



# Comprehensive Annual Financial Report

For the Year Ended June 30, 2014



**Douglas County School District**

*Learn today. Lead tomorrow.*



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

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
For the Year Ended June 30, 2014



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**Dr. Elizabeth Celandia-Fagen**  
**SUPERINTENDENT**

**Prepared by:**  
**Office of Business Services**

**Bonnie J. Betz**  
**Chief Financial Officer**

**Jana Schleusner**  
**Director of Finance**



**Douglas County** School District  
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 June 30, 2014

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***INTRODUCTORY  
SECTION***



**Douglas County School District**  
*Learn today. Lead tomorrow.*

Dr. Elizabeth Celania-Fagen  
Superintendent

December 4, 2014

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

It is our pleasure to submit to you the Douglas County School District RE. 1 (the District or DCSD) Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. 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, 2014. 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, 2014, 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 just over 302,000. The District receives funding from local, state and federal government sources and must comply with the requirements of each of these funding sources.

The District provides a full range of preK-12 educational school programs and services for about 66,500 students including basic education in elementary, middle and senior high schools, online educational options, vocational education, home schooled student support, and other opportunities for personalized learning designed to meet the unique needs of each individual student. About 3,000 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. This past January, long time Board member, Justin Williams, resigned and the vacant seat was filled by Mr. Richard Robbins after a comprehensive interview process by the remaining six (6) member Board. General duties which the Board is empowered to perform include employing and compensating all personnel necessary to maintain operations and carry out the educational programs of the District; fixing attendance boundaries; establishing annual budgets; determining the educational programs carried on in the schools of the District; and prescribing the textbooks of any course of instruction or study in such educational programs.

The District includes as discretely presented component units twelve (12) charter schools; Academy Charter, American Academy now with a second site expanded into Parker, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, Parker 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. Aspen View Academy and the second site of American Academy completed their first year of operation as of June 30, 2014.

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:** As of June 30, 2014, the District's Superintendent, Dr. Elizabeth Celania-Fagen, completed her fourth year as the District's leader. Throughout FY 2013-2014, 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. In the spring of 2014, the District engaged in a comprehensive process aimed at updating the Strategic Plan and formally added Safety – a long-term priority for the District – as its first strategic priority. This updated Strategic Plan, unanimously approved by the Board of Education on July 15, 2014, continues this work associated with the Choice, World Class Education and System Performance priorities as well as Safety. The new strategic priority, safety, includes both physical and psychological safety for all students and staff members in the District.

After four years of hard work reinventing American education by empowering teachers and building leaders to transform classrooms to align what is best for all students in the 21st century, the District has earned the highest school district rating available from CDE – Accredited with Distinction. We are the only school district in Colorado with over 30,000 students to receive this rating.

Even with this recognition, DCSD continues its work to reinvent American education using a continuous improvement process. As a result, milestones continue to be achieved in the development of formative and interim assessments in all grade levels and content areas. In tandem with this groundbreaking assessment work, DCSD continues to partner with teacher leaders to enhance and update the District's Guaranteed and Viable Curriculum (GVC) for all grade-levels and subject matters. Finally, the assessment and curriculum creation work has been supported with world class professional development for all staff. Again, all of this work has been done collaboratively with hundreds of the District's teachers working alongside educational leaders for the benefit of all District students.

As an integral part of this comprehensive and systemic work, the District has aligned its teacher metrics to its new curriculum, assessments, and instructional expectations. Pursuant to Colorado Senate Bill 191, the teacher evaluations must include student performance data. DCSD chose not to adopt the State's evaluation instrument, and instead, collaboratively developed over 20 different evaluation rubrics associated with various types of teachers including; teachers providing instruction in many different subject matter areas, specialty teachers like speech pathologists, counselors, librarians and psychologists, and school nurses. In the spring of 2014, teachers were evaluated using these evaluation instruments. This body of evidence and associated rubrics determined their level of effectiveness in the classroom. Fiscal Year (FY) 2013-2014 marks the first year in which teachers piloted Continuous Improvement of Teacher Effectiveness (CITE) Standard 6, which incorporates student performance data. Each teacher's effectiveness rating (exclusive of CITE 6, as this was a pilot year) was used in assigning their salary increase for FY 2014-2015.

The teacher's performance associated with student success is measured by data included in the District's balanced assessment system. Our balanced assessment system incorporates quality 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 continues to enhance our own evaluation software, InspirED Innovation. This evaluation software is used in tandem with the balanced assessment system to gather and analyze all the teacher and student 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, 2014, marks the end of the second 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. In the past, due to the constraints of the salary schedule, it has been difficult to attract hard-to-hire (or low supply) teachers such as those in calculus, physics, Chinese, and special education. We could not pay them enough to attract them to work in our school district above all others. By moving to a market-based pay system where we often have hundreds of applicants for some teaching positions and a handful of applicants in others, we are able to offer what the market requires for each position. This frees up salary dollars to attract and retain the best teachers to fill hard-to-hire positions.

Finally, last spring, the District completed a comprehensive request for proposal (RFP) process to upgrade or replace our aging Human Resources and Payroll processing software system. Our existing Oracle eBusiness Suite was last upgraded in 2001 and is fully customized making a potential upgrade costly and difficult. This 15 month process resulted in a contract award to Workday (a software-as-a-service provider) and their partner implementers, Sierra Cedar. This new software solution will allow us to consolidate some systems, eliminate others and provide us with additional functionality to further automate paper driven processes. Since award, Payroll, Finance and Human Resources staff have been actively engaged in configuring the District's software tenant, in reviewing, correcting and facilitating the transfer of data from Oracle to Workday and in comprehensive testing. We are expected to go live in this new software April 1, 2015. The District's strategic plan governs our business

operations as well as our core education functions. This software replacement will provide world class tools to our employees, will facilitate the acquisition of data and reports to gauge system performance and will enhance our 3,500 teachers' ability to focus on the classroom and their students.

**Demographic Data**<sup>1</sup>: The County's population continues to grow and the population increased over last year by 2.3% exceeding the 300,000 resident mark. Indicative of the nation's economic recovery, unemployment has dropped from a high of 6.7% in 2010 down to 5.6% in 2014. Employment grew 5.75% in Douglas County, the second highest job growth in the nation among 334 similarly sized counties.

Douglas County School District enrollment continues to grow about 500 to 1,500 students per year and remains the third largest school district in the State of Colorado. Enrollment for FY 2014-2015 is expected to exceed 66,700 students compared to about 66,200 in the reporting year. Continued growth provides additional revenue as well as additional needs for classrooms, teachers, bus drivers and employees of every type. Though we are in a relatively low growth point in our history, Douglas County School District is expected to double in size over the next 20 years. The new Sterling Ranch development, approved by the County Commissioners last year, is expected to need 7 or 8 new elementary schools, up to 2 middle schools and up to 2 high schools by 2035. Over 12,050 dwelling units are planned in 3 areas requiring student seats for a projected 5,048 elementary students, 1,483 middle school students and about 3,000 high school students.

As we have done in the past, we will manage the increases in enrollment growth using multiple strategies including; a four track calendar model allowing us to handle 25% more students in our existing buildings, utilizing mobile buildings when necessary, and partnering with charter schools. As mentioned earlier, Aspen View Academy in Castle Rock and the second school site for American Academy in Parker both finished their first year of operation as of June 30, 2014. Both of these schools partnered with the District under the two year old Certificate of Participation policy providing land or financing support facilitating their opening and at the same time, providing needed student seats in these two high growth areas of the District. These two schools offered a combined increase in student seats of about 1,500 students. Aspen View Academy, through their per pupil revenue, is responsible for the lease payments on the certificates but due to the District's strong credit rating and therefore, a significantly lower interest rate, these payments are much more affordable. For American Academy's second site, the District agreed to allow them to use a District site 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. The Long Range Planning Committee (LRPC), created in 1984, is charged with studying school district facility and capacity needs. An advisory group comprised of community members, the LRPC keeps close track of new housing developments and student enrollment trends. The LRPC is charged with managing 5-year growth projections, communicating facility maintenance needs and recommending bond cycles to address both growth and facility upgrade needs.

