement of net position.	9,644,913
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	\$ (470,743,316)
Certificates of Participation	(40,735,000)
Accreted Interest	(19,695,769)
Bond Premiums	(53,252,046)
Deferred Amount on Refunding	25,808,293
Accrued Interest Payable	(450,513)
Accrued Insurance Claims Payable	(3,379,464)
Capital Leases	(7,364,704)
Early Separation Agreement	(1,551,191)
Extended Service Severance	(3,672,407)
Compensated Absences	(3,967,488)
	<u>(579,003,605)</u>
Net Position of Governmental Activities	<u>\$ 321,560,214</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, 2013

	Combined General	Bond Redemption	COP Lease Payment	Building	Non-Major Governmental	Total Governmental
REVENUES						
Property Taxes	\$ 151,260,346	\$ 68,143,974	\$ -	\$ -	\$ -	\$ 219,404,320
Specific Ownership Tax	17,961,028	-	-	-	-	17,961,028
Intergovernmental	270,805,848	-	-	-	13,657,682	284,463,530
Charges for Services	18,930,632	-	-	-	8,944,228	27,874,860
Investment Earnings	159,765	66,450	-	50,420	-	276,635
Other	11,122,354	-	2,818	100,000	986,738	12,211,910
Total Revenue	470,239,973	68,210,424	2,818	150,420	23,588,648	562,192,283
EXPENDITURES						
Current:						
Instruction	251,623,730	-	-	-	22,544,087	274,167,817
Supporting Services	155,063,937	-	-	-	5,122,515	160,186,452
Capital Outlay	-	-	-	18,620,893	-	18,620,893
Debt Service:						
Principal	1,431,561	40,687,777	1,170,000	-	-	43,289,338
Debt Issuance Costs	-	248,243	-	234,781	-	483,024
Interest and Fiscal Charges	-	28,257,496	1,345,781	-	-	29,603,277
Payments to Component Units	59,994,588	-	-	-	-	59,994,588
Total Expenditures	468,113,816	69,193,516	2,515,781	18,855,674	27,666,602	586,345,389
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,126,157	(983,092)	(2,512,963)	(18,705,254)	(4,077,954)	(24,153,106)
OTHER FINANCING SOURCES (USES)						
Issuance of Refunding Bonds	-	31,020,000	-	-	-	31,020,000
Premiums on Issuance of Bonds and COPs	-	3,582,115	-	343,432	-	3,925,547
Payment to Refunded Bond Escrow Agent	-	(34,353,871)	-	-	-	(34,353,871)
Issuance of Capital Lease	7,636,963	-	-	-	-	7,636,963
Issuance of Certificates of Participation	-	-	-	15,500,000	-	15,500,000
Proceeds from Sale of Capital Asset	100,000	-	-	-	-	100,000
Transfers In	64,046	-	2,763,859	-	3,887,406	6,715,311
Transfers Out	(5,883,239)	(64,046)	-	(768,026)	-	(6,715,311)
Total Other Financing Sources	1,917,770	184,198	2,763,859	15,075,406	3,887,406	23,828,639
NET CHANGE IN FUND BALANCES	4,043,927	(798,894)	250,896	(3,629,848)	(190,548)	(324,467)
FUND BALANCES, Beginning	100,384,340	60,333,964	-	18,002,255	1,111,160	179,831,719
FUND BALANCES, Ending	\$ 104,428,267	\$ 59,535,070	\$ 250,896	\$ 14,372,407	\$ 920,612	\$ 179,507,252

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, 2013

Net change in fund balances of governmental funds \$ (324,467)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which net capital outlays exceeded loss on disposal of capital assets and depreciation.

Capital Outlay	\$ 35,263,544	
Depreciation	(24,161,027)	
Proceeds on Sale of Capital Asset	(100,000)	
Capital Assets transferred from Business Type Activities	55,042	
Gain on Sale of Capital Assets	42,720	11,100,279

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 6,121,930

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal Payments - General Obligation Bonds	40,687,777	
Principal Lease Payments - Certificates of Participation	1,170,000	
Issuance of Refunding Bonds	(31,020,000)	
Issuance of Certificates of Participation	(15,500,000)	
Premiums on Issuance of Bonds and COPs	(3,925,547)	
Payment to Refunding Bond Escrow Agent	34,353,871	
Change in Accreted Interest	(1,163,328)	
Change in Accrued Interest	1,106,487	
Change in Compensated Absences	(53,381)	
Change in Extended Service Severance	(771,202)	
Change in Early Separation Agreement	1,586,475	
Issuance of Capital Lease	(7,636,963)	
Principal Payments Capital Lease	1,431,561	
Amortization of Bond Premium and Deferred Charges	(233,926)	20,031,824

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (412,242)

Internal Service Funds are used by management to change the cost of medical insurance to individual funds. The net revenue (expense) of the Internal Service Fund, and the Medical Risk Fund, are reported with governmental activities. (169,934)

Change in net position of governmental activities \$ 36,347,390

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Proprietary Funds
Statement of Net Position
June 30, 2013

	Business Type Activities Enterprise Funds			Governmental Activities
	Nutrition Services Fund 51	Non-Major Enterprise Funds	Total	Internal Service Fund
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,447	\$ 4,333,544	\$ 4,334,991	\$ 13,235,675
Intergovernmental and Grant Receivables	359,364	15,460	374,824	-
Other Receivables	15,556	-	15,556	139,650
Inventories	923,903	-	923,903	-
Total Current Assets	<u>1,300,270</u>	<u>4,349,004</u>	<u>5,649,274</u>	<u>13,375,325</u>
Capital Assets:				
Building	362,320	57,406	419,726	-
Machinery and Equipment	6,448,341	321,350	6,769,691	-
Construction in Progress	-	33,868	33,868	-
Accumulated Depreciation	<u>(3,867,696)</u>	<u>(65,556)</u>	<u>(3,933,252)</u>	<u>-</u>
Total Capital Assets	<u>2,942,965</u>	<u>347,068</u>	<u>3,290,033</u>	<u>-</u>
Total Assets	<u>4,243,235</u>	<u>4,696,072</u>	<u>8,939,307</u>	<u>13,375,325</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	14,507	157,151	171,658	650,547
Accrued Compensation	105,573	429,465	535,038	8,905
Due to Other Funds	4,103,132	-	4,103,132	-
Accrued Insurance Claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,070,960</u>
Total Current Liabilities	<u>4,223,212</u>	<u>586,616</u>	<u>4,809,828</u>	<u>3,730,412</u>
NET POSITION (DEFICIT)				
Investment in Capital Assets	2,942,965	347,068	3,290,033	-
Unrestricted	<u>(2,922,942)</u>	<u>3,762,388</u>	<u>839,446</u>	<u>9,644,913</u>
Total Net Position	<u>20,023</u>	<u>4,109,456</u>	<u>4,129,479</u>	<u>9,644,913</u>
Total Liabilities and Net Position	<u>\$ 4,243,235</u>	<u>\$ 4,696,072</u>	<u>\$ 8,939,307</u>	<u>\$ 13,375,325</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2013

	Business Type Activities			Governmental
	Enterprise Funds			Activities
	Nutrition Services Fund 51	Non-Major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Food Charges	\$ 10,883,923	\$ -	\$ 10,883,923	\$ -
Charges for Services	-	9,641,845	9,641,845	35,201,647
Other	57,921	22,709	80,630	727,981
Total Operating Revenue	<u>10,941,844</u>	<u>9,664,554</u>	<u>20,606,398</u>	<u>35,929,628</u>
OPERATING EXPENSES				
Salaries and Benefits	5,827,420	7,204,892	13,032,312	447,786
Food Purchases	6,284,707	-	6,284,707	-
Purchased Services	668,042	530,122	1,198,164	-
Depreciation	374,629	10,981	385,610	-
Supplies	801,745	908,603	1,710,348	-
Other	513,980	802,892	1,316,872	7,375
Insurance and Claims	-	-	-	35,656,732
Total Operating Expenses	<u>14,470,523</u>	<u>9,457,490</u>	<u>23,928,013</u>	<u>36,111,893</u>
OPERATING INCOME (LOSS)	<u>(3,528,679)</u>	<u>207,064</u>	<u>(3,321,615)</u>	<u>(182,265)</u>
NON-OPERATING REVENUES (EXPENSES)				
Federal Government Lunch Program	2,775,656	-	2,775,656	-
Commodity Contribution	837,372	-	837,372	-
State Match	119,927	-	119,927	-
Loss on Sale of Capital Assets	(130,030)	-	(130,030)	-
Investment Earnings	-	-	-	12,331
Total Non-operating Revenues	<u>3,602,925</u>	<u>-</u>	<u>3,602,925</u>	<u>12,331</u>
Income (Loss) Before Transfers	<u>74,246</u>	<u>207,064</u>	<u>281,310</u>	<u>(169,934)</u>
Transfers to Other Funds	<u>(55,042)</u>	<u>-</u>	<u>(55,042)</u>	<u>-</u>
CHANGE IN NET POSITION	19,204	207,064	226,268	(169,934)
NET POSITION, Beginning	<u>819</u>	<u>3,902,392</u>	<u>3,903,211</u>	<u>9,814,847</u>
NET POSITION, Ending	<u>\$ 20,023</u>	<u>\$ 4,109,456</u>	<u>\$ 4,129,479</u>	<u>\$ 9,644,913</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2013

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Nutrition Fund 51	Non-Major Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM				
OPERATING ACTIVITIES:				
Receipts from Customers	\$ 10,926,366	\$ 9,649,237	\$ 20,575,603	\$ 35,904,106
Payments to Suppliers	(7,610,245)	(2,335,435)	(9,945,680)	(36,623,884)
Payments to Employees	(5,819,947)	(7,215,747)	(13,035,694)	(444,299)
Net Cash Provided (Used) by Operating Activities	(2,503,826)	98,055	(2,405,771)	(1,164,077)
CASH FLOWS FROM NONCAPITAL				
FINANCING ACTIVITIES:				
Federal Government Lunch Payments	2,416,292	-	2,416,292	-
State Match	119,927	-	119,927	-
Interfund Transfers	(9,828)	-	(9,828)	-
Net Cash Provided by Noncapital Financing Activities	2,526,391	-	2,526,391	-
CASH FLOWS FROM CAPITAL FINANCING				
ACTIVITIES:				
Purchase of Equipment	(51,828)	(116,511)	(168,339)	-
Proceeds from Sale of Equipment	29,500	-	29,500	-
Net Cash Provided by Capital Financing Activities	(22,328)	(116,511)	(138,839)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Earnings on Investments	-	-	-	12,331
NET INCREASE (DECREASE) IN CASH AND				
CASH EQUIVALENTS	237	(18,456)	(18,219)	(1,151,746)
CASH AND CASH EQUIVALENTS, Beginning	1,210	4,352,000	4,353,210	12,987,421
CASH AND CASH EQUIVALENTS, Ending	\$ 1,447	\$ 4,333,544	\$ 4,334,991	\$ 11,835,675
RECONCILIATION OF OPERATING				
INCOME (LOSS) TO NET CASH PROVIDED				
(USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (3,528,679)	\$ 207,064	\$ (3,321,615)	\$ (182,265)
Adjustments to Operating Income (Loss) not Affecting Cash Flows:				
Depreciation	374,629	10,981	385,610	-
Food Commodities	837,372	-	837,372	-
Changes in Assets and Liabilities:				
(Increase) in Other Receivables	(15,478)	(15,317)	(30,795)	(25,522)
(Increase) in Inventories	(122,766)	-	(122,766)	-
(Decrease) in Accounts Payable	(56,377)	(93,818)	(150,195)	(341,154)
Increase (Decrease) in Accrued Compensation	7,473	(10,855)	(3,382)	3,487
Increase in Accrued Insurance Claims	-	-	-	781,377
Total Adjustments	1,024,853	(109,009)	915,844	418,188
NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES	(2,503,826)	98,055	(2,405,771)	235,923
NON-CASH INVESTING, CAPITAL AND				
FINANCING ACTIVITIES				
Equipment transferred to the General Fund, Net	\$ 55,042	\$ -	\$ 55,042	\$ -
Donated Federal Government Commodity Items	733,935	-	733,935	-
TOTAL NON-CASH INVESTING, CAPITAL AND				
FINANCING ACTIVITIES	\$ 788,977	\$ -	\$ 788,977	\$ -

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fiduciary Funds
Statement of Net Position
June 30, 2013

	Private Purpose Trust Scholarship Fund 75	Agency Fund 74
ASSETS		
Cash and Investments	\$ 63,866	5,794,055
Accounts Receivable	-	1,440
Total Assets	63,866	5,795,495
LIABILITIES		
Accounts Payable	-	62,021
Assigned Student Related Activities	-	5,733,474
Total Liabilities	-	\$ 5,795,495
NET POSITION		
Held in Trust for Scholarships	63,866	
Total Net Position	\$ 63,866	

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2013

	<u>Private Purpose Trust Scholarship</u>
ADDITIONS	
Contributions	<u>\$ 59,000</u>
Total Additions	<u>59,000</u>
DEDUCTIONS	
Grants and Scholarships	<u>59,000</u>
Total Deductions	<u>59,000</u>
CHANGE IN NET POSITION	-
NET Position, Beginning	<u>63,866</u>
NET POSITION, Ending	<u><u>\$ 63,866</u></u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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 present 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 twelve separately authorized charters: Academy, American Academy, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, Core Knowledge, North Star Academy, Platte River Academy, DCS Montessori, SkyView, STEM High (Science, Technology, Engineering and Math), and Hope Online Learning Academy Co-Op. Aspen View Academy is a new charter school scheduled to open in Fall of 2013. As this charter school has start-up activity in this current fiscal year, it has undergone an audit and reports its start-up activity in their financial statements included within this document.

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

Joint Venture (Parker Joint Service Facility) - In September 1991, the District and the 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%.

The Facility is solely responsible for the 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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 properly 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 and major individual enterprise 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 so 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 expenditures, as well as expenditures related to compensated absences and risk management claims, are recorded only when payment is due.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Nutrition Services Fund, the Child Care Fund, the Outdoor Education Fund and the Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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 the 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 *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. This fund is shown as major for public interest purposes.

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

Non-major governmental funds:

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

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

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

Major proprietary fund:

The *Nutrition Services Fund* accounts for the financial activities associated with the District's school lunch program.

Non-major proprietary funds:

The *Child Care Fund* known as B.A.S.E. (Before and After School Enterprise) accounts for the financial activities associated with the District's tuition based child care programs.

The *Outdoor Education Fund* accounts for financial activities associated with the District's outdoor education program in Larkspur in the property previously owned by the Emily Griffith Center. The revenues for this fund come primarily from student field trip fees.

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 *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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

The District implemented GASB Statement No. 63 and GASB Statement No. 65 effective June 30, 2013. These GASB pronouncements clarify the use of deferred inflows and outflows and take these elements into consideration by redefining net assets as net position. In addition, GASB Statement No. 65 specifies that costs of issuance associated with capital financings shall no longer be amortized over the life of the bonds but expensed in the current year at the government-wide level.

Deposits and Investments

The District's cash and cash equivalents are defined as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investment securities for the District, as well as for its component units, are reported at fair value based on quoted market prices. Investment pools operate in accordance with appropriate state laws and regulations. The reported value of the District's investment in the local government investment pool is valued at amortized cost, pursuant to Rule 2a-7 under the Investment Company Act of 1940, which approximates fair value.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to" or "due from other funds" (i.e., the current portion of inter-fund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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 receivable and are presented net of an allowance for uncollectible taxes. Any taxes not collected within 60 days after year-end are recorded as a deferred inflow of resources, unavailable revenue in the 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance
(Continued)**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 applicable governmental or business type activities columns 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.

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

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

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

Unearned Revenue

Unearned revenue in the statement of net position and fund financial statements consists of unearned grant proceeds.

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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources (Continued)

Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 and vacation time are accrued when incurred in the government-wide and proprietary funds' 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 leave, resignations, and retirements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. As mentioned previously, GASB Statement No. 65 now disallows bond issuance costs to be deferred and amortized in the same manner. These issuance costs are now expensed at both the government-wide and fund financial level 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 current expenditures.

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, 2013 the District has no committed amounts.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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 (Continue)

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.

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. The Combined General Fund is the only fund that would report a positive amount in unassigned fund balance.

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 represent the difference between assets and deferred inflows of resources and liabilities and deferred outflows of resources. Net investment in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond and COP proceeds. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. As of June 30, 2013, the District has \$14,043,000 restricted by enabling legislation.

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

NOTE 2: DEPOSITS AND INVESTMENTS

At June 30, 2013, deposits and investments were reported in the financial statements as follows:

Governmental Activities *	\$ 218,686,646
Business Type Activities	4,334,991
Private Purpose Trust Scholarship	63,866
Agency	<u>5,794,055</u>
Total	<u>\$ 228,879,558</u>

* Governmental Activities include Governmental Funds and the Internal Service Fund (the Medical Fund).

Cash and investments at June 30, 2013, consisted of the following:

Deposits	\$ 8,224,253
Cash on Hand	127,350
Investments	<u>220,527,955</u>
Total	<u>\$ 228,879,558</u>

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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

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% of the uninsured deposits. At June 30, 2013, the District bank deposits were covered by FDIC Insurance or fell under the provisions of PDPA.

Investments

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

- 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, 2013, the District had the following investments:

Investment Type	Rating Standard &			Fair Value
	Poor's or Moody's	Less Than 1 year	1-5 years	
Money Market Funds	AAAm	\$ 78,048,571	\$ -	\$ 78,048,571
Investment Pool	AAAm	132,470,915	-	132,470,915
US Govt. Securities	AA-AAA	10,008,469	-	10,008,469
	Total	\$ 220,527,955	\$ -	\$ 220,527,955

Local Government Investment Pools - At June 30, 2013, the District had dollars invested in local government investment pools with \$131,869,468 invested in CSAFE, Colorado Surplus Asset Fund, and \$601,447 in COLOTRUST, Colorado Local Government Liquid Asset Trust.

Both are statutory trusts 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, 2013

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. The portfolio will be priced by a third party entity (US Bank N.A.) each week to calculate its net asset 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.

COLOTRUST began operations on January 1, 1985 and is Colorado's original and largest pooled investment trust. COLOTRUST serves over 1,200 local government entities and has current combined assets of over \$4 billion. COLOTRUST is designed to provide local governments with a convenient method for investing in short-term investments carefully selected to provide maximum safety and liquidity, while still maximizing interest earnings. The District invests in COLOTRUST's PLUS+ account, which can invest in U.S. Treasury securities, government agency obligations, and in the highest rated commercial paper. COLOTRUST PLUS+ holds an AAA rating from Standard and Poor's (AAAM).

Public Trust Advisors, LLC (PTA) serves as the investment advisor and administrator of COLOTRUST ("The Trust"). As investment advisor, PTA is registered with the Securities and Exchange Commission as an investment advisor under the Investment Advisors Act of 1940. They provide investment services to the COLORADOTRUST Board. As administrator, PTA services all participant accounts in the Trust, provides certain written confirmation of the investment and withdrawal of funds by participants, provides administrative personnel and facilities to the Trust, determines the net asset value of the Trust on a daily basis, and performs all related administrative services for the Trust.

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. The full amount of US Agency securities is exposed to custodial credit risk because they are uninsured, unregistered and held by the District's brokerage firm, which is also the counterparty.

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. At June 30, 2013, the District's investment in U. S. Government Securities amounted to 4.51%.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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, 2013, were composed of the following:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Nutrition Services	General Fund	\$ 4,103,132
Building Fund	General Fund	2,265,541
Bond Redemption	General Fund	1,124,679

Nutrition Services expenditures exceeded revenues for the years ended June 30, 2012 and 2011. As a result, the General Fund covered the negative cash balances that occurred from normal on-going operations. Nutrition Services expenditures in the current year have been slightly less than revenues resulting in a small increase in fund balance.

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, 2013, were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General	Student Athletics	\$ 3,887,406
General	COP Fund	1,995,833
Bond Redemption	General	64,046
Building Fund	COP Fund	768,026

Certain interest earnings of the Bond Redemption Fund were transferred to the General Fund as allowed by State statute. All other transfers were made from the General Fund to support the operations of various other funds that statute or budget requires to expend them.