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 (FOC), 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 June. The most recent revision presented in June of 2014 specified needs totaling approximately \$275 million: \$133.6 million for facility reinvestment, \$38.8

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<sup>1</sup>Source: Douglas County Comprehensive Annual Financial Report, December 31, 2013

million to construct new early childhood centers, an addition to Castle View High School to address growth in enrollment, and a new special education K-8; \$5 million to replace aged buses and support fleet vehicles, \$53 million for technology hardware and capital projects; \$17.4 million for security equipment and infrastructure, \$2.3 million for life safety fire alarm system projects, and \$25 million for critical mechanical, electrical, structural and roofing projects which, if not completed, could interrupt the educational program. The use of General Fund monies as well as Certificates of Participation proceeds within the Building Fund have been used over the past 4 years to meet the District's most urgent facility and equipment needs.

Upon presenting the June 2014 revision of the Master Capital Plan, the Board of Education requested that the LRPC engage in a community outreach effort to gain input from all stakeholder groups on how best the District and the Board of Education can address these critical facility needs over the next five years. A presentation was created in collaboration with the FOC and both construction and finance staff to be shared at various community meetings throughout the District. In addition to community meetings scheduled to request feedback from non-school based stakeholders, the LRPC and the FOC volunteers are both personally engaged in making this presentation to School Accountability Committees at each school in the District. The LRPC is to report back to the Board of Education the results of this outreach effort in March of 2015.

Additional information regarding District capital planning is discussed in the Management's Discussion and Analysis on page 35.

**Federal and State Funding:** Though the economic outlook in Colorado is improving, there does not appear to be a solution to the ongoing negative factor of over \$880 million associated with education funding. This issue is further exacerbated by the constitutionally required TABOR refund which will go into effect when State revenues exceed TABOR limits. The State must go to the voters for approval to spend revenues in excess of the TABOR limits. The State September forecast predicts exceeding the TABOR limit in calendar year 2016.

In spite of these constraints, the State legislature approved additional education funding for FY 2014-2015 in an amount of about \$356 more per funded pupil count (FPC) at DCSD. Along with fully funding student growth and inflation, the legislature approved an additional draw down of the negative factor in an amount of \$110 million. This total approval amounted to just over \$30 million in new money for DCSD. The Board of Education approved new allocations out to our schools of \$205/student as well as over \$13 million in ongoing pay and benefit increases. This \$13 million was used to award an average 3% salary increase, fully fund the 0.9% increase in PERA and fully fund the increases in employee medical benefits on behalf of full-time employees.

Looking forward to the FY 2015-2016 school year and considering the September 2014 Revenue Forecast, the Governor of Colorado, Governor Hickenlooper, elected to a second term in November 2014, has proposed an education budget that includes a per pupil revenue (PPR) increase for DCSD of about \$459/FPC. This amount, however, is inclusive of only \$242/FPC ongoing and \$217/FPC one-time drawdown of the State's negative factor. If approved by the legislature, the Governor's proposal would bring DCSD's ongoing funding level up to a PPR of \$6,995 with one time monies of \$217/FPC. It's important to note, however, that DCSD's continued portion of the negative factor amounts to just over \$65 million.

In planning for this reporting year, FY 2013-2014, the legislature approved fully funding pupil growth as well as inflation which resulted in a \$173/student per pupil revenue increase and the funding of just over 1,500 new students in DCSD. The Board of Education approved new allocations out to our schools of just over \$16 million in one-time and ongoing increases as well as nearly \$19 million in one-time and ongoing compensation increases. The District also completed this first year without the student technology fee which saved our families over \$1.2 million.

In spite of the difficult economy, the District has continued to maintain its fiscal health. Our schools and departments continue to spend with caution increasing carry over balances. Though we did realize a draw down in fund balance primarily due to spending in our capital projects fund and in the general fund, the District is still well within policy regarding fund balance and we are successfully balancing the needs of our students and classrooms against appropriate levels of reserves.

## **Significant Financial Policy Changes**

### 1. Certified Compensation and Benefits Program and Classified Compensation and Benefits Program

These Board of Education approved documents are adopted yearly and were most recently adopted on July 15, 2014 reflecting the recommended salary and benefit changes for FY 2014-2015. These documents specify the terms of employment for all of our certified and non-ATU classified employees. The Certified document references the updated 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 continues the Pay for Performance program plan which includes the addition of bonus dollars awarded for a teacher's achievement of world class targets. One hundred seventy nine (179) teachers applied for these targets. One hundred four (104) teachers were successful in achieving one or more of the nine targets and were paid these bonuses in September 2014.

### 2. Enterprise Funds Reclassification

In order to align the compliance, accounting and reporting of the federal grant program and to lessen the impact of GASB Statement 68 where the District's share of PERA (Public Employee's Retirement Association) liabilities are required to be included in the District's financial statements, effective FY 2014-2015, the State has modified the Chart of Accounts regarding the Nutrition Services Fund. An enterprise fund would require their PERA liabilities to be posted at the fund level resulting in the Enterprise reporting a negative unrestricted net position. The District had established two other funds as enterprise funds and these funds, the Before and After School Enterprise (BASE) and the Outdoor Education Fund are both being reclassified as well. The Nutrition Services Fund and the BASE fund will be considered special revenue funds and the activity in the Outdoor Education Fund will be included as part of the Combined General Fund.

### 3. Short Term Disability Insurance Program (STDI)

For FY 2012-2013 and FY 2013-2014, the District converted the long time sick leave bank benefit to a fully insured short term disability program benefit. For FY 2014-2015, this fully insured benefit offering is being replaced by a self-insured benefit program. The District made benefit eligibility changes for FY 2014-2015 which we believe will drive down costs and provide greater flexibility in the Short Term Disability Insurance (STDI) program design providing greater value to our employees. We maintained the basic plan providing 50% of employee's 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 new plan no longer allows employees to augment their STDI payments with their own sick leave and employees must use all of their sick leave balances prior to receiving Short Term Disability Insurance benefits.

### 4. Implementation of New Human Resources and Payroll Enterprise Software Solution

As previously mentioned, the District is transforming how we do business by implementing Workday, a software-as-a-service provider, to fully automate all of our staff onboarding, human resources, benefits, payroll, and talent management functions throughout the District. We began this implementation in June of 2014 and expect to go live in April of 2015. This new software solution will provide us an opportunity to move to a semi-monthly payroll from a monthly payroll providing greater value to our employees. This change will also differentiate us from other Front Range districts that pay monthly providing a competitive advantage associated with attracting quality teachers and employees of all types.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA), and the International Association of Business Officials (ASBO) both awarded a Certificate of Achievement for Excellence in Financial Reporting to Douglas County School District RE.1 for its comprehensive financial report for the year ended June 30, 2013. These Certificates of Achievement are prestigious national awards, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The District has received a GFOA Certificate of Achievement for the last twenty-six consecutive years (fiscal years ended 1987-2013). For the first time in over 8 years, the District submitted for the ASBO International award and was successful. We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting it to GFOA as well as ASBO International to determine its eligibility for another certificate from each of these public finance entities.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Business Office, including Jeanette Prock and her accounting team, the payroll department, and Stacy Murray, our accounts payable lead. In addition we would like to thank the staff in the finance and treasurer's office at Douglas County and the staff of McGladrey LLP, particularly Kevin Smith, Chelsey Forge, and Joel Banas for their contribution to the preparation of this report. Finally, we would especially like to express our appreciation to the members of the Board of Education for their interest and support in conducting the financial affairs of the District during the year.

Respectfully submitted,



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Dr. Elizabeth Celania-Fagen  
Superintendent of Schools



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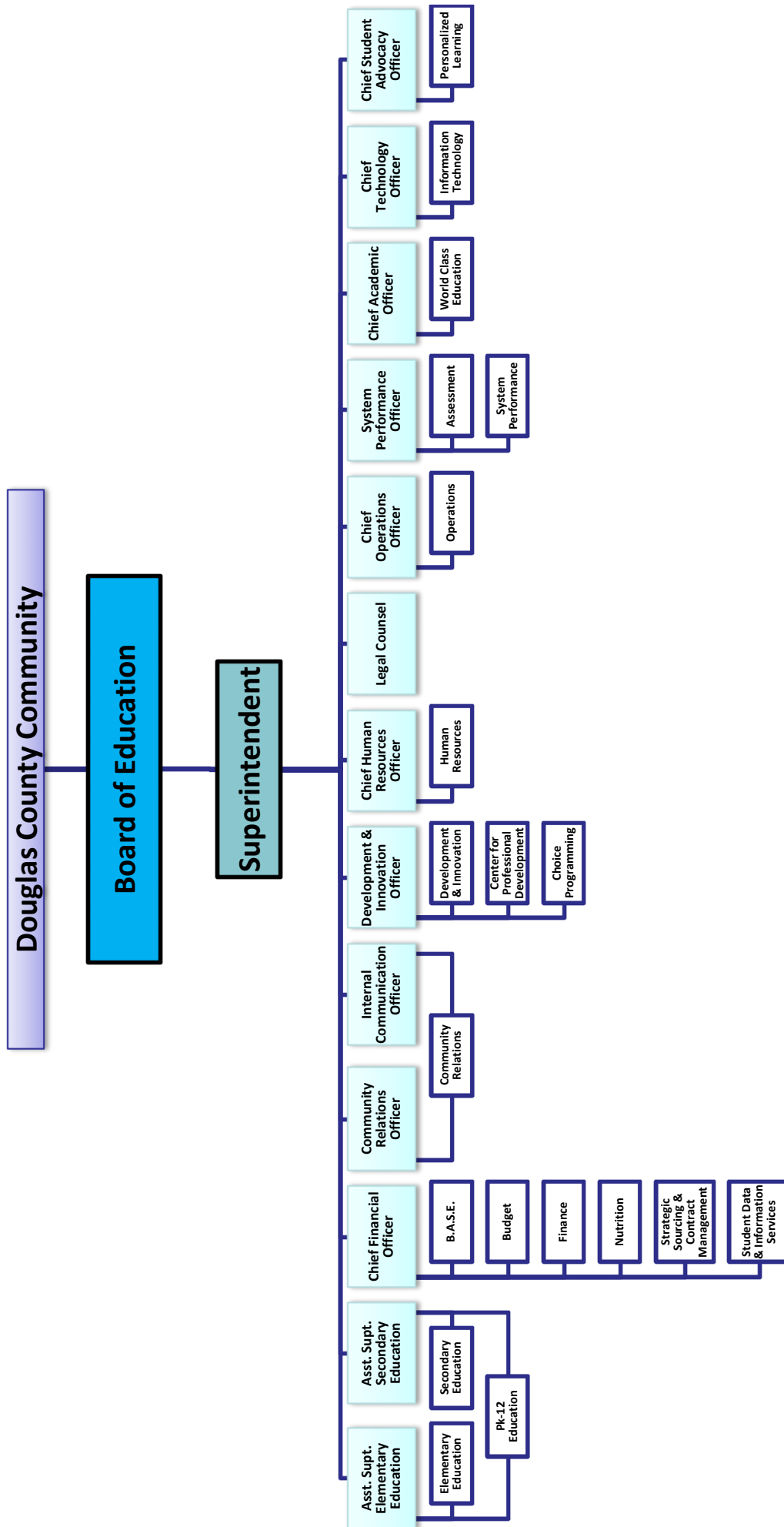
Bonnie J. Betz  
Chief Financial Officer



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Jana Schleusner  
Director of Finance







Government Finance Officers Association

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

Presented to

**Douglas County School District Re. 1  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Association of School Business Officials International



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

## **Douglas County School District RE.1**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director



**Douglas County** School District  
*Learn today. Lead tomorrow.*

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***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, 2014, 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.

## **Opinion**

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, 2014, 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 23 through 40 and Budgetary Comparison Information on pages 82 and 83 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 4, 2014 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 4, 2014



**Douglas County School District RE. 1  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2014**

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, 2014. We encourage readers to consider this narrative in conjunction with additional information furnished in the Letter of Transmittal, located on pages 8-14 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 2013-2014 by \$337,078,986 (net position), an increase of \$15,518,772 over FY 2012-2013, as a result of prudent fiscal stewardship and innovative policy:
  - ◇ We continue to be conservative in estimating tax generated revenues. From 2009 through 2012, District specific ownership tax receipts decreased significantly each year. These receipts began to increase again in FY 2012-2013. In FY 2013-2014, again due to the improved economy, the District saw an increase in these revenues of over \$1,600,000 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 2013-2014 minimizing the increase in health benefit premiums. Employees continued to take more responsibility for their health care needs resulting in minimal increases in health claim expenditures. Note the financial results reported in the Medical Fund (DCSD's Internal Service Fund), page 111, which reports a healthy fund balance well in compliance with the District's Medical Fund Reserving Policy. Pursuant to the Board's Medical Fund Reserving policy, we have fully accounted for the Incurred but Not Reported (IBNR) reserve in our expenses and are well within the policy range of fund balance reserves between \$3.8 million and \$18.4 million.
  - ◇ 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 a second energy performance contract associated with electrical and heating upgrades at ThunderRidge High School and the District Offices at 620 Wilcox St. in Castle Rock. Please note the Issuance of Capital Lease proceeds reported in the Combined General Fund on page 48. The repayment of this lease will be funded directly from utility savings over the next 10 years.
  - ◇ In the past, 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 in Castle Rock and American Academy, expanding to a second site in the Town of Parker, began educational operations in this reporting year. As mentioned last year, the District designated land and financed the construction of Aspen View with Certificates of Participation (COPs). A contract with Aspen View Academy accompanied the sale of these COPs 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. The District, however, has maintained title to both of these properties in perpetuity. 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.
  - ◇ In FY 2013-2014, we revised the Certificate of Participation (COP) Policy to reflect a maximum yearly lease payment amount of 1% of yearly revenues. The former policy allowed no more than \$50 million of outstanding COPs or 10% of yearly general fund revenues. It is the yearly lease payments that impact the yearly operations of the District. This change reflects a more appropriate metric for monitoring the District's financial condition. Please note the outstanding COPs reported in Note 6, Long Term Liabilities, on page 70 and the accompanying yearly liabilities reflected on page 71. The maximum yearly lease payments never exceed \$4.5 million associated with over \$495 million in annual revenues - well within the 1% maximum.

### **Financial Highlights (Continued)**

- ◇ 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 have combined savings of over \$19.5 million with over \$14 million residing in our schools. This policy has empowered schools and departments to scrutinize their expenditures without fear of losing unspent dollars.
- The government-wide governmental activities liabilities total \$600,790,691 for the period ended June 30, 2014. The District's liabilities decreased \$48,011,871 from the period ended June 30, 2013 due primarily to the paying down of \$38,316,380 of General Obligation Bonds as well as the payoff of the 2003 COPs. These decreases were partially offset by the sale of \$15,000,000 in COPs as well as the new capital lease obligations associated with a second energy performance contract. In addition, our compensated absence and Extended Service Separation liabilities decreased by over \$4,000,000. Finally, we have completed our five year Early Separation Agreement contract completely eliminating this liability.
- At the close of the fiscal year, the District's governmental funds reported a combined ending fund balance of \$168,816,854. This \$10,690,398 decrease over the prior year is due to the drawdown of fund balance in the Combined General Fund in which one time monies were appropriated to schools on a per student basis and a 2% one-time pay increase was approved continuing our efforts to retain and attract the highest quality teachers. The \$16,202,365 Combined General Fund draw down was partially offset by the sale of \$15,000,000 in COPs and the small increase of \$3,303,590 in the Bond Redemption Fund.

### **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 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 governmental financial statements distinguish functions of the District that are principally supported by taxes from other functions intended to recover all or a significant portion of their costs through user fees and charges (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), Business Type Activities 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 114-126.

The government-wide financial statements are located on pages 43-45 of this report.

## **Overview of the Financial Statements (Continued)**

### **Fund Financial Statements**

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

### **Governmental Funds**

Governmental fund financial statements are a subset of the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

The District maintains 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 Lease Payment 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 82, 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. 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 102-109.