Assets originally purchased in the Nutrition Services Fund were transferred to the General Fund. These assets had a net book value of \$55,042 at the date of transfer.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 4: CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Governmental Activities					
Land	\$ 10,475,218	\$ 1,230,595	\$ -	\$ -	\$ 11,705,813
Construction in Progress (CIP)	20,349,567	23,415,084	(22,569,136)	-	21,195,515
Total Capital Assets (Not Depreciated)	<u>30,824,785</u>	<u>24,645,679</u>	<u>(22,569,136)</u>	<u>-</u>	<u>32,901,328</u>
Buildings and Improvements	873,671,300	21,538,635	(128,000)	-	895,081,935
Machinery and Equipment	59,752,548	11,648,366	(541,561)	219,302	71,078,655
Total Depreciable Capital Assets	<u>933,423,848</u>	<u>33,187,001</u>	<u>(669,561)</u>	<u>219,302</u>	<u>966,160,590</u>
<u>Accumulated Depreciation</u>					
Building and Improvements	(225,176,784)	(18,838,858)	70,720	-	(243,944,922)
Machinery and Equipment	(46,421,204)	(5,322,169)	541,561	(164,260)	(51,366,072)
Total Accumulated Depreciation	<u>(271,597,988)</u>	<u>(24,161,027)</u>	<u>612,281</u>	<u>(164,260)</u>	<u>(295,310,994)</u>
Net Depreciated Capital Assets	<u>661,825,860</u>	<u>9,025,974</u>	<u>(57,280)</u>	<u>55,042</u>	<u>670,849,596</u>
Net Capital Assets with Land and CIP	<u>\$ 692,650,645</u>	<u>\$ 33,671,653</u>	<u>\$ (22,626,416)</u>	<u>\$ 55,042</u>	<u>\$ 703,750,924</u>
Business Type Activities					
Construction In Progress (CIP) (Not Depreciated)	\$ -	\$ 33,868	\$ -	\$ -	\$ 33,868
Buildings and Improvements	362,320	57,406	-	-	419,726
Machinery and Equipment	7,198,061	77,064	(286,132)	(219,302)	6,769,691
Total Depreciable Capital Assets	<u>7,560,381</u>	<u>134,470</u>	<u>(286,132)</u>	<u>(219,302)</u>	<u>7,189,417</u>
<u>Accumulated Depreciation</u>					
Building and Improvements	(21,408)	(7,930)	-	-	(29,338)
Machinery and Equipment	(3,817,098)	(377,680)	126,604	164,260	(3,903,914)
Total Accumulated Depreciation	<u>(3,838,506)</u>	<u>(385,610)</u>	<u>126,604</u>	<u>164,260</u>	<u>(3,933,252)</u>
Net Depreciated Capital Assets	<u>3,721,875</u>	<u>(251,140)</u>	<u>(159,528)</u>	<u>(55,042)</u>	<u>3,256,165</u>
Net Capital Assets with CIP	<u>\$ 3,721,875</u>	<u>\$ (217,272)</u>	<u>\$ (159,528)</u>	<u>\$ (55,042)</u>	<u>\$ 3,290,033</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 4: CAPITAL ASSETS (Continued)

Discretely Presented Component Units - Charter Schools	June 30, 2012	Additions	Deletions	June 30, 2013
Land	\$ 11,866,001	\$ 2,000,000	\$ -	\$ 13,866,001
Construction in Progress	47,525	24,123,875	(11,191,429)	12,979,971
Total Capital Assets Not Depreciated	11,913,526	26,123,875	(11,191,429)	26,845,972
Buildings and Improvements	70,885,082	27,135,137	(321,891)	97,698,328
Machinery and Equipment	3,928,525	748,806	(934,741)	3,742,590
Total Capital Assets Depreciated	\$ 74,813,607	\$ 27,883,943	\$ (1,256,632)	\$ 101,440,918
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	\$ (9,864,130)	\$ (2,089,887)	\$ 52,235	\$ (11,901,782)
Machinery and Equipment	(2,791,303)	(589,394)	932,137	(2,448,560)
Total Accumulated Depreciation	(12,655,433)	(3,041,828)	984,372	(14,350,342)
Net Capital Assets Being Depreciated	62,158,174	24,842,115	(272,260)	87,090,576
Net Capital Assets	\$ 74,071,700	\$ 50,965,990	\$ (11,463,689)	\$ 113,936,548

Depreciation expense was charged to programs of the District as follows:

Governmental Activities:

Instruction	\$ 5,893,622
Supporting Services	18,267,405
Subtotal	24,161,027

Business Type Activities:

Nutrition Services	374,629
Before and After School Programs	8,009
Outdoor Education	2,972
Subtotal	385,610
Total	\$ 24,546,637

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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, 2013 are recorded in the funds as follows:

Governmental Activities:	
Combined General Fund	\$ 20,686,057
Non-major Governmental Funds	943,910
Internal Service Fund (Medical Fund)	<u>8,905</u>
Subtotal	<u>21,638,872</u>
Business Type Activities:	
Nutrition Services	105,573
Non-Major Enterprises	<u>429,465</u>
Subtotal	<u>535,038</u>
Total	<u>\$ 22,173,910</u>

Accrued compensation for the charter schools as of June 30, 2013, is \$1,379,567.

NOTE 6: LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2013, is as follows:

	Balance June 30, 2012	Additions	Payments	Balance June 30, 2013	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 509,211,093	\$ 31,020,000	\$ 69,487,777	\$ 470,743,316	\$ 38,316,380
Certificates of Participation	26,405,000	15,500,000	1,170,000	40,735,000	1,840,000
Accreted Interest	18,532,441	5,712,329	4,549,001	19,695,769	8,374,999
Bond Premiums	63,924,242	3,925,432	14,597,628	53,252,046	-
Early Separation Agreement	3,137,666	-	1,586,475	1,551,191	1,551,191
Extended Service Separation	2,901,205	3,309,861	2,538,659	3,672,407	1,926,593
Capital Leases	1,159,302	7,636,963	1,431,561	7,364,704	721,340
Compensated Absences	3,914,107	844,409	791,028	3,967,488	742,000
Total	<u>\$ 629,185,056</u>	<u>\$ 67,948,994</u>	<u>\$ 96,152,129</u>	<u>\$ 600,981,921</u>	<u>\$ 53,472,503</u>

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 6: LONG-TERM LIABILITIES (Continued)**General Obligation Debt**

The District issues general obligation (GO) 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, 2013, consisted of the following:

\$74,390,000 G.O. Refunding Bonds, Series 1996; interest ranging from 4.90% to 7.00% payable semiannually; principal payable annually beginning in December 1997. The final payment due in December 2016. A portion of these bonds was refunded in fiscal 2007.	\$ 13,575,000
\$65,000,000 G.O. Bonds, Series 2004A; interest ranging from 5.50% to 5.75% payable semiannually; principal payable annually beginning in December 2008. The final payment is due December 2014.	7,040,000
\$158,920,000 G.O. Refunding Bonds, Series 2004B; interest ranging from 2% to 5% payable semiannually; principal payable annually beginning in December 2005. The final payment is due in December 2019.	120,500,000
\$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
\$1,194,956 G.O. Capital Appreciation Bonds, Series 2005B; price ranging from 63.39% to 81.90% yielding 3.42% to 4.23%; interest compounds semiannually; principal payable annually beginning December 2010. The final payment is due December 2015.	377,916
\$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.	30,205,000
\$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 in December 2009. The final payment is due in December 2027. A portion of these bonds was refunded in fiscal year 2011 and 2012.	11,000,000
\$2,364,942 G.O. Capital Appreciation Bonds, Series 2006B; price ranging from 63.39% to 81.90% yielding 3.82% to 3.88%; interest compounds semiannually; principal payable annually beginning in December 2013. The final payment due is December 2014.	2,364,942

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 6: LONG-TERM LIABILITIES (Continued)

General Obligation Debt (Continued)

\$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.	\$ 1,855,458
\$13,945,000 G.O. Refunding Bonds, Series 2007B; interest ranging from 4% to 5% payable semiannually; principal payable annually beginning in 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%; interest payable semiannually; principal payable annually beginning December 2009. The final payment is due December 2025.	81,490,000
\$540,000 G.O. Capital Appreciation Bonds, Series 2009; yielding 3.25%; interest compounds semiannually; principal payable due December 2015.	540,000
\$85,845,000 G.O. Refunding Bonds, Series 2010; interest ranging from 2% to 5.0%; interest payable semiannually; principal payable annually beginning December 2010. The final payment is due December 2025.	83,715,000
\$560,000 G.O. Capital Appreciation Bonds, Series 2010; yielding 2.25% to 2.5% interest compounds semiannually; principal payable annually beginning in 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 in December 2015. The final payment is due December 2030.	70,030,000
\$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 in December 2013. The final payment is due December 2028.	31,020,000
Total General Obligation Bonds	\$ 470,743,316

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 6: LONG-TERM LIABILITY (Continued)

Certificates of Participation

\$5,075,000 Certificates of Participation, Series 2003, interest ranging from 2% to 4.2% payable semiannually, principal payable annually beginning in December 2004. The final payment is due in December 2017.	\$	2,080,000
\$13,830,000 Certificates of Participation, Series 2006, interest ranging from 4% to 4.75% payable semiannually, principal payable annually beginning in December 2008. The final payment is due in December 2021.		9,940,000
\$13,920,000 Certificates of Participation, Series 2009; interest ranging from 2% to 5% payable semiannually; principal payable annually beginning in January 2011. The final payment is due in January 2031.		13,215,000
\$15,500,000 Certificates of Participation, Series 2012; interest ranging from 2% to 3.5% payable semiannually; principal payable annually beginning in January 2016. The final payment is due in January 2037.		15,500,000
Total Certificates of Participation	\$	<u>40,735,000</u>

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 6: LONG-TERM LIABILITY (Continued)**Accreted Interest**

Accreted compound interest on capital appreciation bonds,
due and payable upon final payment of each respective bond. \$ 19,695,769

Future Debt Service Requirements

The following schedule represents the District's debt service requirements to maturity for outstanding bonded debt, registered coupons and certificates of participation at June 30, 2013:

June 30,	Principal	Interest	Total
2014	\$ 38,316,380	\$ 30,606,107	\$ 68,922,487
2015	39,363,688	29,108,250	68,471,938
2016	43,998,534	22,217,866	66,216,400
2017	37,190,143	18,495,651	55,685,794
2018	35,179,571	19,544,966	54,724,537
2019-2023	162,400,000	45,312,324	207,712,324
2024-2028	102,550,000	15,374,343	117,924,343
2029-2030	11,745,000	698,875	12,443,875
Total	<u>\$ 470,743,316</u>	<u>\$ 181,358,382</u>	<u>\$ 652,101,698</u>

Certificates of Participation

June 30,	Principal	Interest	Total
2014	\$ 1,840,000	\$ 1,628,053	\$ 3,468,053
2015	1,910,000	1,500,661	3,410,661
2016	2,225,000	1,430,349	3,655,349
2017	2,585,000	1,350,534	3,935,534
2018	2,675,000	1,260,207	3,935,207
2019-2023	9,760,000	4,136,344	13,896,344
2024-2028	7,205,000	3,462,131	10,667,131
2029-2033	7,875,000	1,690,206	9,565,206
2034-2037	4,660,000	498,150	5,158,150
Total	<u>\$ 40,735,000</u>	<u>\$ 16,956,635</u>	<u>\$ 57,691,635</u>

Current and Advance Refunding Debt

In January 2013, the District issued general obligation refunding bonds in the amount of \$31,020,000 at an interest rate of 2.99% for the purpose of advance refunding Series 2006B, and Series 2007A general obligation bonds for bonds maturing December 15, 2012 to 2027. This refunding was undertaken to reduce total debt service payments by \$1,709,839 and resulted in an economic gain of \$1,412,297.

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 general obligation bonds. As a result, these bonds are defeased and the liability for these bonds 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 \$4,571,514 (a deferred gain). The difference of all past refunding's totaling \$25,808,293 is reported on the statement of net position as a deferred amount on refunding, and is being amortized over the life of the new bonds using a method approximating the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 6: LONG-TERM LIABILITIES (Continued)**Defeased Debt**

In the current and prior years, the District issued various 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 general obligation bonds. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the financial statements. At June 30, 2013, the outstanding balance of the defeased debt was \$253,025,038.

Employee Compensation

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

Early Separation Agreement

As part of a cost savings plan, the District initiated an early separation agreement in the spring of 2009 for employees considering retirement at the end of the school year. Employees who accepted this voluntary agreement received one year of salary payable over five years, starting in November 2009. Plan participants are not required to provide any additional future services to the District in order to receive the prescribed benefits. These payments of about \$1.59 million each, were paid in September 2009, 2010, 2011, and 2012 to be transmitted to the participating employees. The final payment will be made in September of 2013. As of June 30, 2013, the remaining liability was approximately \$1.56 million. The Board has approved the full appropriation as part of the fiscal 2013-14 budget. The liability is reported in the government-wide financial statements only, as none of it is expected to be liquidated with expendable available resources.

Extended Service Severance

During the 2012 fiscal year, the District initiated a phase out of an extended service severance benefit offered within the DCFT classified and certified contracts. Employees who are eligible to retire by June 30, 2012, June 30, 2013 and June 30, 2014 are eligible to take advantage of this benefit phase out. The total liability was calculated at about \$6.2 million where about \$2.5 million was paid out in October of 2012 leaving a liability of about \$3.7 million. 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. This phase out benefit allowed the District to reallocate ongoing compensation dollars to fund a 1% pay increase for all employees during the current fiscal year.

Charter School Debt Activity

Charter School debt activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Payments	Balance June 30, 2013	Due Within One Year
<u>Charter Schools:</u>					
Loans	\$ 88,608,174	\$ 43,905,000	\$ 9,265,322	\$ 123,247,852	\$ 1,199,480
Capital Lease	10,800,000	334,130	105,000	11,029,130	205,028
Discount	(207,936)	-	(8,660)	(199,276)	-
Premium	201,100	4,710	8,744	197,066	-
Compensated Absences	43,695	20,645	25,385	38,955	9,450
	<u>\$ 99,445,033</u>	<u>\$ 44,264,485</u>	<u>\$ 9,395,791</u>	<u>\$ 134,313,727</u>	<u>\$ 1,413,958</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 6: LONG-TERM LIABILITIES (Continued)

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:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,404,508	\$ 7,411,411	\$ 8,815,919
2015	1,673,718	7,350,734	9,024,452
2016	2,826,115	7,259,808	10,085,923
2017	12,162,904	7,139,340	19,302,244
2018	46,117,237	5,255,044	51,372,281
2019-2023	10,942,500	18,684,736	29,627,236
2024-2028	13,957,500	15,669,498	29,626,998
2029-2033	18,192,500	11,407,533	29,600,033
2034-2038	18,955,000	5,922,915	24,877,915
2039-2043	8,045,000	13,114,433	21,159,433
Total	<u>\$ 134,276,982</u>	<u>\$ 99,215,452</u>	<u>\$ 233,492,434</u>

Charter School operating lease expenses for the year ending June 30, 2013 are \$613,153.

Charter School Long Term Lease Commitments

<u>Year Ended June 30,</u>	<u>Total</u>
2014	\$ 2,231,638
2015	2,527,134
2016	2,577,808
2017	2,502,758
2018	1,861,278
2019-2023	8,500,461
2024-2028	9,367,030
2029-2033	6,321,922
Total	<u>\$ 35,890,029</u>

NOTE 7: SHORT-TERM DEBT

During the fiscal year ended June 30, 2013, the District did not borrow funds from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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 \$150,000 per person per occurrence and \$600,000 aggregate per occurrence. The District is self-insured for its medical and property/workers' compensation claims.

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

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

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

The claims liability is considered to be reasonably estimated (measurable) and probable of assertion.

The following represents the change in the claims liability for the District during the fiscal year ended June 30, 2013.

	Medical	Property/Workers Compensation	Total
Claims Liability June 30, 2010	\$ 4,000,000	\$ 2,099,609	\$ 6,099,609
Claims Incurred and Adjusted	23,557,558	2,372,831	25,930,389
Claim Payments	(25,286,734)	(1,935,058)	(27,221,792)
Claims Liability June 30, 2011	2,270,824	2,537,382	4,808,206
Claims Incurred and Adjusted	16,872,644	1,136,663	18,009,307
Claim Payments	(16,853,885)	(706,823)	(17,560,708)
Claims Liability June 30, 2012	2,289,583	2,967,222	5,256,805
Claims Incurred and Adjusted	20,601,989	1,645,471	22,247,460
Claim Payments	(19,820,612)	(1,233,229)	(21,053,841)
Claims Liability June 30, 2013	\$ 3,070,960	\$ 3,379,464	\$ 6,450,424

The District's property and workers' compensation activity is reported within the Risk Insurance Fund, a sub fund of the General Fund. The claims liability for property and workers' compensation 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 \$3,070,960 is reported within the Medical Fund as a current liability.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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

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

Basis of Accounting for the SDTF – The financial statements of the SDTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member and the employer is statutorily committed to pay these contributions to the SDTF. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The SDTF plan investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Funding Policy – The District is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4, of the CRS, as amended. The contribution rate for members is 8.0%. The contribution rate for the District is 10.15% of covered salary. A portion of the District’s contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund, discussed below. The District is also required to pay an amortization equalization disbursement (AED) and a supplemental amortization equalization disbursement (SAED) equal to the following statutory percentages of the total payroll. If the District rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions (including the AED and SAED) on the amounts paid for the retiree; however, no member contributions are required.

Start Date	Statutory Employer Rate	Amortization Equalization Disbursement	Supplemental Amortization Equalization Disbursement	Total Employer Rate
January 2006	10.15%	0.50%	0.00%	10.65%
January 2007	10.15%	1.00%	0.00%	11.15%
January 2008	10.15%	1.40%	0.50%	12.05%
January 2009	10.15%	1.80%	1.00%	12.95%
January 2010	10.15%	2.20%	1.50%	13.85%
January 2011	10.15%	2.60%	2.00%	14.75%
January 2012	10.15%	3.00%	2.50%	15.65%
January 2013	10.15%	3.40%	3.00%	16.55%

For the years ending June 30, 2011, 2012, and 2013, the District’s employer contributions to the SDTF were \$37,768,910, \$39,173,651, and \$42,826,213 respectively, equal to its required contributions for each year.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 9: PENSION PLAN (Continued)**Post-Employment Health Care Benefits**

Plan Description - The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment health care trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12, of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained on line at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Basis of Accounting for the HCTF - The financial statements for the HCTF are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which the employer pays compensation to the member and the employer is statutorily committed to pay these contributions to the HCTF. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The HCTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy - The District is required to contribute at a rate of 1.02 percent of covered 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 CRS, as amended. The apportionment of the contribution to the HCTF from the defined benefit employer contribution is established under Title 24, Article 51, Section 208, of the CRS, as amended. For the years ending June 30, 2011, 2012, and 2013, the District's employer contributions to the HCTF were \$2,640,258, \$2,939,165 and \$2,703,090 respectively, and are included within the total dollars contributed to the SDTF equal to its required contributions for each year.

Defined Contribution Pension Plans

PERA Plan Description - Employees of the District who are members of the SDTF, discussed on the previous page, may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14, of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available Annual Report for Colorado PERA's 401(k) Plan. That report may be obtained on line at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - The 401(k) Plan is funded by voluntary member contributions of up to a maximum IRS limit of \$17,500 for 2013. The limits for calendar year 2012 were \$17,000, and catch-up contributions up to \$5,500 for each of these years, were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v). The contribution requirements for the District are established under Title 24, Article 51, Section 1402, of the CRS, as amended. For the year ended June 30, 2013, the 401(k) Plan member contributions from the District were \$4,357,755.

DCSD Plan Description

Douglas County School District provides eligible Administrators and Professional/Technical employees with an employer benefit 401(a) plan. In this plan, the district contributes 2% of the staff member's annual salary into the 401(a) account each year. The approximate total of annual 401(a) contributions for Administrators and Professional/Technical staff is \$450,000. The district utilizes two companies, AXA Advisors and MetLife to administer the 401(a) plans.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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, 2013, 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, 2013, the District had contractual commitments for the construction of various major capital projects and facilities of \$15,298,136. Certificates of participation, investment earnings, and energy performance contract lease agreement proceeds will provide funding for these immediate future expenditures. These commitments include \$5.8 million for the continued construction of Aspen View Charter School and \$5.4 million for the energy performance contract lease.

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. The District has maintained their ongoing contract with ATU, the Amalgamated Transportation Union.

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

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

TABOR Amendment

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

The TABOR Amendment requires the District to establish a reserve of 3% for emergencies. At June 30, 2013, the District and charter school reserves of \$14,043,000 and \$2,048,070 respectively, were recorded as a restricted fund balance in the Combined General Fund.

In addition to this TABOR Reserve, Board policy requires an additional 4% be held as a prudent reserve providing evidence of financial stability and maintaining the high credit rating the District presently enjoys.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE 11: NEW GASB PRONOUNCEMENTS FOR FUTURE IMPLEMENTATION

GASB Statement No. 68 - Accounting and Financial Reporting for Pensions to be implemented for the June 30, 2015 fiscal year.