For FY 2014-2015, the Nutrition Services Fund, the Before and After School Enterprise Fund, and the Outdoor Education Fund will be reclassified. In order to align the compliance, accounting, and reporting of the federal grant program that is the food service fund, the required basis of accounting to be used by the food service fund shall be the modified accrual basis of accounting, and such fund shall be isolated as a special revenue fund effective for the fiscal year beginning July 1, 2014 and beyond. In addition to the food service fund, the District also reevaluated the classification of its two other enterprise funds, the Before and After School Enterprise (BASE) and the Outdoor Education Fund. Beginning July 1, 2014 and beyond, the BASE program will be reported as a special revenue fund and the Outdoor Education Fund will be included in the Combined General Fund.

### Proprietary Funds (Continued)

The Medical Fund is a governmental fund in which its activities are included in the Government-wide Financial Statements within Governmental Activities. It is not included in the Governmental funds on page 48 but is included in the proprietary fund financial statements as an Internal Service Fund. Individual fund data for the Medical Fund is provided in separate detail on pages 110-111. 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, is also included within governmental activities but as part of the Combined General Fund. Because the Risk Insurance Fund is separately funded through a transfer from the General Fund and not charged against other fund activity, it is not defined as an Internal Service Fund.

### Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The District is responsible for ensuring the assets reported in the Agency Fund, Fund 74, held on behalf of and at the discretion of students at the schools, are used only for their intended purposes. Fiduciary Funds, are not reflected in the government-wide financial statements because the resources of 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 55-79.

### Government-wide Financial Analysis

#### Net Position

The following table provides a summary of the Governmental and Enterprise Funds' net position as of June 30, 2014. Comparative data for June 30, 2013 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 \$337,078,986, an increase of \$15,518,772 over June 30, 2013.

	Governmental Activities		Business Type Activities		Total	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Current and other assets	\$ 214,440,332	\$ 240,803,559	\$ 5,412,330	\$ 1,546,142	\$ 219,852,662	\$ 242,349,701
Capital assets	700,501,453	703,750,924	3,528,490	3,290,033	704,029,943	707,040,957
Total assets	<b>914,941,785</b>	<b>944,554,483</b>	<b>8,940,820</b>	<b>4,836,175</b>	<b>923,882,605</b>	<b>949,390,658</b>
Deferred outflows of resources	22,927,892	25,808,293	-	-	22,927,892	25,808,293
Other liabilities	37,038,559	47,820,641	886,068	706,696	37,924,627	48,527,337
Long-term liabilities outstanding	563,752,132	600,981,921	-	-	563,752,132	600,981,921
Total liabilities	<b>600,790,691</b>	<b>648,802,562</b>	<b>886,068</b>	<b>706,696</b>	<b>601,676,759</b>	<b>649,509,258</b>
Net position:						
Net investment in capital assets	195,973,287	174,072,099	3,528,490	3,290,033	199,501,777	177,362,132
Restricted for:						
Tabor Emergency Reserve	15,132,000	14,043,000	-	-	15,132,000	14,043,000
Debt Service	64,595,606	59,785,966	-	-	64,595,606	59,785,966
Other Funds	15,995,346	920,612	-	-	15,995,346	920,612
Unrestricted	45,382,747	72,738,537	4,526,262	839,446	49,909,009	73,577,983
Total net position	<b>\$ 337,078,986</b>	<b>\$ 321,560,214</b>	<b>\$ 8,054,752</b>	<b>\$ 4,129,479</b>	<b>\$ 345,133,738</b>	<b>\$ 325,689,693</b>

## Government-wide Financial Analysis (Continued)

### Net Position (Continued)

The largest portion of the District's assets, about seventy-six and one-half percent (76.5%), reflects investment in capital assets less accumulated depreciation. The largest portion of current assets, predominately cash on hand, is reported in the Combined General Fund and in the Bond Redemption Fund. The Combined General Fund cash balances are held for TABOR and Board of Education required reserves as well as the carry over balances for schools and departments. Smaller cash balances are reported in the Building Funds restricted to the construction and remodel of schools. As of June 30, 2014, the Building Fund, specifically the Certificate of Participation (COP) Building Fund, reported a cash balance of \$17,298,838 which was the result of \$15,000,000 in COP proceeds designated for the District's most urgent facility reinvestment needs along with left over balances associated with the construction of Aspen View Academy. The remaining funds will continue to be spent down for needed District building repairs and improvements as well as other one time capital equipment needs. Additional funding will require voter approval in a future bond election. As mentioned in the Letter of Transmittal, the Board of Education has directed the LRPC and staff members to seek community input on the District's Master Capital Plan and associated capital financing options.

Note in the Condensed Statement of Activities on the next page that Governmental Activity revenues increased \$18,340,251 over 2012-2013 due primarily to student growth and the increase in per pupil revenue of \$173/student associated with the School Finance Act – note the increase in State Equalization. This additional revenue along with the draw-down of fund balance resulted in a total spend increase of \$36,508,827. Note the Payments to Component Units increase of \$13,287,407 over 2012-2013. This increase is indicative of new student enrollment at Aspen View Academy in Castle Rock and American Academy's second site in Parker. FY 2013-2014 marked the first year of operation for these two new schools. Note that Business Activities saw increases in revenues and expenses as well also indicative of student growth over FY 2012-2013.

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**Government-wide Financial Analysis (Continued)**

**Net Position (Continued)**

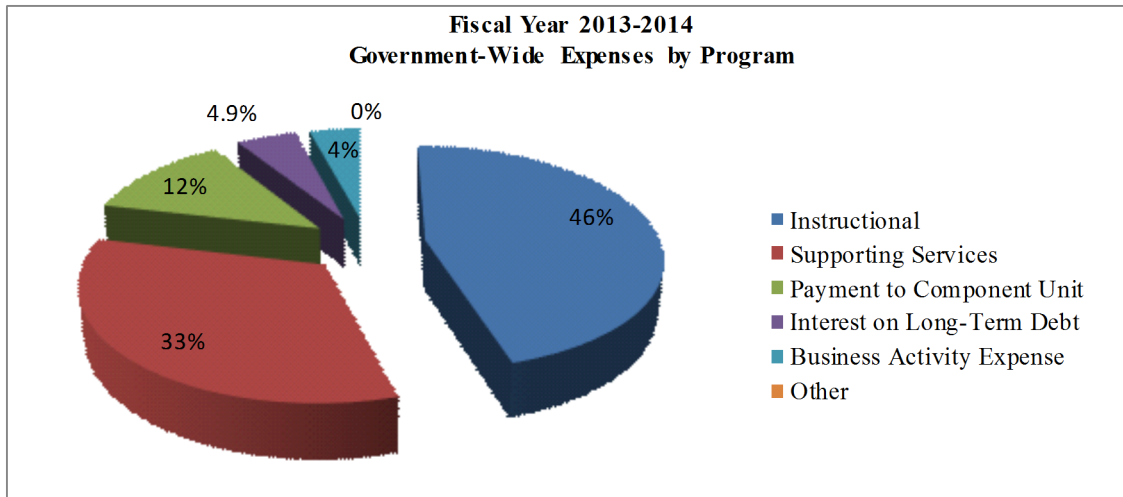
**Condensed Statement of Activities  
the Fiscal Years Ended June 30, 2014 and 2013**

	Governmental Activities		Business Type Activities		Total	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for Services	\$ 28,530,827	\$ 27,874,860	\$ 22,670,250	\$ 20,606,398	\$ 51,201,077	\$ 48,481,258
Operating/capital grants /contributions	30,342,355	28,777,165	3,091,358	3,602,925	33,433,713	32,380,090
<b>General revenues</b>						
Property taxes	224,180,235	225,526,250	-	-	224,180,235	225,526,250
Specific ownership taxes	19,916,387	17,961,028	-	-	19,916,387	17,961,028
State Equalization	270,410,414	255,686,365	-	-	270,410,414	255,686,365
Interest earnings	144,848	247,485	-	-	144,848	247,485
Other	13,296,105	12,407,767	128,698	-	13,424,803	12,407,767
Total revenues	586,821,171	568,480,920	25,890,306	24,209,323	612,711,477	592,690,243
<b>Expenses:</b>						
Instruction	274,095,304	270,892,918	-	-	274,095,304	270,892,918
Supporting services	192,408,770	171,113,103	-	-	192,408,770	171,113,103
Payments to component units	73,281,995	59,994,588	-	-	73,281,995	59,994,588
Interest on long-term debt	28,911,330	30,187,963	-	-	28,911,330	30,187,963
Business activities expense	-	-	24,567,242	23,928,013	24,567,242	23,928,013
Other	-	-	2,791	-	2,791	-
Total expenses	568,697,399	532,188,572	24,570,033	23,928,013	593,267,432	556,116,585
Change in net position before transfers	18,123,772	36,292,348	1,320,273	281,310	19,444,045	36,573,658
Transfers	(2,605,000)	55,042	2,605,000	(55,042)	-	-
Change in net position	15,518,772	36,347,390	3,925,273	226,268	19,444,045	36,573,658
Net position - July 1	321,560,214	285,212,824	4,129,479	3,903,211	325,689,693	289,116,035
Net position - June 30	\$ 337,078,986	\$ 321,560,214	\$ 8,054,752	\$ 4,129,479	\$ 345,133,738	\$ 325,689,693

Note in the graph on the next page, that most of the District's spend is associated with Instructional Services. There was an increase of \$21,295,667 over FY 2012-2013 in supporting services predominately due to the building of Aspen View Academy. Recall that the District sold COPs on behalf of Aspen View Academy so all expenditures associated with the building of their facility in Castle Rock are reported in the District's Building Fund. The remaining increases are reflective of the drawdown of fund balances associated with one-time expenditures such as facility renewal as well as technology and security equipment upgrades.

**Government-wide Financial Analysis (Continued)**

**Net Position (Continued)**



**Governmental Fund Financial Analysis**

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

**Revenues and Other Financing Sources**

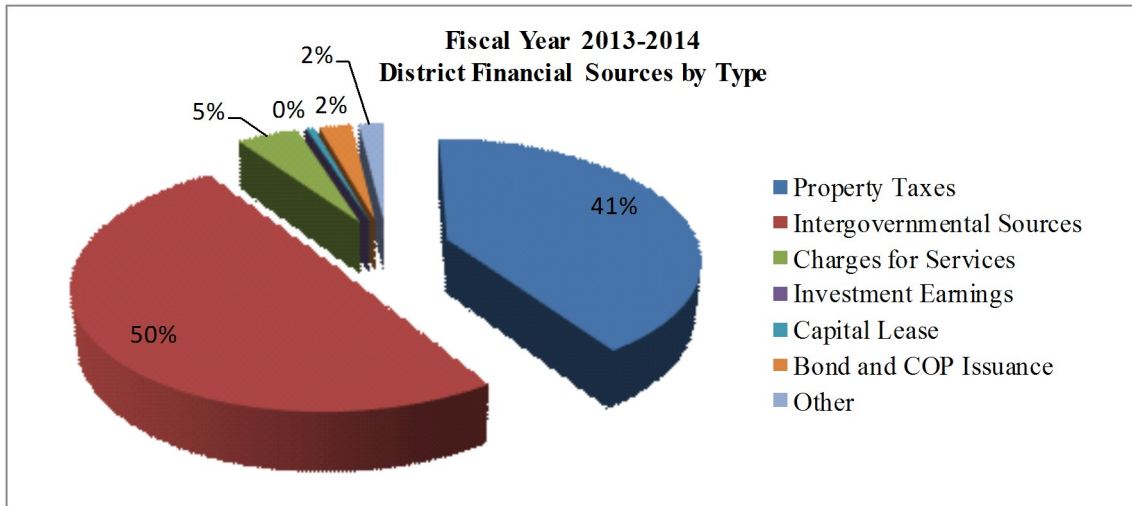
The District receives its revenues from local property taxes, intergovernmental sources through the state and federal government, charges for services rendered, returns on investment, issuance of bonds, COPs or capital leases, and several other minor sources. The table below is a comparative summary of the distribution of these revenues and sources for FY 2013-2014 and FY 2012-2013. The accompanying chart graphically shows the proportion of revenues from all the sources for FY 2013-2014. The largest revenue source for the District is received from State and Federal intergovernmental sources at \$300,752,769 or 49.6% increased 1.1% from 48.5% last year. Property taxes represent the next significant source of revenue at \$247,142,354 or 40.7%, representing an increase of 0.2% from the prior year. This property tax revenue increase is associated with an increase in Specific Ownership taxes as well as in the Bond Redemption Fund required to meet the scheduled increase in debt payments associated with the District’s outstanding GO Bonds.

The District also charges its charter schools and students various fees. In FY 2013-2014, this amount is \$28,530,827, a slight increase over last year indicative of the student growth at the District’s charter schools. The balance of the revenues are generated from investment returns, gifts and donations and other sources.

	2013-2014		2012-2013	
Property Taxes	\$ 247,142,354	40.7%	\$ 237,365,348	40.5%
Intergovernmental Sources	300,752,769	49.6%	284,463,530	48.5%
Charges for Services	28,530,827	4.7%	27,874,860	4.8%
Investment Earnings	132,902	0.0%	276,635	0.0%
Capital Lease	3,530,800	0.6%	7,636,963	1.3%
Bond and COP Issuance	15,000,000	2.5%	16,191,676	2.8%
Other	11,450,329	1.9%	12,211,910	2.1%
	<u>\$ 606,539,981</u>	<u>100%</u>	<u>\$ 586,020,922</u>	<u>100%</u>

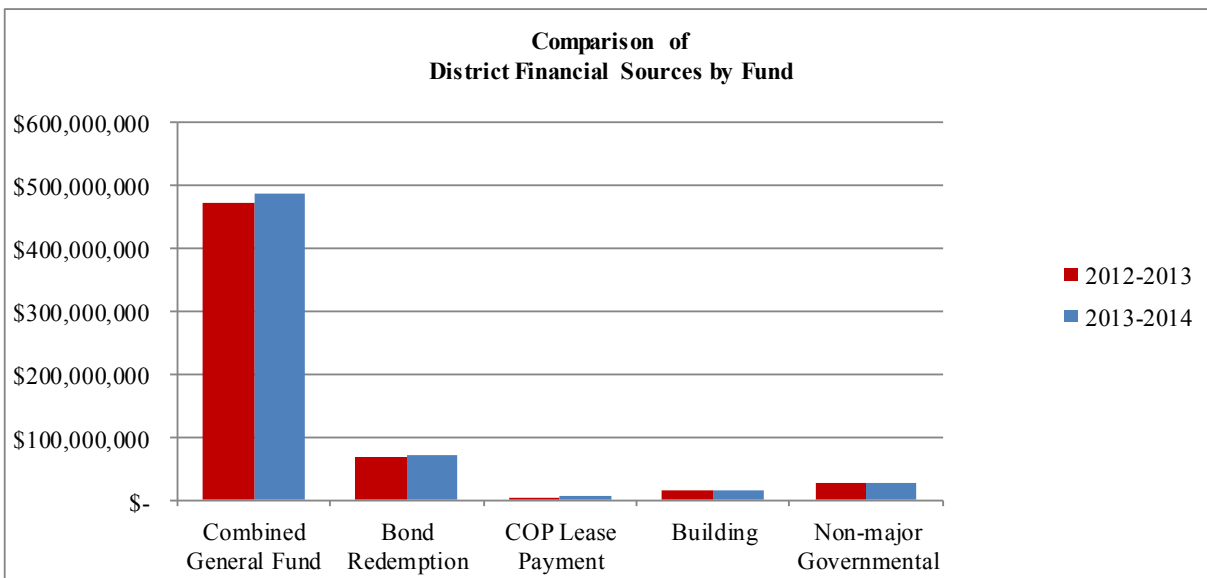
**Governmental Fund Financial Analysis (Continued)**

**Revenues and Other Financing Sources (Continued)**



The table and the accompanying column chart below show the same total revenue/sources but report these revenues by fund. Note that the majority of these revenues are accounted for in the Combined General Fund. The Bond Redemption Fund revenues, the second largest reported revenues, are provided through property taxes associated with previous Douglas County School District bond elections, the last one approved in November of 2006.