This statement revises and establishes new financial reporting requirements for most governments that provide pension benefits for their employees. As previously noted, the District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by PERA - the Public Employees' Retirement Association of Colorado.

GASB Statement No. 68 requires Douglas County School District along with all other employer participants of PERA to record its proportionate share of PERA's unfunded pension liability as of the year-end June 30, 2015. The District has no legal obligation to fund this shortfall nor does it have an ability to affect funding, benefits or yearly contribution rates. These decisions lay with the PERA Board and the Colorado State Legislature.

This requirement of Statement No. 68 to record a portion of PERA's unfunded liability at the government-wide financial statements will negatively impact the District's unrestricted net position. At this time, management is unable to estimate the magnitude of this impact. Information is available regarding PERA's current financial position in their Comprehensive Annual Financial Report.

***REQUIRED
SUPPLEMENTARY
INFORMATION***

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2013

	2013		Actual	Variance with Budget
	Adopted Budget	Amended Budget		
REVENUES				
Taxes:				
Local Property Taxes	\$ 150,428,867	\$ 150,170,418	\$ 151,260,346	\$ 1,089,928
Specific Ownership Taxes	16,604,243	16,604,243	17,961,028	1,356,785
Total Taxes	<u>167,033,110</u>	<u>166,774,661</u>	<u>169,221,374</u>	<u>2,446,713</u>
Intergovernmental State Funding:				
State Equalization	257,640,052	255,680,829	255,686,365	5,536
Special Education	8,729,901	9,673,698	8,786,430	(887,268)
Vocational Education	422,681	327,762	437,016	109,254
Other	4,000,000	4,256,216	5,896,037	1,639,821
Total Intergovernmental State Funding	<u>270,792,634</u>	<u>269,938,505</u>	<u>270,805,848</u>	<u>867,343</u>
Other:				
Investment Income	65,000	101,726	159,765	58,039
Charges for Services	17,088,088	15,148,653	18,930,632	3,781,979
Other	7,646,769	17,283,488	11,122,354	(6,161,134)
Total Revenue	<u>462,625,601</u>	<u>469,247,033</u>	<u>470,239,973</u>	<u>992,940</u>
EXPENDITURES				
Current Operating:				
Instructional Services	256,372,269	258,414,002	251,623,730	6,790,272
Supporting Services:				
Pupil Support Services	59,774,626	64,183,347	59,647,928	4,535,419
Operations and Maintenance	54,916,894	59,230,961	55,263,775	3,967,186
Central Supporting Services	52,303,353	48,967,947	41,583,795	7,384,152
Payment to Component Units	66,024,791	60,385,037	59,994,588	390,449
Total Expenditures	<u>489,391,933</u>	<u>491,181,294</u>	<u>468,113,816</u>	<u>23,067,478</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(26,766,332)</u>	<u>(21,934,261)</u>	<u>2,126,157</u>	<u>24,060,418</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Capital Lease	-	-	7,636,963	7,636,963
Proceeds from Sale of Capital Asset	-	-	100,000	100,000
Transfers In	16,078,848	19,866,254	25,525,485	5,659,231
Transfers Out	<u>(21,902,087)</u>	<u>(25,570,085)</u>	<u>(31,344,678)</u>	<u>(5,774,593)</u>
Total Other Financing Sources (Uses)	<u>(5,823,239)</u>	<u>(5,703,831)</u>	<u>1,917,770</u>	<u>7,621,601</u>
NET CHANGE IN FUND BALANCES	<u>\$ (32,589,571)</u>	<u>\$ (27,638,092)</u>	<u>4,043,927</u>	<u>\$ 31,682,019</u>
FUND BALANCE, Beginning			<u>100,384,340</u>	
FUND BALANCE, Ending			<u>\$ 104,428,267</u>	

See accompanying independent auditors' report and note to required supplementary information

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

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.

The Combined General Fund Revised Budget Resolution approved by the Board in June of 2013 reflected a total budgeted expenditure increase of \$1,789,361 primarily reflecting increases in special education expenditures. In addition, a Supplemental Appropriation was approved to account for the January 2013 bond refunding, greater than expected Grant Fund expenditures as well as increases in athletic and activity fund revenues and expenditures.



***SUPPLEMENTARY
INFORMATION***



DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
Comparative Balance Sheet
June 30, 2013

(With comparative information at June 30, 2012)

	2013	2012
ASSETS		
Cash and Investments	\$ 114,810,315	\$ 115,118,454
Receivables:		
Property Taxes, Net of Allowance for Uncollectible Taxes	10,236,677	5,750,415
Other	454,765	833,418
Inventories	675,286	696,648
Due from Other Funds	7,493,352	4,112,960
Prepaid Costs	145,014	109,894
Restricted Cash and Investments	5,573,478	
	<u>139,388,887</u>	<u>126,621,789</u>
Total Assets		
LIABILITIES		
Accounts Payable	8,511,947	4,854,897
Accrued Compensation	20,686,057	19,751,495
Unearned Revenues	507,756	511,317
	<u>29,705,760</u>	<u>25,117,709</u>
Total Liabilities		
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	5,254,860	1,119,740
	<u>5,254,860</u>	<u>1,119,740</u>
FUND BALANCES		
Nonspendable:		
Inventories	675,286	696,648
Prepaid Costs	145,014	109,894
Restricted:		
TABOR Emergency Reserve	14,043,000	12,790,000
Assigned:		
4% Board Reserves	18,724,000	-
School Discretionary Funds-\$105/student	5,475,675	6,400,000
School Innovation and HS Student Requests	2,100,000	-
Average Pay Increases - 3%	9,000,000	5,600,000
Pay for Performance Unspent	2,900,000	-
School and Department Carryover	19,530,498	16,121,379
Full Day Kindergarten	5,993,997	5,528,444
Risk Insurance	2,151,372	5,783,610
Transportation	234,592	652,543
Capital Projects	16,334,092	17,290,639
Security and Technology Equipment	1,360,000	-
Early Separation Agreement	1,551,191	3,159,164
Extended Service Severance	3,672,407	6,000,000
PERA Increase	-	2,200,000
Unassigned	537,143	18,052,019
	<u>104,428,267</u>	<u>100,384,340</u>
Total Fund Balances		
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 139,388,887</u>	<u>\$ 126,621,789</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

General Fund
Combining Balance Sheet
June 30, 2013

	General Fund 10	Full Day Kindergarten Fund 15	Risk Insurance Fund 18	Transportation Fund 25	Capital Projects Fund 43	Combined General Fund
ASSETS						
Cash and Investments	\$ 89,107,339	\$ 6,509,572	\$ 2,333,746	\$ 1,059,140	\$ 15,800,518	\$ 114,810,315
Receivables:						
Property Taxes, Net of Allowance for Uncollectible Taxes	10,236,677	-	-	-	-	10,236,677
Other	334,367	-	1,160	116,293	2,945	454,765
Inventories	412,580	-	-	262,706	-	675,286
Due from Other Funds	7,493,352	-	-	-	-	7,493,352
Prepaid Costs	61,874	-	43,500	-	39,640	145,014
Restricted Cash and Investments	-	-	-	-	5,573,478	5,573,478
Total Assets	107,646,189	6,509,572	2,378,406	1,438,139	21,416,581	139,388,887
LIABILITIES						
Accounts Payable	3,046,790	456	183,114	277,737	5,003,850	8,511,947
Accrued Compensation	19,743,616	239,918	420	663,104	38,999	20,686,057
Unearned Revenues	232,555	275,201	-	-	-	507,756
Total Liabilities	23,022,961	515,575	183,534	940,841	5,042,849	29,705,760
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	5,254,860	-	-	-	-	5,254,860
FUND BALANCES						
Nonspendable:						
Inventories	412,580	-	-	262,706	-	675,286
Prepaid Costs	61,874	-	43,500	-	39,640	145,014
Restricted:						
TABOR Emergency Reserve	14,043,000	-	-	-	-	14,043,000
Assigned:						
4% Board Reserve	18,724,000	-	-	-	-	18,724,000
School Discretionary Funds -\$105/std	5,475,675	-	-	-	-	5,475,675
School Innovation and HS Student Rqst	2,100,000	-	-	-	-	2,100,000
Average Pay Increases - 3%	9,000,000	-	-	-	-	9,000,000
Pay for Performance Unspent	2,900,000	-	-	-	-	2,900,000
School and Department Carryover	19,530,498	5,993,997	2,151,372	234,592	16,334,092	44,244,551
Security and Technology Equipment	1,360,000	-	-	-	-	1,360,000
Early Separation Agreement	1,551,191	-	-	-	-	1,551,191
Extended Service Severance	3,672,407	-	-	-	-	3,672,407
Unassigned	537,143	-	-	-	-	537,143
Total Fund Balances	79,368,368	5,993,997	2,194,872	497,298	16,373,732	104,428,267
Total Liabilities and Fund Balances	\$ 107,646,189	\$ 6,509,572	\$ 2,378,406	\$ 1,438,139	\$ 21,416,581	\$ 139,388,887

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

General Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2013

	General Fund 10	Full Day Kindergarten Fund 15	Risk Insurance Fund 18	Transportation Fund 25	Capital Projects Fund 43	Combined General Fund
REVENUES						
Property Taxes	\$151,260,346	\$ -	\$ -	\$ -	\$ -	\$ 151,260,346
Specific Ownership Tax	17,961,028	-	-	-	-	17,961,028
Intergovernmental State Sources:						
Equalization	255,686,365	-	-	-	-	255,686,365
Special Education	8,786,430	-	-	-	-	8,786,430
Vocational Education	437,016	-	-	-	-	437,016
Other State	1,451,470	-	-	4,444,567	-	5,896,037
Charges for Services	12,215,053	4,094,775	-	2,620,804	-	18,930,632
Investment Earnings	156,368	-	-	-	3,397	159,765
Other	8,134,033	-	-	-	2,988,321	11,122,354
Total Revenues	456,088,109	4,094,775	-	7,065,371	2,991,718	470,239,973
EXPENDITURES						
Current Operating:						
Instructional Services	239,563,131	3,629,222	-	-	8,431,377	251,623,730
Supporting Services:						
Pupil Support Services	59,647,928	-	-	-	-	59,647,928
Operations and Maintenance	34,925,563	-	601,610	19,454,537	6,660,921	61,642,631
Central Supporting Services	25,095,683	-	3,641,772	367,557	6,099,927	35,204,939
Payments to Component Units	59,994,588	-	-	-	-	59,994,588
Total Expenditures	419,226,893	3,629,222	4,243,382	19,822,094	21,192,225	468,113,816
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	36,861,216	465,553	(4,243,382)	(12,756,723)	(18,200,507)	2,126,157
OTHER FINANCING SOURCES (USES)						
Issuance of Capital Lease	-	-	-	-	7,636,963	7,636,963
Proceeds from Sale of Capital Asset	-	-	-	-	100,000	100,000
Transfers In/Out	(31,344,678)	-	3,654,644	12,324,204	9,546,637	(5,819,193)
Total Other Financing Sources (Uses)	(31,344,678)	-	3,654,644	12,324,204	17,283,600	1,917,770
NET CHANGE IN FUND BALANCES	5,516,538	465,553	(588,738)	(432,519)	(916,907)	4,043,927
FUND BALANCES, Beginning	73,851,830	5,528,444	2,783,610	929,817	17,290,639	100,384,340
FUND BALANCES, Ending	\$ 79,368,368	\$5,993,997	\$2,194,872	\$ 497,298	\$ 16,373,732	\$ 104,428,267

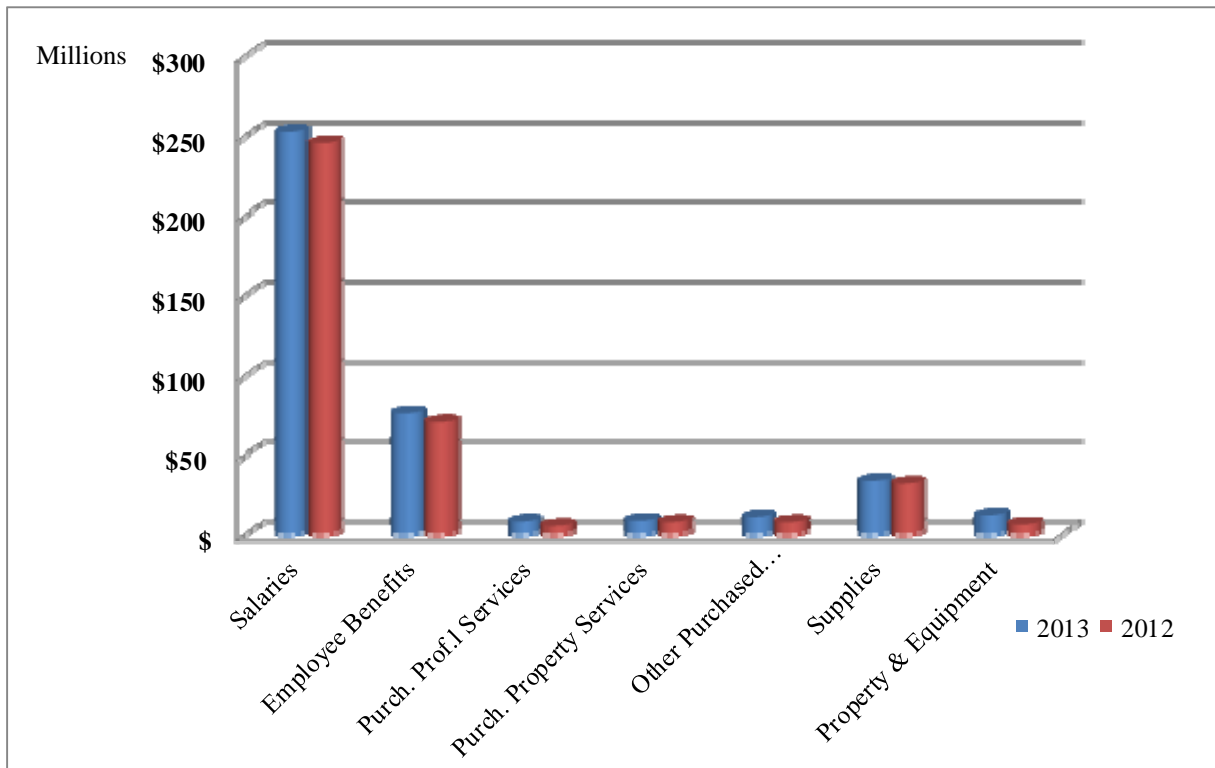
DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
 Schedule of Expenditures by Object - Budget and Actual
 For the Fiscal Year Ended June 30, 2013

(With comparative actual information for the year end June 30, 2012)

EXPENDITURES	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
Salaries	\$ 253,299,810	\$ 250,492,999	\$ 252,411,520	\$ (1,918,521)	\$ 245,133,682
Employee Benefits	84,082,786	79,315,103	76,224,172	3,090,931	70,498,444
Purchased Professional Services	3,866,802	7,804,390	8,100,101	(295,711)	5,303,337
Purchased Property Services	8,163,299	9,267,304	8,492,955	774,349	7,664,816
Other Purchased Services	8,481,244	9,306,948	10,986,932	(1,679,984)	7,662,845
Supplies	48,963,858	52,531,028	33,260,535	19,270,493	31,622,226
Property & Equipment	7,102,000	19,468,730	19,732,813	(264,083)	9,661,094
Prop & Equip Capital Lease	-	418,437	(7,636,963)	8,055,400	(3,478,130)
Chargebacks/Credits	9,407,343	2,056,510	(1,089,800)	3,146,310	(611,429)
Total Expenditures	423,367,142	430,661,449	400,482,265	30,179,184	373,456,885
Capital Lease Expense	-	-	7,636,963	(7,636,963)	3,478,130
Charter Schools	66,024,791	60,385,037	59,994,588	390,449	54,244,208
Interfund Transfers, net	5,823,239	5,838,639	5,819,193	19,446	6,438,323
Total Expenditures	\$ 495,215,172	\$ 496,885,125	\$ 473,933,009	\$ 22,952,116	\$ 437,617,546

**FY 2012 and 2013
 Combined General Fund Expenditures by Object**

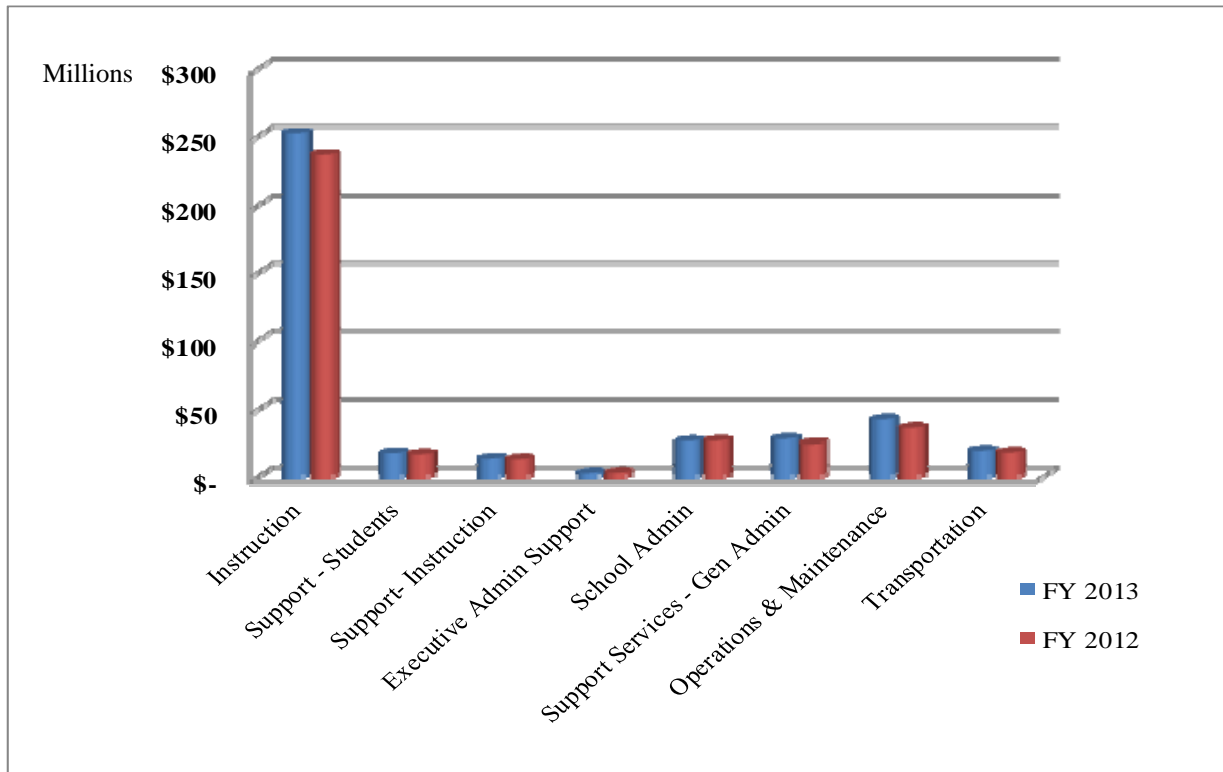


DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
 Schedule of Expenditures by Program - Budget and Actual
 For the Fiscal Year Ended June 30, 2013
 (With comparative actual information for the year end June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
EXPENDITURES					
Instruction	\$ 272,641,955	\$ 253,441,347	\$ 251,623,730	\$ 1,817,617	\$ 236,828,234
Support - Students	16,749,741	17,491,890	17,607,002	(115,112)	16,763,698
Support - Instruction	13,890,715	17,025,239	13,534,076	3,491,163	13,099,880
Executive Admin Support	2,020,690	2,405,589	2,507,632	(102,043)	2,622,951
School Admin	29,134,171	29,666,218	25,999,218	3,667,000	26,177,541
Support Services - General Admin	33,575,152	50,954,637	27,567,976	23,386,661	24,112,562
Operations & Maintenance	36,707,022	39,662,445	42,189,685	(2,527,240)	35,731,612
Transportation	18,647,696	20,014,084	19,452,946	561,138	18,120,407
Total Expenditures	423,367,142	430,661,449	400,482,265	30,179,184	373,456,885
Capital Lease Financing	-	-	7,636,963	(7,636,963)	3,478,130
Charter Schools	66,024,791	60,385,037	59,994,588	390,449	54,244,208
Interfund Transfers, net	5,823,239	5,838,639	5,819,193	19,446	6,438,323
Total Expenditures	\$ 495,215,172	\$ 496,885,125	\$ 473,933,009	\$ 22,952,116	\$ 437,617,546

**FY 2012 and FY 2013
 Combined General Fund Expenditures by Program**



DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund
 Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Years Ended June 30, 2013
 (With comparative information for the year ended June 30, 2012)

	2013	2012
REVENUES		
Taxes	\$ 169,221,374	\$ 167,435,440
Intergovernmental:		
State Equalization	255,686,365	246,289,764
Special Education	8,786,430	7,936,558
Vocational Education	437,016	521,750
Other State	5,896,037	5,005,661
Charges for Services	18,930,632	18,098,929
Investment Earnings	159,765	101,260
Other	11,122,354	8,584,555
Total Revenue	<u>470,239,973</u>	<u>453,973,917</u>
EXPENDITURES		
Current Operating:		
Instructional Services	251,623,730	236,828,234
Supporting Services:		
Pupil Support Services	59,647,928	37,553,668
Operations and Maintenance	55,263,775	53,476,376
Central Supporting Services	41,583,795	49,076,735
Charter School Allocations	59,994,588	54,244,208
Total Expenditures	<u>468,113,816</u>	<u>431,179,221</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,126,157</u>	<u>22,794,696</u>
OTHER FINANCING SOURCES (USES)		
Issuance of Capital Lease	7,636,963	3,478,130
Proceeds from Sale of Capital Asset	100,000	-
Transfers In	64,046	44,588
Transfers Out	(5,883,239)	(6,482,911)
Total Other Financing Sources (Uses)	<u>1,917,770</u>	<u>(2,960,193)</u>
NET CHANGE IN FUND BALANCES	4,043,927	19,834,503
FUND BALANCES, Beginning	<u>100,384,340</u>	<u>80,549,837</u>
FUND BALANCES, Ending	<u>\$ 104,428,267</u>	<u>\$ 100,384,340</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2013

	Governmental Designated Purpose Grants Fund 22	Athletics and Activities Fund 26	Total Non-Major Governmental Funds
ASSETS			
Cash and Investments	\$ -	\$ 1,194,986	1,194,986
Receivables:			
Intergovernmental and Grants	<u>3,071,980</u>	<u>500</u>	<u>3,072,480</u>
Total Assets	<u>3,071,980</u>	<u>1,195,486</u>	<u>4,267,466</u>
LIABILITIES			
Accounts Payable	1,890,751	360,778	2,251,529
Accrued Compensation	844,694	99,216	943,910
Unearned Revenue	<u>151,415</u>	<u>-</u>	<u>151,415</u>
Total Liabilities	<u>2,886,860</u>	<u>459,994</u>	<u>3,346,854</u>
FUND BALANCES			
Restricted	<u>185,120</u>	<u>735,492</u>	<u>920,612</u>
Total Fund Balances	<u>185,120</u>	<u>735,492</u>	<u>920,612</u>
Total Liabilities and Fund Balances	<u>\$ 3,071,980</u>	<u>\$ 1,195,486</u>	<u>\$ 4,267,466</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, 2013

	Governmental Designated Purpose Grants Fund 22	Athletics and Activities Fund 26	Total Non-Major Governmental Funds
REVENUES			
Intergovernmental	\$ 13,657,682	\$ -	\$ 13,657,682
Charges for Services	-	8,944,228	8,944,228
Other	239,144	747,594	986,738
Total Revenues	<u>13,896,826</u>	<u>9,691,822</u>	<u>23,588,648</u>
EXPENDITURES			
Current Operating:			
Instruction	10,516,607	12,027,480	22,544,087
Supporting Services	3,380,219	1,607,251	4,987,470
Capital Outlay	-	135,045	135,045
Total Expenditures	<u>13,896,826</u>	<u>13,769,776</u>	<u>27,666,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(4,077,954)</u>	<u>(4,077,954)</u>
OTHER FINANCING SOURCES			
Transfers In	-	3,887,406	3,887,406
Total Other Financing Sources	<u>-</u>	<u>3,887,406</u>	<u>3,887,406</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>(190,548)</u>	<u>(190,548)</u>
FUND BALANCE, Beginning	<u>185,120</u>	<u>926,040</u>	<u>1,111,160</u>
FUND BALANCE, Ending	<u>\$ 185,120</u>	<u>\$ 735,492</u>	<u>\$ 920,612</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 22

Governmental Designated Purpose Grants Fund

Schedule of Revenues, Expenses and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2013

(With comparative actual information for the year ended June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Intergovernmental:					
Federal	\$ 10,232,385	\$ 15,734,946	\$ 13,478,146	\$ (2,256,800)	\$ 9,968,027
State and Local	359,830	245,700	179,536	(66,164)	342,698
Other	195,873	226,472	239,144	12,672	189,836
Total Revenues	<u>10,788,088</u>	<u>16,207,118</u>	<u>13,896,826</u>	<u>(2,310,292)</u>	<u>10,500,561</u>
EXPENDITURES					
Instruction:					
Salaries and Benefits	6,149,976	9,615,436	9,137,614	477,822	7,499,971
Purchased Services	1,022,436	989,092	1,158,339	(169,247)	1,462,052
Supplies and Materials	759,483	500,407	220,654	279,753	1,118,923
Support Services:					
Salaries and Benefits	1,349,995	2,110,705	2,015,802	94,903	-
Purchased Services	439,616	423,896	491,508	(67,612)	-
Supplies and Materials	646,967	426,273	188,688	237,585	-
Capital Outlay	124,753	140,303	-	140,303	124,753
Other	294,862	2,001,006	684,221	1,316,785	294,862
Total Expenditures	<u>10,788,088</u>	<u>16,207,118</u>	<u>13,896,826</u>	<u>2,310,292</u>	<u>10,500,561</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
Learn Today. Lead Tomorrow.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 26
Athletics and Activities Fund
Schedule of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013
(With comparative information for the year ended June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Charges for Services:					
Student Fees	\$ 6,727,772	\$ 7,665,150	\$ 8,347,827	\$ 682,677	\$ 7,671,798
Gate Fees	692,289	723,350	596,400	(126,950)	556,211
Other	866,323	1,552,779	747,595	(805,184)	564,954
Total Revenues	<u>8,286,384</u>	<u>9,941,279</u>	<u>9,691,822</u>	<u>(249,457)</u>	<u>8,792,963</u>
EXPENDITURES					
Instructional:					
Salaries and Benefits	4,103,527	4,432,313	4,369,141	63,172	-
Purchased Services	1,665,102	1,894,594	2,020,824	(126,230)	-
Supplies	4,566,593	5,213,958	5,232,017	(18,059)	-
Other	448,793	1,149,914	405,498	744,416	-
Supporting Services:					
Salaries and Benefits	507,177	547,814	533,930	13,884	4,909,729
Purchased Services	185,011	210,510	208,107	2,403	1,907,221
Supplies	622,717	710,994	681,037	29,957	5,390,545
Capital Outlay	20,000	78,000	135,045	(57,045)	80,800
Other	201,632	516,628	184,177	332,451	542,282
Total Expenditures	<u>12,320,552</u>	<u>14,754,725</u>	<u>13,769,776</u>	<u>984,949</u>	<u>12,830,577</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,034,168)</u>	<u>(4,813,446)</u>	<u>(4,077,954)</u>	<u>735,492</u>	<u>(4,037,614)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	<u>3,887,406</u>	<u>3,887,406</u>	<u>3,887,406</u>	<u>-</u>	<u>3,887,406</u>
NET CHANGE IN FUND BALANCES	<u>\$ (146,762)</u>	<u>\$ (926,040)</u>	<u>(190,548)</u>	<u>\$ 735,492</u>	<u>(150,208)</u>
FUND BALANCE, Beginning			<u>926,040</u>		<u>1,076,248</u>
FUND BALANCE, Ending			<u>\$ 735,492</u>		<u>\$ 926,040</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 31
 Bond Redemption Fund
 Comparative Balance Sheet
 For the Fiscal Year Ended June 30, 2013
 (With comparative information at June 30, 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Receivables:		
Property Taxes, Net of Allowance for Uncollectable Taxes	\$ 3,259,909	\$ 1,311,446
Restricted Cash and Investment	<u>59,825,710</u>	<u>59,441,578</u>
Total Assets	<u>63,085,619</u>	<u>60,753,024</u>
LIABILITIES		
Accounts Payable	20,000	-
Due to Other Funds	<u>1,124,679</u>	<u>-</u>
Total Liabilities	<u>1,144,679</u>	<u>-</u>
Deferred Inflows of Resources		
Unavailable - Property Taxes	<u>2,405,870</u>	<u>419,060</u>
FUND BALANCES		
Restricted:		
Debt Service	<u>59,535,070</u>	<u>60,333,964</u>
Total Fund Balances	<u>59,535,070</u>	<u>60,333,964</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 63,085,619</u>	<u>\$ 60,753,024</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 31

Bond Redemption Fund

Schedule of Revenues, Expenses and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013

(With comparative information for the year ended June 30, 2012)

	2013				2012 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUES					
Property Taxes	\$ 69,908,913	\$ 69,908,913	\$ 68,143,974	\$ (1,764,939)	\$ 68,822,741
Investment Earnings	125,000	64,729	66,450	1,721	44,588
Total Revenues	<u>70,033,913</u>	<u>69,973,642</u>	<u>68,210,424</u>	<u>(1,763,218)</u>	<u>68,867,329</u>
EXPENDITURES					
Debt Service:					
Principal Retirement	40,687,777	40,687,777	40,687,777	-	39,825,449
Debt Issuance Costs	520,000	504,692	248,243	256,449	489,201
Interest and Fiscal Charges	29,053,797	29,053,797	28,257,496	796,301	27,994,862
Total Expenditures	<u>70,261,574</u>	<u>70,246,266</u>	<u>69,193,516</u>	<u>1,052,750</u>	<u>68,309,512</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>(227,661)</u>	<u>(272,624)</u>	<u>(983,092)</u>	<u>(710,468)</u>	<u>557,817</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Bond Refunding	-	31,020,000	31,020,000	-	71,095,000
Refunding Bond Premium	-	3,582,115	3,582,115	-	14,185,059
Payment to Refunded Bond Escrow Agent	-	(34,353,871)	(34,353,871)	-	(84,800,060)
Transfers Out	(60,000)	(44,600)	(64,046)	(19,446)	(44,588)
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>203,644</u>	<u>184,198</u>	<u>(19,446)</u>	<u>435,411</u>
NET CHANGE IN FUND BALANCE	<u>\$ (287,661)</u>	<u>\$ (68,980)</u>	<u>(798,894)</u>	<u>\$ (729,914)</u>	<u>993,228</u>
FUND BALANCE, Beginning			<u>60,333,964</u>		<u>59,340,736</u>
FUND BALANCE, Ending			<u>\$ 59,535,070</u>		<u>\$ 60,333,964</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 39

Certificates of Participation Lease Payment Fund

Comparative Balance Sheet

For the Fiscal Year Ended June 30, 2013

(With comparative information for the year ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Investments	\$ 250,896	\$ -
Total Assets	<u>250,896</u>	<u>-</u>
FUND BALANCES		
Restricted:		
Debt Service	<u>250,896</u>	<u>-</u>
Total Fund Balances	<u>250,896</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 250,896</u>	<u>\$ -</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 39

Certificates of Participation Lease Payment Fund
 Schedule of Revenues, Expenses and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2013
 (With comparative information for the year ended June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Other Revenue	\$ 898,280	\$ 500	\$ 2,818	\$ 2,318	\$ 847,896
Total Revenues	898,280	500	2,818	2,318	847,896
EXPENDITURES					
Debt Service:					
Principal Retirement	1,515,000	1,170,000	1,170,000	-	1,135,000
Interest and Fiscal Charges	1,673,032	1,345,781	1,345,781	-	1,158,401
Total Expenditures	3,188,032	2,515,781	2,515,781	-	2,293,401
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,289,752)</u>	<u>(2,515,281)</u>	<u>(2,512,963)</u>	<u>2,318</u>	<u>(1,445,505)</u>
OTHER FINANCING SOURCES (USES)					
Capitalized Interest Paid by UMB	-	226,027	-	(226,027)	-
Transfers In	2,289,752	2,289,752	2,763,859	474,107	1,445,505
Total Other Financing Sources (Uses)	2,289,752	2,515,779	2,763,859	248,080	1,445,505
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 498</u>	250,896	<u>\$ (250,398)</u>	-
FUND BALANCE, Beginning			-		-
FUND BALANCE, Ending			<u>\$ 250,896</u>		<u>\$ -</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Building Funds
Comparative Balance Sheet
June 30, 2013

(With comparative information at June 30, 2012)

	2013	2012
ASSETS		
Cash and Investments	\$ -	\$ 18,391,268
Prepaid Expenses	30,000	1,456
Restricted Cash and Investments	23,795,586	1,878,996
Total Assets	23,825,586	20,271,720
LIABILITIES		
Accounts Payable	7,187,638	2,265,512
Due to General Fund	2,265,541	-
Accrued Compensation	-	3,953
Total Liabilities	9,453,179	2,269,465
FUND BALANCES		
Nonspendable	30,000	-
Restricted:		
Building Expenditures	14,342,407	18,002,255
Total Fund Balances	14,372,407	18,002,255
Total Liabilities and Fund Balances	\$ 23,825,586	\$ 20,271,720

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Building Funds
Combining Balance Sheet
June 30, 2013

	2013			Total Building Funds
	Fund 41	Fund 44	Fund 45	
ASSETS				
Prepaid Expenses	\$ -	\$ -	\$ 30,000	\$ 30,000
Restricted Cash	-	2,746,056	21,049,530	23,795,586
Total Assets	-	2,746,056	21,079,530	23,825,586
LIABILITIES				
Accounts Payable	-	1,032,017	6,155,621	7,187,638
Due to General Fund	-	1,714,039	551,502	2,265,541
Total Liabilities	-	2,746,056	6,707,123	9,453,179
FUND BALANCES				
Nonspendable	-	-	30,000	30,000
Restricted	-	-	14,342,407	14,342,407
Total Fund Balances	-	-	14,372,407	14,372,407
Total Liabilities and Fund Balances	\$ -	\$ 2,746,056	\$ 21,079,530	\$ 23,825,586

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Building Funds
 Schedule of Revenues, Expenses and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2013
 (With comparative information for the year ended June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUES					
Investment Earnings	\$ 100,000	\$ 7,255	\$ 50,420	\$ 43,165	\$ 14,945
Intergovernmental	-	-	-	-	159,476
Payment from Charter School	12,364,049	-	-	-	12,364,049
Other	-	36,022	100,000	63,978	1,592
Total Revenues	12,464,049	43,277	150,420	107,143	12,540,062
EXPENDITURES					
Capital Outlay:					
Building and Building Improvements	22,035,594	24,351,819	16,183,263	8,168,556	7,806,378
Purchased Services	50,000	31,464	533,020	(501,556)	775,203
Supplies and Materials	150,000	155,291	1,549,025	(1,393,734)	222,234
Equipment	-	129,822	119,063	10,759	856,384
Services Provided by District Personnel	161,034	209,467	217,249	(7,782)	215,326
Debt Issuance Costs	-	234,824	234,781	43	-
Other	-	17,785	19,273	(1,488)	889
Total Expenditures	22,396,628	25,130,472	18,855,674	6,274,798	9,876,414
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,932,579)	(25,087,195)	(18,705,254)	6,381,941	2,663,648
OTHER FINANCING SOURCES					
Issuance of COP	13,000,000	15,500,000	15,500,000	-	-
Premium on Issuance of COP	-	343,432	343,432	-	-
Transfers Out	-	-	(768,026)	(474,105)	-
Total Financing Sources	13,000,000	15,843,432	15,075,406	(474,105)	-
NET CHANGES IN FUND BALANCES	\$ 3,067,421	\$ (9,243,763)	(3,629,848)	\$ 5,907,836	\$ 2,663,648
FUND BALANCE, Beginning			18,002,255		15,338,607
FUND BALANCE, Ending			\$ 14,372,407		18,002,255

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Building Funds
Combining Schedule of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013

	2013 Actual			Building Funds Total
	Fund 41	Fund 44	Fund 45	
REVENUES				
Investment Earnings	\$ -	\$ 8,939	\$ 41,481	\$ 50,420
Other	-	100,000	-	100,000
Total Revenues	-	108,939	41,481	150,420
EXPENDITURES				
Capital Outlay:				
Building and Building Improvements	38,873	5,141,302	11,003,088	16,183,263
Purchased Services	-	27,342	505,678	533,020
Supplies and Materials	7,438	1,076,996	464,591	1,549,025
Equipment	-	119,063	-	119,063
Services Provided by District Personnel	-	217,249	-	217,249
Debt Issuance Costs	-	-	234,781	234,781
Other	-	19,273	-	19,273
Total Expenditures	46,311	6,601,225	12,208,138	18,855,674
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(46,311)	(6,492,286)	(12,166,657)	(18,705,254)
OTHER FINANCING SOURCES (USES)				
Premium on Issuance of COP	-	-	343,432	343,432
Issuance of COP	-	-	15,500,000	15,500,000
Transfers Out	-	-	(768,026)	(768,026)
Total Financing Sources	-	-	15,075,406	15,075,406
NET CHANGE IN FUND BALANCE	(46,311)	(6,492,286)	2,908,749	(3,629,848)
FUND BALANCE, Beginning	46,311	6,492,286	11,463,658	18,002,255
FUND BALANCE, Ending	\$ -	\$ -	\$ 14,372,407	\$ 14,372,407

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 51
Nutrition Services Fund
Comparative Balance Sheet
June 30, 2013

(With comparative information at June 30, 2012)

	2013	2012
ASSETS		
Current Assets:		
Cash and Investments	\$ 1,447	\$ 1,210
Intergovernmental and Grant Receivables	359,364	-
Other Receivables	15,556	78
Inventories	923,903	801,137
Total Current Assets	1,300,270	802,425
Capital Assets:		
Building	362,320	362,320
Machinery and Equipment	6,448,341	6,901,948
Accumulated Depreciation	(3,867,696)	(3,783,930)
Total Capital Assets	2,942,965	3,480,338
Total Assets	4,243,235	4,282,763
LIABILITIES		
Current Liabilities:		
Accounts Payable	14,507	70,884
Due to Other Funds	4,103,132	4,112,960
Accrued Compensation	105,573	98,100
Total Current Liabilities	4,223,212	4,281,944
NET POSITION (DEFICIT)		
Investment in Capital Assets	2,942,965	3,480,338
Unrestricted	(2,922,942)	(3,479,519)
Total Net Position	20,023	819
Total Liabilities and Net Position	\$ 4,243,235	\$ 4,282,763

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 51

Nutrition Services Fund

Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2013

(With comparative information for the year ended June 30, 2012)

	2013				2012 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
OPERATING REVENUE					
Food Charges	\$ 12,250,266	\$ 10,559,212	\$ 10,883,923	\$ 324,711	\$ 10,556,819
Other	76,000	102,782	57,921	(44,861)	67,263
Total Operating Revenue	<u>12,326,266</u>	<u>10,661,994</u>	<u>10,941,844</u>	<u>279,850</u>	<u>10,624,082</u>
OPERATING EXPENSES					
Salaries and Benefits	6,177,160	5,707,605	5,827,420	(119,815)	5,872,809
Food Purchases	6,068,563	5,429,315	6,284,707	(855,392)	5,958,012
Purchased Services	645,249	607,301	668,042	(60,741)	703,599
Depreciation	265,000	360,000	374,629	(14,629)	394,426
Supplies and Equipment	1,234,843	1,343,596	801,745	541,851	661,998
Other	670,900	614,648	513,980	100,668	572,209
Total Operating Expenses	<u>15,061,715</u>	<u>14,062,465</u>	<u>14,470,523</u>	<u>(408,058)</u>	<u>14,163,053</u>
OPERATING LOSS	<u>(2,735,449)</u>	<u>(3,400,471)</u>	<u>(3,528,679)</u>	<u>(128,208)</u>	<u>(3,538,971)</u>
NON-OPERATING REVENUES (EXPENSES)					
Federal Government Lunch Program	2,851,005	2,737,342	2,775,656	38,314	2,715,339
Commodity Contribution	745,000	837,372	837,372	-	733,935
State Match	126,905	119,694	119,927	233	126,745
Loss on Sale of Capital Assets	-	-	(130,030)	(130,030)	-
Total Non-operating Revenues	<u>3,722,910</u>	<u>3,694,408</u>	<u>3,602,925</u>	<u>(91,483)</u>	<u>3,576,019</u>
Income Before Transfers	<u>987,461</u>	<u>293,937</u>	<u>74,246</u>	<u>(219,691)</u>	<u>-</u>
TRANSFERS					
Transfers to Other Funds	-	-	(55,042)	(55,042)	-
Transfers from Other Funds	-	-	-	-	600,000
Total Transfers	<u>-</u>	<u>-</u>	<u>(55,042)</u>	<u>(55,042)</u>	<u>600,000</u>
CHANGE IN NET POSITION	<u>\$ 987,461</u>	<u>\$ 293,937</u>	<u>19,204</u>	<u>\$ (274,733)</u>	<u>637,048</u>
NET POSITION, Beginning			<u>819</u>		<u>(636,229)</u>
NET POSITION, Ending			<u>\$ 20,023</u>		<u>\$ 819</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Enterprise Funds
Combining Balance Sheet
For the Fiscal Year Ended June 30, 2013