	2013-2014		2012-2013		Inc/(Dec)
Combined General	\$ 488,205,630	80.5%	\$ 472,157,743	80.6%	\$ 16,047,887
Bond Redemption	72,230,761	11.9%	68,394,622	11.7%	3,836,139
COP Lease Payment	6,601,188	1.1%	2,766,677	0.5%	3,834,511
Building	13,626,583	2.2%	15,225,826	2.6%	(1,599,243)
Non-major Governmental	25,875,819	4.3%	27,476,054	4.7%	(1,600,235)
<b>Total</b>	<b>\$ 606,539,981</b>	<b>100%</b>	<b>\$ 586,020,922</b>	<b>100%</b>	<b>\$ 20,519,059</b>



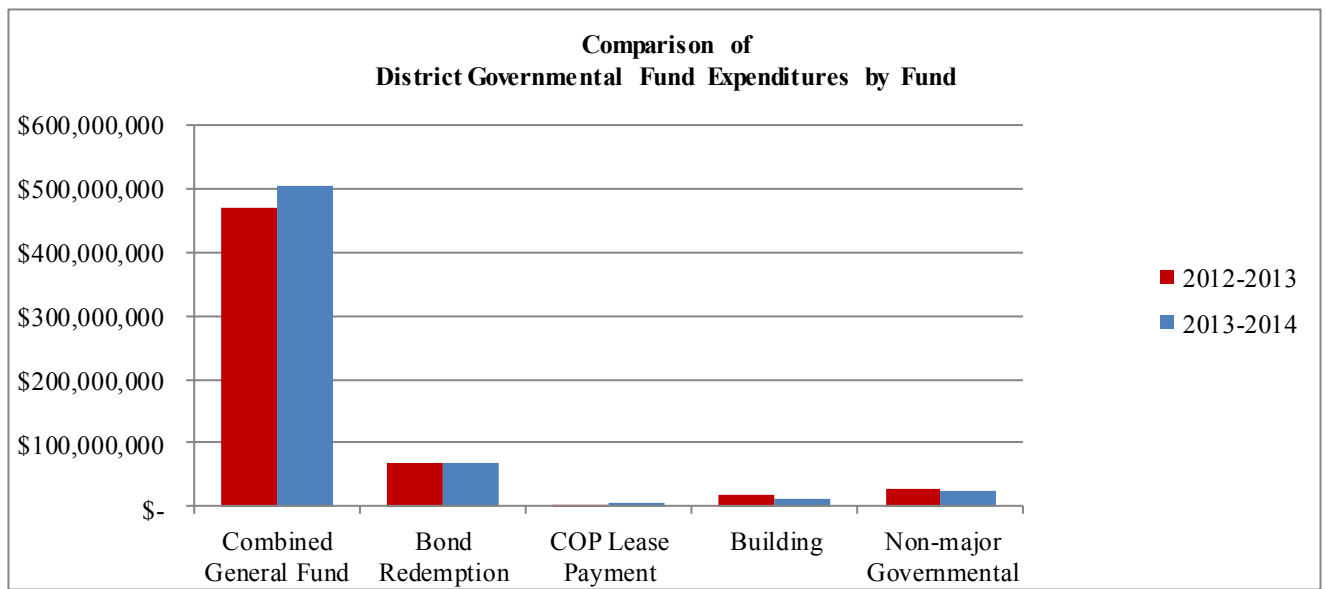


**Governmental Fund Financial Analysis (Continued)**

**Expenditures by Fund**

Governmental Fund expenditures increased by \$30,884,990 over FY 2012-2013 due to the costs associated with increases in students, the spend down of the Capital Projects Fund (part of the Combined General Fund) primarily associated with technology projects including the continued development of the District’s teacher evaluation system, InspirED Innovation, and finally, due to salary and benefit increases associated with a 5% average pay increase, (2% one-time and 3% ongoing) and the statutorily mandated increase in the PERA contribution of 0.9%. We are proud to report that all of our revenue increases were allocated out to our schools and our employees. We were able to increase dollars by over \$13.7 million to our schools and allocate out more than \$15.7 million to our employees in salary and benefit increases.

	<b>2013-2014</b>		<b>2012-2013</b>		<b>Inc/(Dec)</b>
Combined General	\$ 504,407,995	81.7%	\$ 468,113,816	79.8%	\$ 36,294,179
Bond Redemption	68,927,171	11.2%	69,193,516	11.8%	(266,345)
COP Lease Payment	5,095,138	0.8%	2,515,781	0.4%	2,579,357
Building	13,012,597	2.1%	18,855,674	3.2%	(5,843,077)
Non-major Governmental	25,787,478	4.2%	27,666,602	4.7%	(1,879,124)
<b>Total</b>	<b>\$ 617,230,379</b>	<b>100%</b>	<b>\$ 586,345,389</b>	<b>100%</b>	<b>\$ 30,884,990</b>



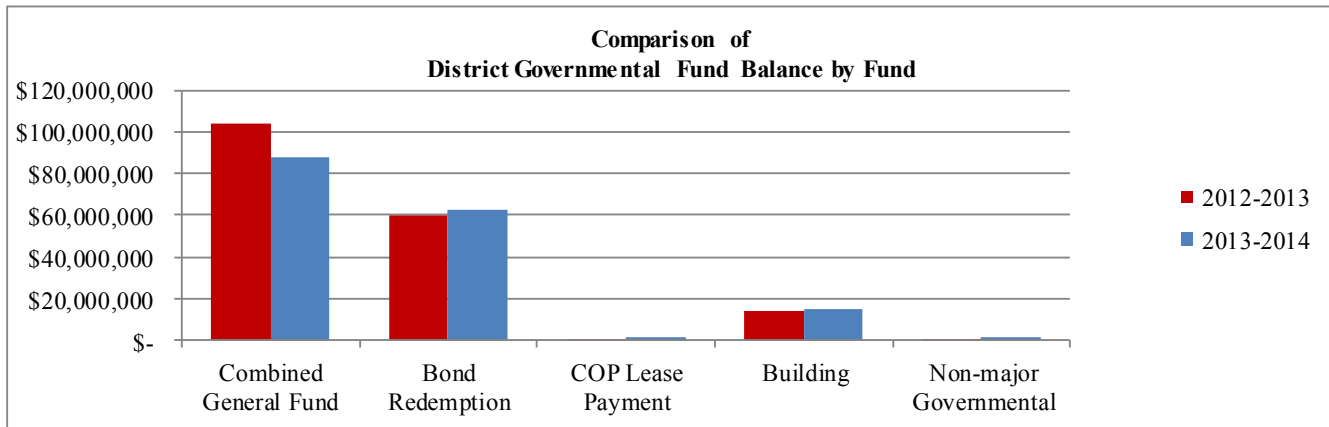
**Ending Fund Balances**

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$168,816,854, a decrease from FY 2012-2013 of \$10,690,398. This decrease resulted from a \$16,202,365 spend down of the Combined General Fund netted against small increases in the other Governmental funds. Recall that the Board of Education approved one-time pay increases averaging 2% across the District’s employee base, \$105/student in one-time monies to schools as well as the intentional draw down of the capital projects fund associated with facility and capital equipment expenditures. This overall intentional draw-down of fund balance is indicative of the District’s ongoing successful effort to balance the instructional needs of over 66,700 students against appropriate levels of reserves.

**Governmental Fund Financial Analysis (Continued)**

**Ending Fund Balances (Continued)**

	<u>Fund Balance Governmental Funds</u>				<u>Inc/(Dec)</u>
	<u>2013-2014</u>		<u>2012-2013</u>		
Combined General	\$ 88,225,902	52.3%	\$ 104,428,267	58.2%	\$ (16,202,365)
Bond Redemption	62,838,660	37.2%	59,535,070	33.2%	3,303,590
C.O.P. Lease Payment	1,756,946	1.0%	250,896	0.1%	1,506,050
Building	14,986,393	8.9%	14,372,407	8.0%	613,986
Non-major Governmental	1,008,953	0.6%	920,612	0.5%	88,341
<b>Total</b>	<b>\$ 168,816,854</b>	<b>100%</b>	<b>\$ 179,507,252</b>	<b>100%</b>	<b>\$ (10,690,398)</b>



**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 \$36,701,616 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. Along with increases in revenues, the final ending fund balance is \$88,225,902. Of this amount, \$35,332,111 is held in cash reserves meeting the TABOR 3% and the Board’s 4 % pursuant to policy. Along with the aggregate ending fund balances of the four (4) subfunds of the combined general fund at \$11,417,806, assignments of \$19,546,877 for school and department carry over as well as Pay for Performance carry over of \$3,500,000 is reported. We made a commitment two years ago that any unspent Pay for Performance dollars would be included in the following year’s Pay for Performance budget line. This is the second year, then, that over \$6 million has been available to all the District’s employees in Pay for Performance monies.