	Child Care Fund 52	Outdoor Education Fund 54	Total Non-Major Enterprise Funds
ASSETS			
Current Assets:			
Cash and Investments	\$ 4,327,620	\$ 5,924	\$ 4,333,544
Receivables	-	15,460	15,460
Total Current Assets	<u>4,327,620</u>	<u>21,384</u>	<u>4,349,004</u>
Capital Assets:			
Construction in Progress	-	33,868	33,868
Building and Improvements	-	57,406	57,406
Machinery and Equipment	296,113	25,237	321,350
Accumulated Depreciation	(62,584)	(2,972)	(65,556)
Total Capital Assets	<u>233,529</u>	<u>113,539</u>	<u>347,068</u>
Total Assets	<u>4,561,149</u>	<u>134,923</u>	<u>4,696,072</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	147,982	9,169	157,151
Accrued Compensation	419,077	10,388	429,465
Total Current Liabilities	<u>567,059</u>	<u>19,557</u>	<u>586,616</u>
NET POSITION			
Investment in Capital Assets	233,529	113,539	347,068
Unrestricted	<u>3,760,561</u>	<u>1,827</u>	<u>3,762,388</u>
Total Net Position	<u>3,994,090</u>	<u>115,366</u>	<u>4,109,456</u>
Total Liabilities and Net Position	<u>\$ 4,561,149</u>	<u>\$ 134,923</u>	<u>\$ 4,696,072</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013

	Child Care Fund 52	Outdoor Education Fund 54	Total Non-Major Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ 9,363,293	\$ 278,552	\$ 9,641,845
Other	4,866	17,843	22,709
Total Operating Revenues	<u>9,368,159</u>	<u>296,395</u>	<u>9,664,554</u>
OPERATING EXPENSES			
Salaries and Benefits	6,971,879	233,013	7,204,892
Purchased Services	448,705	81,417	530,122
Depreciation	8,009	2,972	10,981
Supplies	775,328	133,275	908,603
Field Trips and Other	784,992	17,900	802,892
Total Operating Expense	<u>8,988,913</u>	<u>468,577</u>	<u>9,457,490</u>
OPERATING INCOME (LOSS)	<u>379,246</u>	<u>(172,182)</u>	<u>207,064</u>
CHANGE IN NET POSITION	379,246	(172,182)	207,064
NET POSITION, Beginning	<u>3,614,844</u>	<u>287,548</u>	<u>3,902,392</u>
NET POSITION, Ending	<u>\$ 3,994,090</u>	<u>\$ 115,366</u>	<u>\$ 4,109,456</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 52
Child Care FundSchedule of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2013
(With comparative information for the year ended June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adoped Budget	Amended Budget	Actual		
OPERATING REVENUE					
Charges for Services	\$ 9,149,932	\$ 9,185,199	\$ 9,363,293	\$ 178,094	\$ 9,128,940
Other	-	-	4,866	4,866	914
Total Operating Revenue	<u>9,149,932</u>	<u>9,185,199</u>	<u>9,368,159</u>	<u>182,960</u>	<u>9,129,854</u>
OPERATING EXPENSES					
Salaries and Benefits	6,882,841	6,931,184	6,971,879	(40,695)	6,754,554
Purchased Services	116,249	143,614	448,705	(305,091)	401,711
Depreciation	-	-	8,009	(8,009)	8,443
Supplies	435,511	621,475	775,328	(153,853)	696,495
Field Trips and Other	1,715,331	1,354,250	784,992	569,258	812,267
Total Operating Expenses	<u>9,149,932</u>	<u>9,050,523</u>	<u>8,988,913</u>	<u>61,610</u>	<u>8,673,470</u>
OPERATING INCOME	-	134,676	379,246	244,570	456,384
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ 134,676</u>	<u>379,246</u>	<u>\$ 244,570</u>	<u>456,384</u>
NET POSITION, Beginning			<u>3,614,844</u>		<u>3,158,460</u>
NET POSITION, Ending			<u>\$ 3,994,090</u>		<u>\$ 3,614,844</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 54

Outdoor Education Center Fund

Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2013

(With comparative information for the year ended June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
OPERATING REVENUE					
Charges for Services	\$ 306,500	\$ 300,107	\$ 278,552	\$ (21,555)	\$ 10,054
Other	72,184	16,893	17,843	950	-
Total Operating Revenue	378,684	317,000	296,395	(20,605)	10,054
OPERATING EXPENSES					
Salaries and Benefits	256,434	203,785	233,013	(29,228)	21,442
Purchased Services	61,708	124,476	81,417	43,059	37,037
Depreciation	6,000	6,000	2,972	3,028	-
Supplies	46,542	127,541	133,275	(5,734)	50,093
Equipment	256,868	107,409	-	107,409	163,729
Field Trips and Other	8,000	13,403	17,900	(4,497)	205
Total Operating Expenses	635,552	582,614	468,577	114,037	272,506
OPERATING INCOME (LOSS)	(256,868)	(265,614)	(172,182)	93,432	(262,452)
NON-OPERATING REVENUE					
Interfund Transfers	-	-	-	-	550,000
CHANGE IN NET POSITION	<u>\$ (256,868)</u>	<u>\$ (265,614)</u>	(172,182)	<u>\$ 93,432</u>	287,548
NET POSITION, Beginning			287,548		-
NET POSITION, Ending			<u>\$ 115,366</u>		<u>\$ 287,548</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 65

Medical Fund (Internal Service Fund)

Comparative Balance Sheet

June 30, 2013

(With comparative information for year ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 13,235,675	\$ 12,987,421
Other Receivables	<u>139,650</u>	<u>114,128</u>
Total Assets	<u>13,375,325</u>	<u>13,101,549</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	650,547	991,701
Accrued Compensation	8,905	5,418
Accrued Insurance Claims	<u>3,070,960</u>	<u>2,289,583</u>
Total Current Liabilities	<u>3,730,412</u>	<u>3,286,702</u>
NET POSITION		
Unrestricted	<u>9,644,913</u>	<u>9,814,847</u>
Total Net Position	<u>9,644,913</u>	<u>9,814,847</u>
Total Liabilities and Net Position	<u>\$ 13,375,325</u>	<u>\$ 13,101,549</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, 2013

(With comparative information for the year ended June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
REVENUE					
Health Revenue	\$ 36,661,377	\$ 33,686,327	\$ 33,267,579	\$ (418,748)	\$ 35,257,229
Dental Revenue	2,853,639	1,773,287	1,934,068	160,781	1,929,758
Other	587,428	545,693	727,981	182,288	1,366,741
Total Revenue	40,102,444	36,005,307	35,929,628	(75,679)	38,553,728
EXPENSES					
Health Plan	35,160,608	31,866,516	31,581,182	285,334	30,758,739
Dental Plan	2,853,639	2,853,639	2,672,605	181,034	2,658,093
Stop Loss Premiums	645,844	511,253	558,283	(47,030)	487,356
Purchased Services	995,698	995,698	844,662	151,036	857,552
Other	23,356	7,690	7,375	315	4,905
Salaries and Benefits	423,299	425,615	447,786	(22,171)	426,503
Total Expenses	40,102,444	36,660,411	36,111,893	548,518	35,193,148
OPERATING INCOME (LOSS)	-	(655,104)	(182,265)	(472,839)	3,360,580
NON-OPERATING REVENUES					
Investment Earnings	-	-	12,331	(12,331)	13,965
Total Non-operating Revenues	-	-	12,331	(12,331)	13,965
CHANGE IN NET POSITION	\$ -	\$ (655,104)	(169,934)	\$ (485,170)	3,374,545
NET POSITION, Beginning			9,814,847		6,440,302
NET POSITION, Ending			\$ 9,644,913		\$ 9,814,847

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 74

Agency Fund

Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2013

	Balance 6/30/2012	Additions	Deductions	Balance 6/30/2013
<u>Student Activity Funds</u>				
ASSETS				
Cash and Investments	\$ 2,672,469	\$ 2,722,695	\$ 2,969,835	\$ 2,425,329
LIABILITIES				
Accrued Liabilities:				
Due to Student Groups	2,672,469	2,722,695	2,969,835	2,425,329
Total Liabilities	2,672,469	2,722,695	2,969,835	2,425,329
<u>School Discretionary Funds</u>				
ASSETS				
Cash and Investments	4,633,681	2,938	1,326,878	3,309,741
LIABILITIES				
Accrued Liabilities:				
Accounts Payable	69,495	2,938	10,411	62,022
Due to Schools	4,564,186	-	1,316,467	3,247,719
Total Liabilities	4,633,681	2,938	1,326,878	3,309,741
<u>Coke Discretionary Funds</u>				
ASSETS				
Cash and Investments	58,985	-	-	58,985
Accounts Receivable	1,440	-	-	1,440
Total Assets	60,425	-	-	60,425
LIABILITIES				
Accrued Liabilities:				
Due to Schools	60,425	-	-	60,425
Total Liabilities	60,425	-	-	60,425
Grand Total Fiduciary Assets	\$ 7,366,575	\$ 2,725,633	\$ 4,296,713	\$ 5,795,495
Grand Total Fiduciary Liabilities	\$ 7,366,575	\$ 2,725,633	\$ 4,296,713	\$ 5,795,495

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, 2013

(With comparative information for the year ended June 30, 2012)

	2013			Variance with Budget	2012 Actual
	Adopted Budget	Amended Budget	Actual		
ADDITIONS					
Contributions	\$ 58,000	\$ 59,000	\$ 59,000	\$ -	\$ 59,800
Total Additions	58,000	59,000	59,000	-	59,800
DEDUCTIONS					
Grants and Scholarships	60,000	59,000	59,000	-	25,500
Total Deductions	60,000	59,000	59,000	-	25,500
CHANGE IN NET POSITION	\$ (2,000)	\$ -	-	\$ -	34,300
NET POSITION, Beginning			63,866		29,566
NET POSITION, Ending			\$ 63,866		\$ 63,866

DOUGLAS COUNTY SCHOOL DISTRICT REI

Non-Major Discretely Presented Component Units
Combining Statement of Net Position
June 30, 2013

	American Academy	American Academy Building Corporation	Academy Charter School	Academy Charter Foundation	Academy Castle Rock Lifelong Learning Center
ASSETS					
Cash and Investments	\$ 1,551,000	\$ -	\$ 2,150,276	\$ 117,763	\$ 39,639
Accounts Receivable	10	-	-	-	-
Inventories	-	-	-	-	-
Prepaid Costs & Other Assets	53,884	156,000	21,260	-	-
Deposits	-	-	-	-	-
Restricted Cash and Investments	-	11,686,375	-	1,727,865	791,362
Internal Balances	72,106	(72,106)	-	-	-
Capital Assets, Not Being Depreciated	-	12,647,004	-	1,833,333	1,354,756
Capital Assets, Net of Accumulated Depreciation	30,373	29,898	61,507	14,159,194	5,236,990
Total Assets	<u>1,707,373</u>	<u>24,447,171</u>	<u>2,233,043</u>	<u>17,838,155</u>	<u>7,422,747</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on Debt Refunding	-	-	-	-	579,972
LIABILITIES					
Accounts Payable	245,857	4,523,530	-	19,873	-
Accrued Liabilities	-	499,263	247,569	-	-
Accrued Compensation	230,909	-	-	-	-
Accrued Interest Payable	-	47,500	-	102,696	-
Unearned Revenues	156,269	-	16,330	-	-
Non-Current Liabilities:					
Due within One Year	90,028	-	-	185,000	160,000
Due in More Than One Year	244,102	20,000,000	-	16,226,078	6,956,297
Total Liabilities	<u>967,165</u>	<u>25,070,293</u>	<u>263,899</u>	<u>16,533,647</u>	<u>7,116,297</u>
NET POSITION					
Net Investment in Capital Assets	30,373	(2,982,201)	61,507	(418,551)	55,421
Restricted for:					
Emergencies	231,000	-	138,000	-	-
Debt Service, Repairs	-	2,203,079	-	1,625,169	791,362
Capital Projects	-	-	-	-	-
Unrestricted	<u>478,835</u>	<u>156,000</u>	<u>1,769,637</u>	<u>97,890</u>	<u>39,639</u>
Total Net Position	<u>\$ 740,208</u>	<u>\$ (623,122)</u>	<u>\$ 1,969,144</u>	<u>\$ 1,304,508</u>	<u>\$ 886,422</u>

DOUGLAS COUNTY SCHOOL DISTRICT REI

Non-Major Discretely Presented Component Units (Continued)
 Combining Statement of Net Position
 June 30, 2013

	Aspen View Academy	Aspen View Foundation	Ben Franklin Academy	Ben Franklin Academy Building Corp	Challenge to Excellence (C2E)
ASSETS					
Cash and Investments	\$ 47,543	\$ 8,833	\$ 1,487,167	\$ -	\$ 1,569,215
Accounts Receivable	33,445	-	138	-	-
Inventories	-	-	-	-	-
Prepaid Costs & Other Assets	1,100	-	-	-	-
Deposits	-	-	-	-	-
Restricted Cash and Investments	-	-	-	-	484,747
Internal Balances	2,000	(2,000)	-	-	-
Capital Assets, Not Being Depreciated	2,000,000	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	14,485,000	-	44,560	-	964,068
Total Assets	<u>16,569,088</u>	<u>6,833</u>	<u>1,531,865</u>	<u>-</u>	<u>3,018,030</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on Debt Refunding	-	-	-	-	-
LIABILITIES					
Accounts Payable	13,648	-	73,112	-	20,581
Accrued Liabilities	-	-	129,692	-	5,577
Accrued Compensation	-	-	163,600	-	118,637
Accrued Interest Payable	-	-	-	-	-
Unearned Revenues	106,207	-	6,215	-	-
Non-Current Liabilities:					
Due within One Year	-	-	300	-	119,480
Due in More Than One Year	14,485,000	-	3,300	-	263,372
Total Liabilities	<u>14,604,855</u>	<u>-</u>	<u>376,219</u>	<u>-</u>	<u>527,647</u>
NET POSITION					
Net Investment in Capital Assets	-	-	44,560	-	581,216
Restricted for:					
Emergencies	-	-	166,000	-	111,000
Debt Service, Repairs	-	-	-	-	484,747
Capital Projects	-	-	-	-	-
Unrestricted	1,964,233	6,833	945,086	-	1,313,420
Total Net Position	<u>\$ 1,964,233</u>	<u>\$ 6,833</u>	<u>\$ 1,155,646</u>	<u>\$ -</u>	<u>\$ 2,490,383</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)
 Combining Statement of Net Position
 June 30, 2013

	C2E Building Corporation	Core Knowledge Charter School (CKCS)	CKCS Building Corporation	Hope Online Learning Academy Co-Op	Montessori Charter School
ASSETS					
Cash and Investments	\$ -	\$ 1,615,352	\$ 101,737	\$ 1,062,986	\$ 1,593,692
Accounts Receivable	-	160	-	332,375	117
Inventories	-	-	-	-	-
Prepaid Costs & Other Assets	-	-	-	287,931	-
Deposits	-	14,638	-	86,671	-
Restricted Cash and Investments	663,683	-	682,740	566,102	-
Internal Balances	-	-	-	-	6,060
Capital Assets, Not Being Depreciated	1,010,419	-	235,020	-	-
Capital Assets, Net of Accumulated Depreciation	3,386,804	2,130	5,345,890	941,708	37,939
Total Assets	5,060,906	1,632,280	6,365,387	3,277,773	1,637,808
DEFERRED OUTFLOWS OF RESOURCES					
Loss on Debt Refunding	286,921	-	548,338	-	-
LIABILITIES					
Accounts Payable	-	75,477	-	1,193,135	11,701
Accrued Liabilities	-	149,188	-	842,893	-
Accrued Compensation	-	-	-	-	116,118
Accrued Interest Payable	27,233	-	55,977	-	-
Unearned Revenues	-	-	-	-	74,868
Non-Current Liabilities:					
Due within One Year	155,000	6,000	105,000	-	-
Due in More Than One Year	6,617,234	18,783	6,505,303	-	-
Total Liabilities	6,799,467	249,448	6,666,280	2,036,028	202,687
NET POSITION					
Net Investment in Capital Assets	(2,088,090)	2,130	(481,055)	772,017	37,939
Restricted for:					
Emergencies	-	137,000	-	598,270	118,000
Debt Service, Repairs	636,450	-	626,763	-	-
Capital Projects	-	-	-	-	-
Unrestricted	-	1,243,702	101,737	(128,542)	1,279,182
Total Net Position	\$ (1,451,640)	\$ 1,382,832	\$ 247,445	\$ 1,241,745	\$ 1,435,121

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)
 Combining Statement of Net Position
 June 30, 2013

	Montessori Foundation	North Star Academy	North Star Building Corporation	Platte River Academy	Platte River Building Corporation
ASSETS					
Cash and Investments	\$ 169,675	\$ 1,721,221	\$ -	\$ 2,165,855	\$ -
Accounts Receivable	-	-	-	12,772	-
Inventories	25,023	-	-	-	-
Prepaid Costs & Other Assets	1,541	21,506	-	-	-
Deposits	-	-	-	-	-
Restricted Cash and Investments	2,139,990	-	1,288,223	-	818,873
Internal Balances	(6,060)	-	-	-	-
Capital Assets, Not Being Depreciated	841,382	-	465,000	-	553,332
Capital Assets, Net of Accumulated Depreciation	4,458,065	-	7,592,400	-	4,232,434
Total Assets	<u>7,629,616</u>	<u>1,742,727</u>	<u>9,345,623</u>	<u>2,178,627</u>	<u>5,604,639</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on Debt Refunding	529,236	-	-	-	1,102,619
LIABILITIES					
Accounts Payable	129,700	18,436	-	2,294	-
Accrued Liabilities	18,305	-	-	7,599	-
Accrued Compensation	-	208,599	-	258,838	-
Accrued Interest Payable	180,749	-	147,056	-	99,605
Unearned Revenues	-	-	-	7,650	-
Non-Current Liabilities:					
Due within One Year	210,000	-	115,000	3,150	195,000
Due in More Than One Year	9,214,529	-	10,580,000	7,422	6,293,349
Total Liabilities	<u>9,753,283</u>	<u>227,035</u>	<u>10,842,056</u>	<u>286,953</u>	<u>6,587,954</u>
NET POSITION					
Net Investment in Capital Assets	(2,817,267)	-	(2,637,600)	-	(599,964)
Restricted for:					
Emergencies	-	138,800	-	104,000	-
Debt Service, Repairs	1,026,597	-	1,141,167	-	719,268
Capital Projects	-	-	-	231,551	-
Unrestricted	196,239	1,376,892	-	1,556,123	-
Total Net Position	<u>\$ (1,594,431)</u>	<u>\$ 1,515,692</u>	<u>\$ (1,496,433)</u>	<u>\$ 1,891,674</u>	<u>\$ 119,304</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)
 Combining Statement of Net Position
 June 30, 2013

	Sky View Academy	SkyView Academy Building Corporation	STEM High Charter School	STEM Building Fund	Totals
ASSETS					
Cash and Investments	\$ 1,074,805	\$ 210,086	\$ 1,212,217	\$ 184,796	\$ 18,083,858
Accounts Receivable	-	-	30,362	10,000	419,379
Inventories	-	-	-	-	25,023
Prepaid Costs & Other Assets	18,820	-	207,118	-	769,160
Deposits	-	-	-	935	102,244
Restricted Cash and Investments	-	1,766,632	644,288	-	23,260,880
Internal Balances	-	-	-	-	-
Capital Assets, Not Being Depreciated	-	3,534,756	2,370,970	-	26,845,972
Capital Assets, Net of Accumulated Depreciation	38,395	20,240,860	5,733,998	68,363	87,090,576
Total Assets	<u>1,132,020</u>	<u>25,752,334</u>	<u>10,198,953</u>	<u>264,094</u>	<u>156,597,092</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on Debt Refunding	-	-	-	-	3,047,086
LIABILITIES					
Accounts Payable	32,717	-	34,307	-	6,394,368
Accrued Liabilities	-	-	-	-	1,900,086
Accrued Compensation	253,402	-	29,464	-	1,379,567
Accrued Interest Payable	-	718,200	25,293	-	1,404,309
Unearned Revenues	-	-	-	90,000	457,539
Non-Current Liabilities:					
Due within One Year	-	-	70,000	-	1,413,958
Due in More Than One Year	-	25,650,000	9,835,000	-	132,899,769
Total Liabilities	<u>286,119</u>	<u>26,368,200</u>	<u>9,994,064</u>	<u>90,000</u>	<u>145,849,596</u>
NET POSITION					
Net Investment in Capital Assets	38,395	(1,874,384)	(954,310)	68,363	(13,161,501)
Restricted for:					
Emergencies	191,000	-	115,000	-	2,048,070
Debt Service, Repairs	-	1,048,432	644,288	50,000	10,997,322
Capital Projects	-	-	-	-	231,551
Unrestricted	616,506	210,086	399,911	55,731	13,679,140
Total Net Position	<u>\$ 845,901</u>	<u>\$ (615,866)</u>	<u>\$ 204,889</u>	<u>\$ 174,094</u>	<u>\$ 13,794,582</u>



DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Discretely Presented Component Units
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	American Academy	American Academy Building Corporation	Academy Charter School	Academy Charter Foundation
EXPENSES				
Instruction	\$ 3,374,297	\$ -	\$ 2,792,051	\$ -
Supporting Services	2,742,706	623,122	1,024,146	408,486
Interest on Long-Term Debt	-	-	-	1,247,626
Total Expenses	<u>6,117,003</u>	<u>623,122</u>	<u>3,816,197</u>	<u>1,656,112</u>
PROGRAM REVENUES				
Charges for Services	994,514	-	247,418	-
Capital Grants and Contributions	-	-	-	-
Operating Grants and Contributions	-	-	-	4,377
Total Program Revenues	<u>994,514</u>	<u>-</u>	<u>247,418</u>	<u>4,377</u>
Net Program Expenses	<u>(5,122,489)</u>	<u>(623,122)</u>	<u>(3,568,779)</u>	<u>(1,651,735)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	5,395,018	-	3,974,077	-
Mill Levy	501,174	-	368,843	-
Capital Construction	76,509	-	56,328	-
Investment Earnings	8,123	-	8,109	4,453
Contributions and Grants	331,244	-	-	-
Other	44,302	-	13,008	-
TRANSFERS	<u>(1,520,700)</u>	<u>-</u>	<u>(496,403)</u>	<u>1,520,700</u>
Total General Revenues and Transfers	<u>4,835,670</u>	<u>-</u>	<u>3,923,962</u>	<u>1,525,153</u>
CHANGE IN NET POSITION	(286,819)	(623,122)	355,183	(126,582)
NET POSITION, Beginning	<u>1,027,027</u>	<u>-</u>	<u>1,613,961</u>	<u>1,431,090</u>
NET POSITION, Ending	<u>\$ 740,208</u>	<u>\$ (623,122)</u>	<u>\$ 1,969,144</u>	<u>\$ 1,304,508</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, 2013

Functions/Programs	Academy Castle Rock Lifelong Learning Center	Aspen View	Aspen View Foundation	Ben Franklin Academy
EXPENSES				
Instruction	\$ -	\$ -	\$ -	\$ 2,761,305
Supporting Services	569,771	102,144	2,000	2,413,694
Interest on Long-Term Debt	-	-	-	-
Total Expenses	<u>569,771</u>	<u>102,144</u>	<u>2,000</u>	<u>5,174,999</u>
PROGRAM REVENUES				
Charges for Services	-	-	-	737,396
Capital Grants and Contributions	-	2,000,000	-	-
Operating Grants and Contributions	-	-	-	-
Total Program Revenues	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>737,396</u>
Net Program Expenses	<u>(569,771)</u>	<u>1,897,856</u>	<u>(2,000)</u>	<u>(4,437,603)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	-	-	-	4,444,470
Mill Levy	-	-	-	413,824
Capital Construction	-	-	-	63,227
Investment Earnings	157	-	-	1,448
Contributions and Grants	-	63,049	8,833	281,740
Other	967	-	-	578
TRANSFERS	<u>496,403</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>497,527</u>	<u>63,049</u>	<u>8,833</u>	<u>5,205,287</u>
CHANGE IN NET POSITION	<u>(72,244)</u>	<u>1,960,905</u>	<u>6,833</u>	<u>767,684</u>
NET POSITION, Beginning	<u>958,666</u>	<u>3,328</u>	<u>-</u>	<u>387,962</u>
NET POSITION, Ending	<u>\$ 886,422</u>	<u>\$ 1,964,233</u>	<u>\$ 6,833</u>	<u>\$ 1,155,646</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, 2013

Functions/Programs	Ben Franklin Academy Building Corp	Challenge to Excellence (C2E)	C2E Building Corporation	Core Knowledge Charter School (CKCS)
EXPENSES				
Instruction	\$ -	\$ 2,271,724	\$ -	\$ 2,703,270
Supporting Services	-	836,142	158,469	1,257,911
Interest on Long-Term Debt	-	15,735	344,876	-
Total Expenses	-	3,123,601	503,345	3,961,181
PROGRAM REVENUES				
Charges for Services	-	292,390	-	803,172
Capital Grants and Contributions	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Total Program Revenues	-	292,390	-	803,172
Net Program Expenses	-	(2,831,211)	(503,345)	(3,158,009)
GENERAL REVENUES				
Per Pupil Operating Revenue	-	3,028,591	-	3,376,372
Mill Levy	-	281,783	-	313,705
Capital Construction	-	42,897	-	47,894
Investment Earnings	-	2,482	83	2,140
Contributions and Grants	-	-	-	25,874
Other	-	35,471	-	4,883
TRANSFERS	-	(482,487)	482,487	(442,088)
Total General Revenues and Transfers	-	2,908,737	482,570	3,328,780
CHANGE IN NET POSITION	-	77,526	(20,775)	170,771
NET POSITION, Beginning	-	2,412,857	(1,430,865)	1,212,061
NET POSITION, Ending	\$ -	\$ 2,490,383	\$ (1,451,640)	\$ 1,382,832

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Discretely Presented Component Units (Continued)
Combining Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	CKCS Building Corporation	Hope Online Learning Academy Co-Op	Montessori Charter School	Montessori Foundation
EXPENSES				
Instruction	\$ -	\$ 16,788,310	\$ 2,377,487	\$ -
Supporting Services	507,367	3,315,717	818,893	1,019,071
Interest on Long-Term Debt	-	-	-	-
Total Expenses	<u>507,367</u>	<u>20,104,027</u>	<u>3,196,380</u>	<u>1,019,071</u>
PROGRAM REVENUES				
Charges for Services	-	-	1,318,132	-
Capital Grants and Contributions	-	-	-	287,426
Operating Grants and Contributions	-	1,758,197	-	-
Total Program Revenues	<u>-</u>	<u>1,758,197</u>	<u>1,318,132</u>	<u>287,426</u>
Net Program Expenses	<u>(507,367)</u>	<u>(18,345,830)</u>	<u>(1,878,248)</u>	<u>(731,645)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	-	18,380,252	2,329,110	-
Mill Levy	-	-	215,037	-
Capital Construction	-	-	32,955	-
Investment Earnings	12	1,058	3,181	5,938
Contributions and Grants	-	-	25,625	-
Other	-	-	3,751	-
TRANSFERS	<u>442,088</u>	<u>-</u>	<u>(975,040)</u>	<u>975,040</u>
Total General Revenues and Transfers	<u>442,100</u>	<u>18,381,310</u>	<u>1,634,619</u>	<u>980,978</u>
CHANGE IN NET POSITION	(65,267)	35,480	(243,629)	249,333
NET POSITION, Beginning	<u>312,712</u>	<u>1,206,265</u>	<u>1,678,750</u>	<u>(1,843,764)</u>
NET POSITION, Ending	<u>\$ 247,445</u>	<u>\$ 1,241,745</u>	<u>\$ 1,435,121</u>	<u>\$ (1,594,431)</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, 2013

Functions/Programs	North Star Academy	North Star Building Corporation	Platte River Academy	Platte River Building Corporation
EXPENSES				
Instruction	\$ 2,361,075	\$ -	\$ 2,617,372	\$ -
Supporting Services	1,150,771	1,206,682	832,034	487,332
Interest on Long-Term Debt	-	-	-	-
Total Expenses	<u>3,511,846</u>	<u>1,206,682</u>	<u>3,449,406</u>	<u>487,332</u>
PROGRAM REVENUES				
Charges for Services	251,810	-	385,841	-
Capital Grants and Contributions	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Total Program Revenues	<u>251,810</u>	<u>-</u>	<u>385,841</u>	<u>-</u>
Net Program Expenses	<u>(3,260,036)</u>	<u>(1,206,682)</u>	<u>(3,063,565)</u>	<u>(487,332)</u>
GENERAL REVENUES				
Per Pupil Operating Revenue	3,806,194	-	3,141,242	-
Mill Levy	353,463	-	293,101	-
Capital Construction	53,987	-	44,659	-
Investment Earnings	-	-	22,203	89
Contributions and Grants	122,243	-	44,578	-
Other	38,957	-	17,042	-
TRANSFERS	<u>(1,016,892)</u>	<u>1,016,892</u>	<u>(494,876)</u>	<u>494,876</u>
Total General Revenues and Transfers	<u>3,357,952</u>	<u>1,016,892</u>	<u>3,067,949</u>	<u>494,965</u>
CHANGE IN NET POSITION	97,916	(189,790)	4,384	7,633
NET POSITION, Beginning	<u>1,417,776</u>	<u>(1,306,643)</u>	<u>1,887,290</u>	<u>111,671</u>
NET POSITION, Ending	<u>\$ 1,515,692</u>	<u>\$ (1,496,433)</u>	<u>\$ 1,891,674</u>	<u>\$ 119,304</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, 2013

Functions/Programs	Sky View Academy	Sky View Academy Building Corporation	STEM High Charter School	STEM Building Fund	Totals
EXPENSES					
Instruction	\$ 3,760,847	\$ -	\$ 2,020,887	\$ -	\$43,828,625
Supporting Services	1,955,246	1,104,143	2,462,913	249,774	25,248,534
Interest on Long-Term Debt	-	-	567,524	-	2,175,761
Total Expenses	5,716,093	1,104,143	5,051,324	249,774	71,252,920
PROGRAM REVENUES					
Charges for Services	934,501	-	497,958	89,565	6,552,697
Capital Grants and Contributions	-	-	56,472	294,607	2,638,505
Operating Grants and Contributions	-	-	-	-	1,762,574
Total Program Revenues	934,501	-	554,430	384,172	10,953,776
Net Program Expenses	(4,781,592)	(1,104,143)	(4,496,894)	134,398	(60,299,144)
GENERAL REVENUES					
Per Pupil Operating Revenue	4,859,793	-	3,754,777	-	56,489,896
Mill Levy	451,840	-	-	-	3,192,770
Capital Construction	68,935	-	-	-	487,391
Investment Earnings	-	-	159	-	59,635
Contributions and Grants	44,453	412	676,868	-	1,624,919
Other	20,394	2,082	-	-	181,435
TRANSFERS	(298,928)	298,928	-	-	-
Total General Revenues and Transfers	5,146,487	301,422	4,431,804	-	62,036,046
CHANGE IN NET POSITION	364,895	(802,721)	(65,090)	134,398	1,736,902
NET POSITION, Beginning	481,006	186,855	269,979	39,696	12,057,680
NET POSITION, Ending	\$ 845,901	\$ (615,866)	\$ 204,889	\$ 174,094	\$ 13,794,582



***STATISTICAL
SECTION***



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, required and other supplementary information to assess the condition of Douglas County School District Re.1.

Financial Trends Data 122-129

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 130-134

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..... 135-141

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 142-143

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

- Demographic and Economic Statistics
- Principal Employers

Operating Information 144-148

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

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

	2013	2012	Restated 2011
General activities:			
Invested in capital assets	\$ 174,072,099	\$ 125,537,753	\$ 95,943,480
Restricted	74,749,578	92,237,379	100,536,282
Unrestricted	72,738,537	67,437,692	40,060,467
Total governmental activities net position	\$ 321,560,214	\$ 285,212,824	\$ 236,540,229
Business-type activities			
Invested in capital assets	\$ 3,290,033	\$ 3,721,875	\$ 4,090,512
Restricted	-	-	-
Unrestricted	839,446	181,336	(1,568,281)
Total business-type activities net position	\$ 4,129,479	\$ 3,903,211	\$ 2,522,231
Primary government			
Invested in capital assets	\$ 177,362,132	\$ 129,259,628	\$ 100,033,992
Restricted	74,749,578	92,237,379	100,536,282
Unrestricted	73,577,983	67,619,028	38,492,186
Total primary government net position	\$ 325,689,693	\$ 289,116,035	\$ 239,062,460

Source: DCSD CAFR Statement of Net Position Page 35

Table 1

2010	2009	2008	2007	2006	2005	2004
\$ 37,510,363	\$ 42,172,382	\$ 27,281,732	\$ 42,795,199	\$ 27,400,729	\$ 28,463,470	\$ 16,433,613
97,561,208	141,671,418	204,803,878	230,580,780	47,339,851	38,211,478	40,454,333
6,722,286	(72,687,504)	(150,796,048)	(157,426,046)	34,217,591	29,532,320	26,231,152
\$ 141,793,857	\$ 111,156,296	\$ 81,289,562	\$ 115,949,933	\$ 108,958,171	\$ 96,207,268	\$ 83,119,098
\$ 4,332,085	\$ 2,730,010	\$ 2,505,690	\$ 1,414,170	\$ 2,201,834	\$ 2,459,217	\$ 2,541,010
-	-	-	-	60,115	446,916	399,128
(1,371,707)	659,110	5,122,236	7,770,595	7,591,959	5,721,828	4,749,688
\$ 2,960,378	\$ 3,389,120	\$ 7,627,926	\$ 9,184,765	\$ 9,853,908	\$ 8,627,961	\$ 7,689,826
\$ 41,842,448	\$ 44,902,392	\$ 29,787,422	\$ 44,209,369	\$ 29,602,563	\$ 30,922,687	\$ 18,974,623
97,561,208	141,671,418	204,803,878	230,580,780	47,399,966	38,658,394	40,853,461
5,350,579	(72,028,394)	(145,673,812)	(149,655,451)	41,809,550	35,254,148	30,980,840
\$ 144,754,235	\$ 114,545,416	\$ 88,917,488	\$ 125,134,698	\$ 118,812,079	\$ 104,835,229	\$ 90,808,924

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

	2013	2012	2011
EXPENSES			
Governmental activities:			
Instruction	\$ 270,892,918	\$ 266,574,362	\$ 255,901,180
Supporting services	171,113,103	149,913,182	142,363,827
Payment to Component Units (1)	59,994,588	54,244,208	46,384,715
Interest on long-term debt	30,187,963	28,148,114	35,322,746
Total governmental activities expenses	<u>532,188,572</u>	<u>498,879,866</u>	<u>479,972,468</u>
Business-type activities:			
Nutrition services	14,470,523	14,163,053	14,396,183
Non-Major Enterprise Funds	9,457,490	8,945,976	8,560,831
Total business-type activities expenses	<u>23,928,013</u>	<u>23,109,029</u>	<u>22,957,014</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services - tuition and other fees	27,874,860	26,326,938	24,594,662
Charges for services - operating grants and contributions	28,777,165	23,774,694	28,805,131
Charges for services - capital grants and contributions	-	-	-
Total governmental activities	<u>56,652,025</u>	<u>50,101,632</u>	<u>53,399,793</u>
Business-type activities:			
Charges for services - nutrition services	10,941,844	10,624,082	10,850,000
Operating grants and contributions	3,602,925	3,576,019	3,726,239
Charges for services - non-major enterprise funds	9,664,554	9,139,908	8,905,075
Total business-type activities	<u>24,209,323</u>	<u>23,340,009</u>	<u>23,481,314</u>
Total primary government program revenues	<u>80,861,348</u>	<u>73,441,641</u>	<u>76,881,107</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Property taxes	225,526,250	213,087,082	232,462,054
Specific ownership taxes	17,961,028	16,186,615	15,522,850
State equalization	255,686,365	246,289,764	244,359,000
Capital construction funding	-	-	-
COP Charter School Repayment	-	12,364,050	-
Investment earnings	247,485	174,758	442,416
Grants and Contributions not Specific to Programs	-	159,476	1,572,533
Other	12,407,767	10,339,083	9,160,063
Transfers	55,042	(1,150,000)	-
Loss on disposal of fixed assets	-	-	-
Total governmental activities	<u>511,883,937</u>	<u>497,450,828</u>	<u>503,518,916</u>
Business-type activities:			
Investment earnings	-	-	-
Other	-	-	9,308
Capital contributions	-	-	-
Extraordinary item (w/o assets <\$5k)	-	-	-
Transfers	(55,042)	1,150,000	-
	<u>(55,042)</u>	<u>1,150,000</u>	<u>9,308</u>
Total primary government general revenues	<u>511,828,895</u>	<u>498,600,828</u>	<u>503,528,224</u>
CHANGE IN NET POSITION			
Governmental activities	36,347,390	48,672,594	76,946,241
Business-type activities	226,268	1,380,980	533,608
	<u>\$ 36,573,658</u>	<u>\$ 50,053,574</u>	<u>\$ 77,479,849</u>

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

Source: DCSD CAFR Statement of Activities page 36 and 37

Table 2

	2010	2009	2008	2007	2006	2005	2004
\$	305,026,427	\$ 280,588,259	\$ 330,050,883	\$ 262,994,204	\$ 233,882,864	\$ 187,821,090	\$ 186,074,931
	182,308,594	197,239,443	153,020,191	138,132,132	128,319,312	135,530,533	118,397,629
	-	-	-	-	-	-	-
	31,755,542	31,732,601	32,362,410	31,977,580	27,443,334	24,756,529	23,699,823
	519,090,563	509,560,303	515,433,484	433,103,916	389,645,510	348,108,152	328,172,383
	15,301,521	16,488,675	13,958,595	11,369,440	10,018,401	9,611,357	8,479,501
	8,857,027	9,464,830	7,596,573	6,740,000	6,017,367	5,285,843	4,824,752
	24,158,548	25,953,505	21,555,168	18,109,440	16,035,768	14,897,200	13,304,253
	17,634,758	18,493,995	13,907,195	5,902,190	9,523,795	5,064,605	2,048,105
	26,849,162	24,380,125	19,776,495	35,835,862	20,063,968	15,478,462	12,820,469
	63,492	-	-	-	-	-	-
	44,547,412	42,874,120	33,683,690	41,738,052	29,587,763	20,543,067	14,868,574
	11,621,798	9,851,990	9,412,258	9,437,965	8,982,460	8,414,646	7,895,770
	2,917,705	2,803,292	2,346,509	1,685,307	1,540,352	1,299,615	1,154,370
	9,122,383	9,158,931	8,223,883	6,903,660	6,379,827	5,716,911	5,065,330
	23,661,886	21,814,213	19,982,650	18,026,932	16,902,639	15,431,172	14,115,470
	68,209,298	64,688,333	53,666,340	59,764,984	46,490,402	35,974,239	28,984,044
	227,029,556	224,686,214	210,261,080	187,833,547	181,523,863	164,416,802	149,108,516
	15,949,421	17,932,981	19,748,994	18,554,862	17,903,441	17,457,338	16,805,822
	249,467,855	234,872,441	191,877,073	161,027,430	158,044,093	144,582,516	133,281,395
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,331,324	5,157,300	11,510,006	10,879,889	4,674,447	3,021,191	2,093,829
	-	-	-	-	-	-	-
	11,402,556	13,786,604	13,692,270	20,061,898	10,662,806	11,445,244	11,834,193
	-	117,377	-	-	-	(269,836)	(555,712)
	-	-	-	-	-	-	-
	505,180,712	496,552,917	447,089,423	398,357,626	372,808,650	340,653,255	312,568,043
	-	-	5	200,428	116,376	65,213	14,065
	67,920	17,863	15,674	17,567	242,700	69,114	27,221
	-	-	-	-	-	-	-
	-	-	-	(804,630)	-	-	-
	-	(117,377)	-	-	-	269,836	555,712
	67,920	(99,514)	15,679	(586,635)	359,076	404,163	596,998
	505,248,632	496,453,403	447,105,102	397,770,991	373,167,726	341,057,418	313,165,041
	30,637,561	29,866,734	(34,660,371)	6,991,762	12,750,903	13,088,170	(735,766)
	(428,742)	(4,238,806)	(1,556,839)	(669,143)	1,225,947	938,135	1,408,215
\$	30,208,819	\$ 25,627,928	\$ (36,217,210)	\$ 6,322,619	\$ 13,976,850	\$ 14,026,305	\$ 672,449

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

	2013	2012	Restated ⁽¹⁾ 2011	2010
Combined General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	675,286	696,648	727,782	750,463
Prepaid Costs	145,014	109,894	35,000	-
Restricted - TABOR Emergency Reserve	14,043,000	12,790,000	11,745,301	12,313,022
Assigned:				
4% Board Reserves	18,724,000	-	-	-
School Discretionary Funds-\$105/stdt	5,475,675	6,400,000	-	-
School Innovation and HS Student Rqst	2,100,000	-	-	-
Average Pay Increases- 3%	9,000,000	-	-	-
Extended Service Severance	3,672,407	6,000,000	-	-
2014 PERA Increase	-	2,200,000	-	-
Pay for Performance Unspent	2,900,000	-	-	-
School and Department Carryover	19,530,498	19,121,379	16,831,076	11,541,117
Full Day Kindergarten	5,993,997	5,528,444	4,490,780	3,574,802
Risk Insurance	2,151,372	2,783,610	783,884	1,330,183
Transportation	234,592	652,543	249,425	-
Capital Projects ²	16,334,092	17,290,639	14,111,698	-
Security and Technology Equipment	1,360,000	-	-	-
Early Separation Agreement	1,551,191	3,159,164	4,759,164	6,386,525
One Time Retention Pay - 2%	-	5,600,000	-	-
Unassigned	537,143	18,052,019	26,815,727	10,197,615
Total General Fund	\$ 104,428,267	\$ 100,384,340	\$ 80,549,837	\$ 46,093,727
All other governmental funds				
Non Spendable	\$ 30,000.00	\$ -	\$ -	\$ -
Reserved:				
Special Revenue Funds	-	-	-	10,422,477
Restricted:				
Building	14,342,407	18,002,255	15,338,607	30,123,296
Debt Service/Lease Payment Funds	59,785,966	60,333,964	59,340,736	55,124,890
Grants	185,120	185,120	185,120	-
Student Athletics Activities Fund	735,492	926,040	1,076,248	-
Total all other governmental funds	\$ 75,078,985	\$ 79,447,379	\$ 75,940,711	\$ 95,670,663
Governmental Funds				
Reserved/Assigned	\$ 178,970,109	\$ 161,779,700	\$ 129,674,821	\$ 131,566,775
Unreserved	537,143	18,052,019	26,815,727	10,197,615
Total governmental funds	\$ 179,507,252	\$ 179,831,719	\$ 156,490,548	\$ 141,764,390

(1) FY 2011 was the 1st year in which GASB 54 compliance required accounting for the new "Assigned " fund balance category. Reserved amounts formerly recorded under Governmental funds were redistributed to match where applicable to these new categories for all years.