The Pay for Performance plan continues to focus on paying teachers for the extra work they are doing supporting the advancement of the Strategic Plan, *New Outcomes for a New Day*. The Pay for Performance dollars continue to pay teacher stipends compensating teachers for their work creating the Guaranteed and Viable Curriculum standards, new assessments for students to be included in the System Performance Framework, the creation of new professional development classes focused on instructional strategies associated with teaching students 21<sup>st</sup> 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. In FY 2013-2014, 104 teachers earned one or more of nine (9) world class targets and were paid these bonuses in September 2014.

The District continues to be very successful in incentivizing students and staff at all of our schools and departments to save energy dollars. Even with allocating out approximately \$400,000 to our schools in incentives, our utility spend was \$1.5 million less than budget.

Expenditures and transfers exceeded revenues by \$16,202,365. Revenues were greater than budgeted by \$4,968,551 confirming the District’s practice of conservatively estimating revenues. We received greater than budgeted Specific Ownership Taxes, property taxes and school based revenues associated with charges for services.

**Combined General Fund Budgetary Highlights (Continued)**

For the first time in three years, the District’s PPR (per pupil revenue) increased by \$173/student for FY 2013-2014. For FY 2014-2015, the Colorado Legislature approved an increase of about \$356/student for Douglas County School District fully funding student growth and inflation and buying down the negative factor by about \$110 million statewide. 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 3% salary increase on top of fully funding medical and PERA benefit increases. All of the new revenue, about \$18.7 million was allocated out to our schools through a \$205/student in SBB (Student Based Budgets) and nearly \$14 million in salary and benefit increases.

The September 2014 Revenue Forecast reported a \$235.8 million surplus at the end of FY 2013-2014 and the General Fund revenue is expected to be 1.3% higher in 2014-2015 than the amount budgeted to be spent. This forecast also projects that the General Assembly will have \$915.5 million or 9.8 % more to spend in FY 2015-2016 than the amount budgeted for FY 2014-2015. FY 2015-2016 revenues, however, will exceed the TABOR limit so monies will need to be set aside for TABOR refunds unless the legislature approves a State-wide election requesting that the excess monies be used to offset State General Fund needs. Due to this positive forecast, Governor Hickenlooper proposed a budget that increases Total Program by \$480.3 million. This amount includes fully funding growth and inflation and provides for a one-time buy down of the negative factor in an amount of \$200 million equating to an average one-time PPR increase of about \$233/student statewide.

**Business Type Activities**

As mentioned earlier in the Letter of Transmittal, please note that the following three Business Type Activity funds will be re-classed in subsequent years to different types of funds and will no longer be included as Business Type Activities. Both the Nutrition Services Fund and the Before and After School Enterprise Funds will be reclassified to Special Revenue funds. The Outdoor Education Fund activity will now be reported in the Combined General Fund as a sub fund. These changes are required pursuant to the Colorado Department of Education.

**Nutrition Services**

In FY 2013-2014, Nutrition Services net position increased by \$3,172,392. The District made a one-time transfer of \$2.5 million into this fund this year to eliminate the Fund’s negative unrestricted net position. This negative unrestricted net position was ongoing since 2009-2010. In 2008-2009, District leadership charged the fund with adding a capital investment to all the high schools to create food courts. At the same time, District leadership allowed all the high school campuses to be opened at lunch. This large capital investment accompanied by significant decreases in high school participation due to campuses being opened at lunch, precipitated a long term operating loss. This one-time transfer is done to reimburse the fund for these prior capital expenditures.

**Business Type Activities - Nutrition Services**

	<u>2013-2014</u>	<u>2012-2013</u>	<u>Inc/(Dec)</u>
Total Assets	\$ 5,136,306	\$ 4,243,235	\$ 893,071
Total Liabilities	1,943,891	4,223,212	(2,279,321)
Net Assets	<u>\$ 3,192,415</u>	<u>\$ 20,023</u>	<u>\$ 3,172,392</u>

You can see from the table on the next page, that this fund would not have been profitable without the assistance from the District. The Nutrition Services department has been working tirelessly to offer healthy but attractive lunch offerings at all grade levels in the District. The new USDA regulations, however, now govern ala carte offerings and include lunch restrictions so severe in fat and salt that the food has become largely unpalatable. Due to these constraints and the fact that participation at the high schools has been historically low, the Department recommended and the Board of Education approved that all high schools no longer participate in the National School Lunch Program (NSLP). The Board has agreed to continue to provide free lunches to those students that are at risk per government guidelines. It is expected that revenue will grow at the high schools as the Nutrition Services department continues to innovate offering healthy choices to students but being relieved of the “Smart Snacks” Regulations associated with USDA.

## Business Type Activities (Continued)

### Business Type Activities - Nutrition Services

	<u>2013-2014</u>	<u>2012-2013</u>	<u>Inc/(Dec)</u>
Total Revenues	\$ 12,212,278	\$ 10,941,844	\$ 1,270,434
Salaries & Benefits	6,328,850	5,827,420	501,430
Food Purchases	6,710,420	6,284,707	425,713
Supplies & Other	1,589,724	2,358,396	(768,672)
Operating Inc.(Loss)	<u>\$ (2,416,716)</u>	<u>\$ (3,528,679)</u>	<u>\$ 1,111,963</u>
Non Operating Revenue	5,589,108	3,547,883	2,041,225
Net Change in Net Position	<u>\$ 3,172,392</u>	<u>\$ 19,204</u>	<u>\$ 3,153,188</u>

Nutrition Services continues to contract with the District's charter schools and now has signed contracts with 11 of the 12 District charter schools to provide charter school student lunches.

### Child Care

Child Care Services increased net position by \$646,060 as of June 30, 2014 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. Presently, two more programs have been awarded this accreditation increasing the total count to eight (8) District programs. In addition, four (4) more B.A.S.E. programs have begun this accreditation process this year. 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.

### Business Type Activities - Child Care

	<u>2013-2014</u>	<u>2012-2013</u>	<u>Inc/(Dec)</u>
Total Assets	\$ 5,323,395	\$ 4,561,149	\$ 762,246
Total Liabilities	683,245	567,059	116,186
Net Position	<u>4,640,150</u>	<u>3,994,090</u>	<u>646,060</u>
Revenues	10,026,561	9,368,159	658,402
Salaries & Benefits	7,204,641	6,971,879	232,762
Purchased Services	545,159	448,705	96,454
Supplies	814,455	775,328	39,127
Field Trips and Other	815,705	793,001	22,704
Operating Inc. (Loss)	<u>646,601</u>	<u>379,246</u>	<u>267,355</u>
Non Operating Expense	(541)	-	(541)
Change in Net Position	<u>\$ 646,060</u>	<u>\$ 379,246</u>	<u>\$ 266,814</u>

### Outdoor Education

June 30, 2014 marked the end of the Outdoor Education Enterprise's third year of operation. The activity presented in the financial statements is an indication of the success of this program during FY 2013-2014. Over 4,428 students, teachers, volunteers and community leaders were served through day trips, overnight camps and leadership retreats. The Outdoor Education Center developed programs that included leadership opportunities for student counselors attending the camp with elementary students. The Outdoor Education program is now using seven (7) of the ten (10) buildings as well as a new outdoor pavilion that was constructed using designated grant funds.

**Business Type Activities (Continued)**

**Outdoor Education (Continued)**

**Business Type Activities - Outdoor Education**

	<b><u>2013-2014</u></b>	<b><u>2012-2013</u></b>	<b><u>Inc./ (Dec)</u></b>
Total Assets	\$ 245,525	\$ 134,923	\$ 110,602
Total Liabilities	23,338	19,557	3,781
Net Position	<u>222,187</u>	<u>115,366</u>	<u>106,821</u>
Revenues	560,109	296,395	263,714
Salaries & Benefits	279,279	233,013	46,266
Purchased Services	178,055	81,417	96,638
Supplies & Other	100,954	154,147	(53,193)
Operating Inc./ (Loss)	<u>1,821</u>	<u>(172,182)</u>	<u>174,003</u>
Non Operating Revenue	<u>105,000</u>	<u>287,548</u>	<u>(182,548)</u>
Change in Net Position	<u>\$ 106,821</u>	<u>\$ 115,366</u>	<u>\$ (8,545)</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, 2014, equaled \$704,029,943 (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 65.