(2) In prior years, the ending fund balance in the Capital Projects Fund was reported under other governmental funds. for FY 2012 and forward, this fund is considered a part of the combined general fund.

Source: Balance Sheet Page 38

Table 3

2009	2008	2007	2006	2005	2004
\$ 2,065,105	\$ 1,213,125	\$ 1,183,606	\$ 1,088,263	\$ 1,042,739	\$ 926,177
-	-	-	-	-	-
-	-	-	-	-	-
12,414,008	11,750,000	10,377,000	9,236,009	8,741,175	7,887,264
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,141,834	7,224,933	24,065,111	24,561,408	19,962,669	17,213,000
\$ 20,620,947	\$ 20,188,058	\$ 35,625,717	\$ 34,885,680	\$ 29,746,583	\$ 26,026,441
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,649,724	5,837,202	11,764,401	741,728	474,440	469,902
81,761,934	152,572,604	185,916,546	9,778,315	9,953,667	11,519,349
45,430,371	40,481,274	34,287,234	64,480,360	92,169,492	92,279,191
-	-	-	32,441,936	25,227,192	30,537,110
-	-	-	-	-	-
-	-	-	-	-	-
\$ 132,842,029	\$ 198,891,080	\$ 231,968,181	\$ 107,442,339	\$ 127,824,791	\$ 134,805,552
\$ 147,321,142	\$ 211,854,205	\$ 243,528,787	\$ 117,766,611	\$ 137,608,705	\$ 143,618,993
6,141,834	7,224,933	24,065,111	24,561,408	19,962,669	17,213,000
\$ 153,462,976	\$ 219,079,138	\$ 267,593,898	\$ 142,328,019	\$ 157,571,374	\$ 160,831,993

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

	2013	2012	Restated 2011	2010
REVENUES				
Taxes	\$ 237,365,348	\$ 236,258,181	\$ 244,884,158	\$ 244,581,528
Payment in Lieu of Taxes	-	-	92,000	123,192
Intergovernmental	284,463,530	270,223,934	274,736,664	276,380,509
Charges for services	27,874,860	26,326,938	24,594,662	17,634,758
Investment Earnings	276,635	160,793	423,889	1,084,491
Other	12,211,910	Statof Rev, exp, cha	8,908,432	11,279,364
Total Revenues	562,192,283	532,969,846	553,639,805	551,083,842
EXPENDITURES				
Current operating:				
Instruction	274,167,817	247,204,042	246,797,488	285,889,484
Supporting Services	160,186,452	143,195,462	138,836,902	154,940,755
Other charges	-	-	-	-
Capital Outlay	18,620,893	19,743,061	30,882,869	72,549,474
Payment to Component Unit	59,994,588	54,244,208	46,384,715	867,667
Debt Service:				
Debt issuance costs	483,024	489,201	542,871	832,407
Principal	43,289,338	40,960,449	38,179,739	30,823,505
Interest and fiscal charges	29,603,277	29,153,263	30,532,096	31,755,542
Total Expenditures	586,345,389	534,989,686	532,156,680	577,658,834
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	31,020,000	71,095,000	86,405,000	101,770,000
Premium on Bonds	3,925,547	14,185,059	17,247,133	13,504,761
Payments to Refunded Bond Escrow	(34,353,871)	(84,800,060)	(103,113,364)	(100,398,355)
Issuance of COP	15,500,000	-	-	-
COP Charter School Repayment	-	12,364,049	-	-
Issuance of Capital Lease	7,636,963	3,478,130	-	-
Other Sources (Uses)	100,000	-	-	-
Transfers In	6,715,311	5,377,499	19,227,111	21,136,366
Transfers Out	(6,715,311)	(6,527,499)	(23,043,821)	(21,136,366)
Total other financing sources (uses)	23,828,639	15,172,178	(3,277,941)	14,876,406
Net change in fund balances	\$ (324,467)	\$ 13,152,339	\$ 18,205,185	\$ (11,698,586)
Debt service as a percentage of non-capital expenditures				
	12.9%	13.7%	13.8%	12.6%

Source: DCSD CAFR Statement of Revenues, Expenditures and Changes in Fund Balances page 40

Table 4

	2009	2008	2007	2006	2005	2004
\$	235,594,106	\$ 230,010,074	\$ 206,388,408	\$ 196,724,413	\$ 178,446,237	\$ 167,893,476
	71,114	661,285	1,153,540	1,552,643	1,218,030	310,681
	259,252,566	211,653,568	196,863,292	178,108,061	160,060,978	146,101,864
	18,493,995	13,907,195	5,902,190	4,804,824	-	-
	4,937,959	11,379,892	10,619,817	4,345,063	2,868,584	2,051,182
	13,715,490	13,030,985	18,908,358	15,381,777	16,509,849	13,882,298
	532,065,230	480,642,999	439,835,605	400,916,781	359,103,678	330,239,501
	287,206,411	258,791,779	238,315,149	214,099,665	175,538,326	177,451,968
	161,978,101	154,749,135	130,719,659	114,712,396	124,214,296	91,834,328
	-	-	-	3,075	1,808,147	1,611,220
	85,360,848	121,340,086	83,770,734	44,142,400	57,856,295	53,460,250
	-	-	-	-	-	-
	-	-	-	-	1,684,217	654,591
	28,945,000	22,300,000	15,963,132	15,508,721	16,287,203	9,326,000
	31,732,601	32,362,410	31,977,580	28,693,879	27,161,053	21,482,652
	595,222,961	589,543,410	500,746,254	417,160,136	404,549,537	355,821,009
	-	63,944,949	207,944,942	-	205,819,956	65,000,000
	-	12,260,702	24,533,628	-	21,702,100	6,416,379
	-	(14,260,000)	(47,675,872)	-	(185,336,816)	(3,424,052)
	-	-	-	-	-	5,075,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	24,358,656	22,240,125	14,793,293	14,013,267	8,255,828	7,633,224
	(26,817,087)	(23,800,125)	(14,793,293)	(13,013,267)	(8,255,828)	(7,633,224)
	(2,458,431)	60,385,651	184,802,698	1,000,000	42,185,240	73,067,327
\$	(65,616,162)	(48,514,760)	\$ 123,892,049	\$ (15,243,355)	\$ (3,260,619)	\$ 47,485,819
	11.9%	11.7%	11.5%	11.8%	13.0%	10.4%

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

Residential Property

Other Property Classes

Tax Year	Collection Year	Assessed Value	Actual Value	Vacant Land	Commercial	Industrial	Agricultural
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
2005	2006	2,206,389,260	27,718,458,040	268,822,740	1,168,970,503	49,576,470	13,926,590
2004	2005	1,973,699,670	24,795,221,985	240,207,920	1,036,495,860	46,368,840	14,023,380
2003	2004	1,864,550,330	23,423,999,121	238,511,770	966,834,580	47,032,370	14,557,520

(1) Source: Douglas County Assessor

<http://www.douglas.co.us/assessor/documents/current-abstract-of-assessment.pdf>

(2) Source Douglas County Assessors -2012 Tax Districts and Authorities

<http://www.douglas.co.us/assessor/documents/tax-district-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 Tax Rate ²
\$ 435,290	\$ 209,659,400	\$ 1,917,755,650	\$ 6,612,950,517	\$ 4,551,405,080	\$ 39,698,998,633	48.727
425,920	184,707,000	1,899,675,620	6,550,605,586	4,504,735,760	39,277,491,767	48.788
343,730	158,980,100	2,081,566,370	7,177,815,069	4,916,844,570	42,796,887,933	46.890
219,050	154,083,000	2,074,924,200	7,154,911,034	4,879,538,950	42,388,764,678	46.681
318,030	143,966,400	1,966,010,630	6,779,347,000	4,678,187,640	40,851,922,503	47.103
380,290	137,184,200	1,882,847,130	6,492,576,310	4,513,520,560	39,541,237,491	46.500
401,120	115,320,030	1,666,369,110	5,746,100,379	4,022,845,950	35,350,080,781	46.500
471,970	116,537,000	1,618,305,273	5,580,363,010	3,824,694,533	33,298,821,051	46.500
530,440	109,736,300	1,447,362,740	4,990,906,000	3,421,062,410	29,786,127,985	46.500
493,800	112,539,800	1,379,969,840	4,758,516,690	3,244,520,170	28,182,515,810	46.500

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

Douglas County School District

Assessment Year	Collection Year	General Fund	Debt		Douglas County ⁽²⁾	Total
			Service Fund	Total		
2012	2013	33.599	15.13	48.727	24.27	73.00
2011	2012	33.341	15.45	48.788	24.27	73.06
2010	2011	32.644	14.25	46.890	24.27	71.16
2009	2010	32.485	14.196	46.681	24.27	70.95
2008	2009	33.197	13.906	47.103	24.27	71.38
2007	2008	33.358	13.142	46.500	24.27	70.77
2006	2007	33.970	12.530	46.500	24.27	70.77
2005	2006	33.066	13.434	46.500	24.27	70.77
2004	2005	35.108	11.392	46.500	24.27	70.77
2003	2004	35.568	10.932	46.500	24.27	70.77

Notes:

(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/assessor/documents/tax-district-levies.pdf>

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

	2012			2003		
	Taxable Assessed		Percentage of Total Taxable Assessed	Taxable Assessed		Percentage of Total Taxable Assessed
	Value	Rank	Value	Value	Rank	Value
Park Meadows Mall LLC	\$ 61,970,950	1	1.37%	\$ 51,248,409	2	1.57%
Intermountain Rural Elec Assn.	54,898,400	2	1.21%	44,233,400	4	1.35%
Century Link (was Quest Corporation)	53,535,660	3	1.18%	72,953,400	1	2.23%
HCA HealthOne LLC	48,617,650	4	1.07%			0.00%
Public Service Co. of Colo	47,490,100	5	1.05%	48,021,200	3	1.47%
Target Corporation	16,207,030	6	0.36%			0.00%
Plaza Drive Properties LLC	15,079,990	7	0.33%	18,850,000	7	0.58%
Wells Reit II South Jamaica Street LLC	11,759,110	8	0.26%	-		0.00%
Liberty Property Holdings Inc.	10,950,090	9	0.24%	-		0.00%
Echostar Real Estate Corporation IV	10,384,380	10	0.23%	12,421,180	10	0.38%
TGS Realty Inc.	-		-	20,299,880	5	0.62%
Visa Usa Inc.	-		-	20,292,858	6	0.62%
Comcast of Colorado X LLC	-		-	14,629,781	8	0.45%
Wells Fargo Bank Trustee	-		-	12,768,810	9	0.39%
Total Principal Taxpayers	\$ 330,893,360		7.30%	\$ 315,718,918		9.66%

Source: Douglas County 2012 CAFR page 128

<http://www.douglas.co.us/finance/documents/2012-comprehensive-annual-financial-report.pdf>

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

Assessment Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Levy
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%
2005	2006	179,088,243	176,590,109	98.61%	194,135	176,784,244	98.71%
2004	2005	160,092,493	159,487,668	99.62%	121,266	159,608,934	99.70%
2003	2004	151,865,044	149,276,356	98.30%	635,409	149,911,765	98.71%

Source: School District Financial Records

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

<u>Governmental Activities</u>								
Year Ended June 30	General Obligation Bonds ¹	Certificates of Participation ¹	Total	Assessed Value ²	Personal Income ³	Population ³	Percentage of Personal Income	Total Debt Per Capita
2013	\$470,743,316	\$ 40,735,000	\$ 511,478,316	\$4,551,405,080 *	\$21,954,925	295,689	4.29%	\$ 1,730
2012	509,211,093	26,505,000	535,716,093	4,504,735,760	18,081,970	291,083	3.38%	1,840
2011	543,221,501	27,540,000	570,761,501	4,916,844,570	17,514,402	288,430	3.07%	1,979
2010	580,366,240	28,575,000	608,941,240	4,879,538,950	17,108,472	290,059	2.81%	2,099
2009	608,924,744	16,920,000	625,844,744	4,678,187,640	16,969,723	286,780	2.71%	2,182
2008	637,134,744	17,655,000	654,789,744	4,513,520,560	14,706,467	281,418	2.25%	2,327
2007	609,424,795	17,980,000	627,404,795	4,022,845,950	12,993,222	268,506	2.07%	2,337
2006	477,537,985	4,465,000	482,002,985	3,824,694,533	11,347,684	252,988	2.35%	1,905
2005	492,736,706	4,775,000	497,511,706	3,421,062,410	9,657,842	236,524	1.94%	2,103
2004	474,089,030	5,075,000	479,164,030	3,244,520,170	8,702,221	224,023	1.82%	2,139

Source: (1) School District Financial Records

(2) Douglas County Government

*<http://www.douglas.co.us/assessor/documents/current-abstract-of-assessment.pdf>

(3) Douglas County CAFR pg 134- Demographic and Economic Statistics

<http://www.douglas.co.us/finance/documents/2012-comprehensive-annual-financial-report.pdf>

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

2012 and prior numbers have not been updated to match the County's updated data .



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

Year Ended June 30	General Obligation Bonds ¹	Debt Service Funds Available ¹	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita	Actual Value ²	Assessed Value ³	Personal Income ⁴	Population ⁴
2013	\$ 470,743,316	\$38,316,380	\$ 432,426,936	1.31%	1,462	\$33,086,048,116	\$4,551,405,080	\$21,954,925	295,689
2012	509,211,093	40,687,776	468,523,316	1.43%	1,610	32,726,886,181	4,504,735,760	21,370,411	291,083
2011	543,221,541	34,010,448	509,211,093	1.19%	1,718	42,796,887,933	4,916,844,570	18,911,869	296,374
2010	580,366,240	37,144,738	543,221,502	1.28%	1,873	42,388,764,678	4,879,538,950	19,969,723	290,059
2009	608,924,744	28,558,504	580,366,240	1.42%	2,024	40,851,922,503	4,678,187,640	16,969,723	286,780
2008	637,134,744	28,210,000	608,924,744	1.54%	2,164	39,541,237,491	4,513,520,560	14,706,467	281,418
2007	609,424,795	34,287,234	575,137,561	1.63%	2,142	35,350,080,781	4,022,845,950	12,993,222	268,506
2006	477,537,985	32,441,936	445,096,049	1.34%	1,759	33,298,821,051	3,824,694,533	11,347,684	252,988
2005	492,736,706	25,227,192	467,509,514	1.57%	1,977	29,786,127,985	3,421,062,410	9,657,842	236,524
2004	474,089,030	30,537,110	443,551,920	1.57%	1,980	28,182,515,810	3,244,520,170	8,702,221	224,023

Source: (1) School District Financial Records

(2) Table 5 - actual value - DCSD CAFR Stat Section

(3) Douglas County Government

<http://www.douglas.co.us/assessor/documents/current-abstract-of-assessment.pdf>

(4) Douglas County CAFR pg 134- Demographic and Economic Statistics

<http://www.douglas.co.us/finance/documents/2012-comprehensive-annual-financial-report.pdf>

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

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

2012 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)^A

Estimated Overlapping General Obligation Debt

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. Additional taxing entities may overlap with the District in the future.

Estimated Overlapping General Obligation Debt

Name of Overlapping Entity	2012		Outstanding G.O. Debt	
	Assessed Valuation ⁽¹⁾	Outstanding G.O. Debt	Percent	Attributable to the District ⁽²⁾ Amount
Antelope Heights Metropolitan District	\$ 12,388,100	\$ 9,665,000	100.00%	\$ 9,665,000
Arapahoe County Water and Wastewater P.I.D.	325,585,590	152,960,623	0.22	336,514
City of Aurora	2,955,790,168	10,955,000	0.17	18,624
Canterberry Crossing Metropolitan District	24,042,930	10,910,000	100.00	10,910,000
Canterberry Crossing Metropolitan District II	19,010,470	12,725,000	100.00	12,725,000
Castle Oaks Metropolitan District	9,310,140	17,140,000	100.00	17,140,000
Castle Pines Metropolitan District	135,450,610	4,445,000	100.00	4,445,000
Castle Pines North Metropolitan District	130,612,920	13,930,000	100.00	13,930,000
Castlewood Ranch Metropolitan District	25,272,020	20,740,000	100.00	20,740,000
Chatfield South Water District	4,826,790	274,894	100.00	274,894
Cherokee Ridge Estates Metropolitan District	4,015,400	1,150,000	100.00	1,150,000
Cherry Creek South Metropolitan District No. 1	35,798,560	4,975,000	100.00	4,975,000
Compark Business Campus Metropolitan District ⁽³⁾	34,725,680	51,110,000	100.00	51,110,000
Concord Metropolitan District	17,582,430	5,540,000	100.00	5,540,000
Consolidated Bell Mountain Ranch Metropolitan District	13,868,770	13,835,000	100.00	13,835,000
Cottonwood Water and Sanitation District ⁽⁴⁾	76,541,460	21,518,305	100.00	21,518,305
Crystal Crossing Metropolitan District	1,898,340	5,870,000	100.00	5,870,000
Crystal Valley Metropolitan District No. 1	33,690	19,963,409	100.00	19,963,409
Elkhorn Ranch Metropolitan District No 1	5,173,880	8,245,000	100.00	8,245,000
Heritage Hills Metropolitan District	35,421,330	1,495,000	100.00	1,495,000
Highlands Ranch Metropolitan District	1,147,734,760	64,890,000	100.00	64,890,000
Horse Creek Metropolitan District	10,940,990	4,555,000	100.00	4,555,000
Horseshoe Ridge Metropolitan District No.1-3 ⁽⁵⁾	5,685,920	3,850,000	100.00	3,850,000
Hunting Hill Metropolitan District	1,627,120	3,955,000	100.00	3,955,000
Inverness Metropolitan Improvement District	280,588,430	5,695,000	34.27	1,951,677
Inverness Water and Sanitation District	271,905,880	20,105,000	35.37	7,111,139
Jordan Crossing Metropolitan District	1,868,430	1,370,000	100.00	1,370,000
Larkspur Fire Protection District	122,039,300	2,870,000	100.00	2,870,000
Lincoln Creek Metropolitan District ⁽⁶⁾	1,407,000	4,130,000	100.00	4,130,000
Lincoln Meadows Metropolitan District	8,656,990	7,585,000	100.00	7,585,000
Lincoln Park Metropolitan District	30,049,060	41,967,620	100.00	41,967,620
Lincoln Station Metropolitan District	14,801,860	13,532,000	100.00	13,532,000
Maher Ranch Metropolitan District No. 4	21,868,000	20,335,000	100.00	20,335,000
Meadows Metropolitan Districts Nos. 1-7 ⁽⁷⁾	121,489,500	70,000,000	100.00	70,000,000
Meridian Metropolitan District	143,496,930	70,000,000	100.00	70,000,000
Meridian Village Metropolitan District No. 1&2 ⁽⁸⁾	11,405,060	35,185,000	100.00	35,185,000
Neu Towne Metropolitan District	3,188,800	5,275,000	100.00	5,275,000
North Meridian Metropolitan District	216,639	7,143,000	100.00	7,143,000
North Pines Metropolitan District	4,332,270	2,305,000	100.00	2,305,000
Old Towne Metropolitan District	2,763,491	910,000	100.00	910,000
OmniPark Metropolitan District	41,271,350	5,525,000	100.00	5,525,000
Park Meadows Metropolitan District	273,418,450	680,000	100.00	680,000
Parker Automotive Metropolitan District	6,599,787	14,480,000	100.00	14,480,000
Parker Water and Sanitation District	458,892,906	96,380,000	100.00	96,380,000
Pine Bluffs Metropolitan District	5,165,323	4,510,000	100.00	4,510,000

Estimated Overlapping General Obligation Debt (Continued)

Name of Overlapping Entity	2012	Outstanding G.O. Debt	Outstanding G.O. Debt	
	Assessed Valuation ⁽¹⁾		Percent	Attributable to the District ⁽²⁾ Amount
Pinery West Metropolitan District No. 2	31,077,520	18,285,000	100.00	18,285,000
Pinery West Metropolitan District No. 3	9,780,340	2,315,000	100.00	2,315,000
Plum Creek Metropolitan District	17,910,830	1,745,000	100.00	1,745,000
Rampart Range Metropolitan Districts Nos.1,2 & 7	93,200,990	70,000,000	100.00	70,000,000
Ravenna Metropolitan District	10,528,930	13,280,000	100.00	13,280,000
Reata North Metropolitan District	13,077,780	9,675,000	100.00	9,675,000
Reata South Metropolitan District	16,021,120	19,350,000	100.00	19,350,000
Regency Metropolitan District	3,192,700	2,990,000	100.00	2,990,000
Robinson Ranch Metropolitan District	1,334,590	700,000	100.00	700,000
Rocking Horse Metropolitan District No.2	4,988,780	30,648,000	100.00	30,648,000
Roxborough Village Metropolitan District	52,585,810	15,269,391	100.00	15,269,391
Roxborough Water and Sanitation District	126,621,550	7,055,000	72.63	5,124,047
Sedalia Water and Sanitation District	6,042,240	152,072	100.00	152,072
Solitude Metropolitan District	2,840	5,000,000	100.00	5,000,000
South Meridian Metropolitan District	25,709,550	10,539,000	100.00	10,539,000
South Suburban Park and Recreation District	2,597,254,240	21,025,000	18.14	3,813,935
Southeast Public Improvement Metropolitan District	1,739,666,580	3,695,000	33.45	1,235,978
Southpark Metropolitan District	56,026,180	500,000	4.06	20,300
Stone Canyon Ranch Metropolitan District	1,780,390	520,704	100.00	520,704
Stonegate Village Metropolitan District	72,016,190	28,340,000	100.00	28,340,000
Tallman Gulch Metropolitan District	815,522	4,214,000	100.00	4,214,000
Villages at Castle Rock Metropolitan District No. 4 and Founders Village Metropolitan District ⁽⁹⁾	37,208,590	25,911,000	100.00	25,911,000
Villages at Castle Rock Metropolitan District No 6	7,536,820	21,266,165	100.00	21,266,165
Villages at Castle Rock Metropolitan District No. 7	18,805,760	2,750,000	100.00	2,750,000
West Metro Fire Protection District	2,891,689,140	35,385,000	3.62	1,280,937
	<u>\$ 14,693,638,506</u>	<u>\$ 1,245,290,183</u>		<u>\$ 1,008,807,711</u>

(1) The 2012 assessed valuation figures certified by the County Assessors are for collection of ad valorem property taxes in 2013.

(2) 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 assess valuation of overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

(3) Pursuant to an agreement with Compark Business Campus Metropolitan District, E-470 Potomac Metropolitan District is required (through 2018) to levy a limited mill levy to pay debt service on a portion of the bonds.

(4) Includes capital appreciation bonds in the original principal amount of \$3,810,741.50 with an appreciated value at maturity in 2027 of \$19,106,585.42.

(5) Pursuant to capital pledge agreement, Horseshoe Ridge Metropolitan Districts Nos. 2 and 3 (rhe "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.

(6) Lincoln Creek Metropolitan District has defaulted on its general obligation debt and, as of December 31, 2012, the outstanding principal balance is the original amount of \$4,130,000 with accrued interest of \$444,401.

(7) 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.

(8) 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.

(9) Pursuant to an agreement with Villages at Castle Rock Metropolitan District No. 4 ("Village No. 4"), Founders Village Metropolitan District is obligated to levy a limited mill levy to pay debt service on the bonds. Pursuant to a Plan for Adjustment of Debts approved by the U.S. Bankruptcy Court, Villages No. 4 issued its Revenue Refunding Bonds Series 1991 in the amount of \$29,970,000. The 1991 Bonds mature in 2031, and any outstanding current interest, accrued by unpaid interest, and principal amounts due as of such date will be discharged. As of December 31, 2012, the amount of unpaid accrued interest is \$56,604,584.

Sources: Assessors' Offices of Adams, Arapahoe, Douglas, and Elbert Counties; and individual taxing entities.

(A) Source: Sherman and Howard, bond counsel, Preliminary Official Statement, January 2013, page 57 and 58

Douglas County School District Re. 1
 Legal Debt Margin
 as of June 30, 2013

	2013	2012	2011	2010	2009
Debt limit	\$ 1,137,851,270	\$ 1,126,183,940	\$ 1,229,211,143	\$ 1,219,884,738	\$ 1,169,546,910
Total debt applicable to limit	470,743,316	509,211,093	543,221,541	580,366,240	608,924,744
Legal debt margin	667,107,954	616,972,847	685,989,602	639,518,498	560,622,166
Total debt applicable to the limit as a percentage of debt limit	41.37%	45.2%	44.2%	47.6%	52.1%

Source: School District Financial Records

Table 12

2008	2007	2006	2005	2004
\$ 1,128,380,140	\$ 1,005,711,488	\$ 962,840,013	\$ 860,712,323	\$ 816,479,228
637,134,744	609,424,795	477,537,985	492,736,706	481,559,030
491,245,396	396,286,693	485,302,028	367,975,617	334,920,198
56.5%	60.6%	49.6%	57.2%	59.0%

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	Unemployment Rate
2012	295,689	74,250	21,954,925	2.95	37.4	63,114	5.90%
2011	291,083	71,463	20,801,664	2.79	36.6	61,465	6.10%
2010	288,430	63,056	17,743,150	2.86	36.6	59,932	6.70%
2009	290,059	62,633	17,255,256	2.90	34.3	56,031	6.60%
2008	286,780	58,305	15,577,869	2.88	35.7	52,983	5.10%
2007	281,418	53,329	13,659,407	2.85	33.5	51,689	3.20%
2006	268,506	48,416	11,770,604	2.80	35.4	50,370	4.90%
2005	252,988	43,115	10,024,521	2.88	33.7	48,043	3.60%
2004	236,524	40,743	8,977,741	2.87	33.7	44,762	4.30%
2003	224,023	40,780	8,519,321	2.52	33.7	42,009	4.60%

Source:

(1) Douglas County CAFR- page 134

<http://www.douglas.co.us/finance/documents/2012-comprehensive-annual-financial-report.pdf>

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

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

2012 and prior numbers have not been updated to match the County's updated data .

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

	2012			2003		
	<u>Employees</u>		<u>% of Total County Employment</u>	<u>Employees</u>		<u>% of Total County Employment</u>
Douglas County Schools	5,292	1	3.31%	5,102	1	5.75%
Echostar Communications	1,950	2	1.22%	1,765		1.88%
CH2M Hill	1,630	3	1.02%	1,200	5	1.28%
Healtone: Sky Ridge Medical	1,110	4	0.69%			
Western Union	1,090	5	0.68%			
Douglas County Government	1,061	6	0.66%	987	6	1.05%
Centura:Parker Adventist Hospital	930	7	0.58%			
Information Handling Services	730	8	0.46%	680	10	0.73%
AVAYA	650	9	0.41%	1,500	4	1.60%
Liberty Media	620	10	0.39%	-	-	-
First Data Corporation	-	-	-	1,700	3	1.81%
Teletec Holdings	-	-	-	970	7	1.03%
Time Warner	-	-	-	940	8	1.00%
Expanets	-	-	-	920	9	0.98%
Total for Principal Employers	<u>15,063</u>		<u>9.42%</u>	<u>15,764</u>		<u>17.10%</u>
Total Employment in Douglas County as of June 30th	160,069			93,766		

Source: Douglas County CAFR pg 135 (Total County Employment calculation was changed to correct %, so does not match the County's published figure.)
<http://www.douglas.co.us/finance/documents/2012-comprehensive-annual-financial-report.pdf>

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

	2013	2012	2011	2010
Instructional Services:				
Administrators Direct Educational Support	23	25	29	31
Principals and Assistant Principals	136	128	132	158
Admin. Intern, BRT, RTI Staff	62	60	61	80
Instructional Support Professionals	21	31	17	28
Classroom Teachers, Regular and Special Services	2,814	2,721	2,800	2,814
Educational Assistants- Regular and Special Services	839	689	790	842
Pre School and Child Care	205	257	188	203
Food Services	185	179	183	227
Guidance Counselors	62	63	65	64
Student Support Professionals :	252	257	242	275
Speech Pathologist, Orthopedic and Physical Therapists				
Psychologists, Social Workers, Occupational Therapists				
Certified Librarians	21	22	14	14
Media Specialists	51	51	52	61
Nurses	23	21	19	21
Health Assistants	33	30	28	31
Athletic Trainers	8	9	9	9
Computer Resource Tech Support	37	33	22	41
Other				
Operational Support Services:				
Administrators	22	18	17	19
Technical Professionals	26	22	24	29
Business Services, Human Resources and Operational Professionals	72	59	45	49
Security Services; including Crossing Guards	57	42	42	39
Operations & Maintenance	247	252	301	306
Pupil Transportation and Bus Drivers	264	269	254	275
School Clerical, Business Office, Payroll and Benefits	403	450	455	473
	5,863	5,688	5,789	6,089

(1) FTE is defined as the number of hours worked per day divided by 8. For example an individual working 8 hours a day is equivalent to 1 FTE and an individual working 4 hours is equivalent to .5 FTE. The FTE values for all years have been updated to reflect the FTE definition. Source: School District HR records, as of May 1st of each year.

Table 15

2009	2008	2007	2006	2005	2004
33	29	15	10	15	13
161	160	147	132	132	124
18	77	70	69	62	53
29	40	37	7	2	32
3,051	2,920	2,723	2,572	2,435	2,311
867	864	737	646	636	562
144	143	134	190	170	160
217	271	204	116	141	113
67	64	60	58	56	47
259	228	224	210	184	174
27	28	20	15	14	11
61	63	62	61	45	61
22	21	17	16	16	16
36	32	31	34	46	15
8	8	9	7	7	0
36	34	33	82	0	0
25	31	40	46	34	36
29	25	23	26	41	30
57	45	43	43	58	50
45	19	15	45	41	10
314	284	278	275	226	263
294	333	318	255	231	252
568	492	450	418	406	344
6,368	6,211	5,690	5,333	4,998	4,677

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

	2013	2012	2011	2010
School Enrollment ¹	64,657	63,114	61,465	59,932
Funded Pupil Count ²	61,199	59,606	57,566	56,181
Average Student Teacher Ratio ³	21.0	26.7	24.2	22.1
Expenses - Total Governmental Funds ⁴	\$ 532,188,572	\$ 534,989,686	\$ 532,156,679	\$ 577,658,834
Cost per FPC	\$ 8,696	\$ 8,975	\$ 9,244	\$ 9,639
Bus Miles Traveled ⁵	3,807,811	3,600,911	3,381,542	3,295,241
Preventive Maintenance Work Orders ⁶	20,438	16,861	22,428	17,777
Building Square Footage ⁶	6,661,633	6,660,845	6,617,016	6,282,231
Free & Reduced Student Count	7,321	6,867	6,502	4,887
% of Free & Reduced to Total School Enrollment ⁷	11.6%	10.9%	10.6%	8.2%
Average Teacher Salary ⁸	\$ 53,582	\$ 54,429	\$ 54,771	\$ 54,520

(1) Source Colorado Department of Education Website: Pupil Membership by county,district and grade
<http://www.cde.state.co.us/dataandaccountability>

(2) Source Colorado Department of Education Website: Financial Calculation Worksheet
<http://www.cde.state.co.us/cdefinance/sfdetails.htm>

2012-2013 School Finance Funding, District Funding Calculation Worksheet, (row FC10)

(3) Source- Colorado Department of Education Website- 2012 Pupil member Ship by School and
<http://www.cde.state.co.us/cdereval/pupilcurrentschool>

(4) Table 2 -DCSD CAFR Stat Section

(5) CDE 40 -DCSD Financial Records

(6) From DCSD Records

(7) From Colorado Department of Education Website: Free and reduced lunch eligibility
<http://www.cde.state.co.us/cdereval/pupilcurrentdistrict>

(8) DCSD Financial Records

Table 16

2009	2008	2007	2006	2005	2004
57,723	52,393	50,385	48,043	45,814	43,964
54,921	49,676	49,297	47,407	44,761	42,009
20.6	19.3	19.6	19.6	19.1	19.1
\$ 594,356,294	\$ 603,803,410	\$ 548,422,117	\$ 417,160,136	\$ 404,549,537	\$ 355,821,009
\$ 10,297	\$ 11,525	\$ 10,885	\$ 8,683	\$ 8,830	\$ 8,093
4,212,904	4,196,613	3,640,784	3,032,104	2,751,288	2,655,354
15,539	13,865	15,618	13,543	16,540	12,289
6,137,617	5,596,976	5,375,895	5,267,680	5,020,951	4,816,627
4,416	2,377	1,972	2,227	2,023	1,650
7.7%	4.5%	3.9%	4.6%	4.4%	3.8%
\$ 54,714	\$ 51,547	\$ 53,532	\$ 49,239	\$ 48,451	\$ 47,394

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Schools										
Elementary Schools	47	47	47	46	46	44	41	41	41	39
Middle Schools	9	9	9	9	9	7	7	7	7	7
High Schools	9	9	9	9	9	9	9	8	7	7
Charter Schools ¹	13	11	9	8	8	7	6	6	5	5
Magnet Schools	2	2	2	2	2	2	1	1	1	1
Alternative High Schools	1	1	1	1	2	2	2	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	1	1	1	1	1	1
Bus Terminals	3	3	3	3	3	3	3	3	3	3
Operations & Maintenance	3	3	3	3	3	3	2	2	2	2
Warehouse	2	2	2	2	1	1	1	1	1	1
Cantril	1	1	1	1	1	1	1	1	1	1

Source: School District Financial Records

* American Academy constructed a second school site in FY 2012-2013.

***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 business-type 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, 2013 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 2, 2013. Our report includes a reference to other auditors who audited the financial statements of the District's Charter Schools (the aggregated discretely presented component units), as described in our report on the District's financial statements. The financial statements of the District's 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 District's 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

McGladrey LLP

Denver, Colorado
December 2, 2013



**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133**

Independent Auditor's Report

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

Report on Compliance for Each 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 Circular A-133 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, 2013. 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, 2013. Our audit, described below, did not include the operations of the Charter Schools because they were audited by other auditors.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McGladrey LLP

Denver, Colorado
December 2, 2013

Douglas County School District RE.1

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

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	\$ 1,041,520
Special Education (IDEA, Part B)	84.027	4027--5041	10,556,019
Preschool (Special Ed Preschool Grants)	84.173	4173--5049	125,329
Title V, Part B: Charter Schools Program	84.282	5282	461,504
Escape-AP Placement Exams	84.330	5330	3,760
Title III, Part A: English Language Acquisition Grants	84.365	4365--5024	190,915
Improving Teacher Quality	84.367	4367--5056	458,487
ARRA -Innovation (i3 Grant)	84.396	4396	7,711
Race to the Top	84.396	4413	31,154
Title 1A Prevention Integration (Race to the Top)	84.413	5010	23,909
Passed Through State Department of Human Services			
Vocational Rehabilitation Grants	84.126	5126--5050	281,520
Passed Through State Board for Community College and Occupational Education:			
Career & Technical Education Grant	84.048	4048--5060	182,707
Total Department of Education			<u>13,364,535</u>
U.S. Department of Health and Human Services			
Passed Through State Department of Education			
Substance Abuse and Mental Health Services - Project Safety Net	93.243	7243	5,385
Childcare Development & Block Grant	93.575	7575	100,221
Total Department of Health and Human Services			<u>105,606</u>
U.S. Department of Agriculture			
Passed Through State Department of Education			
School Breakfast Program	10.553	4553	153,773
National School Lunch Program	10.555	4555	2,623,749
			<u>2,777,522</u>
Passed Through State Department of Human Services			
National School Lunch Program	10.555	4550	837,372
Total Department of Agriculture			<u>3,614,894</u>
National Endowment for the Humanities			
Passed Through State Department of Education			
Library Service Tech Grant (Formula Grant)	45.310	7310	8,905
Total Expenditures of Federal Awards			<u>\$ 17,093,940</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, 2013

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 (District) for the year ended June 30, 2013. 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 OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to the revenue. For the District's governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

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 \$837,372 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.

Douglas County School District RE.1

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013

Number	Comment	Status	Corrective Action Plan or Other Explanation
Findings Related to the Financial Statement Audit as Required to be Reported in Accordance With Generally Accepted Government Auditing Standards :			
Internal Control			
12-II-A	There were matters that materially effected the June 30, 2011 financial statements of the government activities that resulted in a restatement to June 30, 2011 governmental activities net assets.	Corrected	
12-II-B	Members of the District's software integration team used the same oracle super-user account name and password to log into the application and database. The use of several employees using the same account classified the super-user account as a generic account.	Corrected	
Findings and Questioned Costs for Federal Awards:			
Internal Control			
12-III-A	The district did not have adequate controls in place to ensure compliance with the suspension and debarment requirements of OMB Circular A-133 for the Special Education IDEA program.	Corrected	

Douglas County School District RE.1

Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

I. Summary of 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 No
- 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 No

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 Section 510(a) of Circular A-133? Yes No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs: \$512,818

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, 2013

- II. Findings Related 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**
 - None reported

- III. Findings and Questioned Costs for Federal Awards**
 - A. Internal Control**
 - None reported
 - B. Compliance Findings**
 - None reported

Douglas County School District RE.1

**Corrective Action Plan
Year Ended June 30, 2013**

Current Finding Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
------------------------------	---------	------------------------	-----------------------------------	----------------

None reported



**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 business-type activities, each major fund, the aggregate discretely presented component units and aggregate remaining fund information of Douglas County School District RE.1 as of and for the year ended June 30, 2013, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2013. Our report was modified to include a reference to other auditors. 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 financial statements as a whole.

McGladrey LLP

Denver, Colorado
December 2, 2013



Colorado Department of Education
Auditors Integrity Report
 District: 0900 - DOUGLAS COUNTY RE 1
 Fiscal Year 2012-13
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	79,380,273	368,843,622	362,861,527	85,362,368
18 Risk Mgmt Sub-Fund of General Fund	2,783,609	3,654,644	4,243,381	2,194,872
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	82,163,882	372,498,266	367,104,908	87,557,240
11 Charter School Fund	12,569,894	84,212,418	81,817,671	14,964,641
20,26-29 Special Revenue Fund	926,040	13,579,227	13,769,776	735,492
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	185,119	13,896,826	13,896,825	185,120
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	929,809	19,389,575	19,822,087	497,297
31 Bond Redemption Fund	60,333,963	102,748,494	103,547,388	59,535,069
39 Non-Voter Approved Debt Service Fund	0	2,766,675	2,515,779	250,896
41 Building Fund	18,002,256	15,225,827	18,855,678	14,372,406
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	17,290,639	20,275,318	21,192,226	16,373,731
Totals	192,401,602	644,592,627	642,522,338	194,471,892
Proprietary				
51 Food Service Fund	818	14,489,727	14,470,522	20,023
50 Other Enterprise Funds	2,441,395	16,936,116	18,436,461	941,050
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	9,814,847	35,941,957	36,111,893	9,644,911
Totals	12,257,060	67,367,800	69,018,876	10,605,984
Fiduciary				
70 Other Trust and Agency Funds	63,866	59,000	59,000	63,866
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	7,366,575	2,725,633	4,296,713	5,795,495
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	7,430,440	2,784,633	4,355,713	5,859,360

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.

12/23/13



Douglas County School District
Learn today. Lead tomorrow.

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