	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	2014	2013	2014	2013
Capital Assets:				
Land	\$ 13,316,683	\$ 11,705,813	\$ -	\$ -
Buildings and Improvements	910,130,031	895,081,935	576,768	419,726
Machinery and Equipment	75,709,073	71,078,655	7,226,648	6,769,691
Construction in Progress	19,354,253	21,195,515	-	33,868
Accumulated Depreciation	<u>(318,008,587)</u>	<u>(295,310,994)</u>	<u>(4,274,926)</u>	<u>(3,933,252)</u>
Total Net Capital Assets	<u>\$ 700,501,453</u>	<u>\$ 703,750,924</u>	<u>\$ 3,528,490</u>	<u>\$ 3,290,033</u>

**Long-Term Debt**

As of June 30, 2014, the District had outstanding long term debt of \$563,752,132. Of this amount, \$432,426,936 is general obligation bonded debt, which is backed by the full faith and credit of the District taxpayers. Please also note the \$52,200,000 in outstanding Certificates of Participation. During FY 2013-2014, the District sold another \$15,000,000 worth of COPs to meet the most urgent needs of the District's facilities. As a part of that sale, we also paid off the 2003 COPs realizing interest expense savings as the new \$15 million COPs had a lower interest rate. We were also able to release the monies in the 2003 COP Reserve Fund. The Board revised the COP policy restating the limit in terms of yearly lease payment liabilities to be no more than 1% of yearly general fund revenues. You can see in the Notes on page 71 that our maximum yearly COP Lease payments will be \$4,533,504 in 2019, well below 1% of about \$488 million in Combined General Fund revenues received in FY 2013-2014.

## Capital Asset and Debt Administration (Continued)

### Long-Term Debt (Continued)

	<u>Governmental Activities</u>			
	June 30, 2014	%	June 30, 2013	%
General Obligation Bonds	\$ 432,426,936	76.7%	\$ 470,743,316	78.3%
Certificates of Participation	52,200,000	9.3%	40,735,000	6.8%
Accreted Interest	15,722,043	2.8%	19,695,769	3.3%
Bond Premiums	49,067,791	8.7%	53,252,046	8.9%
Early Separation Agreement	-	0.0%	1,551,191	0.3%
Extended Service Separation	1,734,705	0.3%	3,672,407	0.6%
Capital Leases	10,174,165	1.8%	7,364,704	1.2%
Compensated Absences	2,426,492	0.4%	3,967,488	0.7%
Total	<u>\$ 563,752,132</u>	<u>100%</u>	<u>\$ 600,981,921</u>	<u>100%</u>

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, as mentioned earlier, began educational operations in FY 2013-2014. 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 114-126.

The \$52,200,000 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 must be voter approved. The aggregate yearly appropriation to Fund 39, the COP Lease Payment Fund, is just over \$4.5 million and includes amounts that are received from Aspen View Academy. See the Notes on page 71.

The District maintains credit ratings with all three credit agencies as follows: Moody's Investors Services Inc. at Aa1, Fitch, Inc. at AA, and Standard and Poor's at AA upgraded. Additional information on the District's long-term debt is provided in Note 6 starting on page 68.

At this juncture, identified capital projects are carefully prioritized to determine those with the greatest need or safety concern so that remaining COP building dollars are used in the most effective way possible. The District and the LRPC (Long Range Planning Committee) continue to assess the status of facilities, to determine additional facility and technological needs based on student growth, and to update the Master Capital Plan with this information.

As previously mentioned, the LRPC in collaboration with the Fiscal Oversight Committee and Finance and Construction staff are actively engaged in a community outreach and feedback effort at the request of the Board of Education. From now through February, many school and community meetings are being held in which the District's Master Capital Plan is being shared along with capital financing options. The LRPC and staff will report back to the Board of Education in March of 2015 to assist the Board in determining the best way to fund the \$275 million of Master Capital needs in the District for the next five (5) years.

### Other Obligations of the District

During FY 2013-2014, the District entered into another long term lease; a second Energy Performance Contract associated with work at ThunderRidge high school and the District Central Offices at 401 Wilcox St. in Castle Rock. You will see the issuance of this capital lease under the Capital Projects Fund on page 88. These energy 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 resulting

## **Capital Asset and Debt Administration (Continued)**

### **Other Obligations of the District (Continued)**

in energy savings that will, at a minimum, provide the needed resources to pay off this fifteen year lease. The District was able to access very favorable interest rates for this project.

Again, comparable to COPs, this capital lease requires annual appropriation and is collateralized by the equipment received and installed. 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% of cash or more of fiscal year spending to use only for declared emergencies. Though Colorado Revised Statutes permit school districts to secure a letter of credit from an investment grade bank for all or a portion of the emergency reserve as long as the Board of Education has filed a letter of intent with the State Treasurer and the Department of Education, the Board has discontinued this practice effective 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 46 that the financial statements report the District meets the TABOR and additional Board of Education reserve policy reporting restricted and assigned fund balances of \$15,132,000 and \$20,200,000 respectively.

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## **Economic Factors and Subsequent Events**

- State of Colorado Economy: In 2010, Colorado was ranked 40<sup>th</sup> nationally in job growth. At the beginning of 2014, the State ranks 4<sup>th</sup> in job growth having added 170,000 new jobs over the last few years resulting in a significant drop in the unemployment rate from 9% in 2010 to its current rate of 6.5%.\*(From The News – Press, January 16, 2014). In spite of this positive news, there are many challenges associated with Colorado being able to meet ongoing increases in budget needs. In 2016, State revenues are expected to increase over the TABOR (Taxpayers Bill of Rights) limit requiring the State to either refund the money or ask voters for permission to keep the money to spend on services. It is estimated that the TABOR refund would be about \$12/taxpayer in the first year.

The State School Finance Act, which hasn't been fully funded since FY 2008-2009, has an ongoing "negative factor" amount of \$891.8 million translating to \$65.3 million for DCSD. Pursuant to the State's School Finance Act, DCSD's PPR (per pupil revenue) without the negative factor, would be \$7,774/student, about \$1,020 more than the actual PPR of \$6,754 in FY 2014-2015. With the constraints of TABOR and the Gallagher Amendment, Colorado does not have a sustainable plan to fund increases in Pre-K12 education. Pre-K12 education represents approximately 45% of the State's budget. The funding of education are continually assessed against required increases in health care, Medicaid, and transportation competing for constrained State revenues.

- Douglas County Economy - The Douglas County 2<sup>nd</sup> Quarter 2014 Economic Development Report pronounced that the Douglas County economic outlook remains positive. This report cited the following statistics:

- ◇ Sales and use tax revenues reported through May are up 5.3% from the same period in 2013 representing an increase of 11.6% over budget.

- ◇ Employment grew 6.5% over the same time last year representing 6,370 additional jobs .

- ◇ The unemployment rate declined 0.6 percent over last year down to 5.3%. Retail sales improved over the same time last year by 5.3 percent.

- ◇ The residential housing market improved and the county reported a 21.4% increase in the number of existing homes sold between the first quarter of 2013 and 2014 while the average sales price was nearly \$9,300 higher in 2014.

- District 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 increased by over 1,500 students in the reporting year, and as of October 1, 2014 (fiscal year 2014-2015), the District reported an increase of 500 students to 66,702 students. Remember that kindergarten and special education preschool students are funded at 0.58 FTE and 0.50 FTE respectively and some of the District's high school students attend part time. This enrollment number is inclusive of both charter and neighborhood schools. Currently, charter schools represent approximately 17% of the District's funded pupil count. The charter school enrollment includes 3,100 students enrolled in HOPE Online Learning Academy, a multi District charter school with educational centers throughout the State. Over the next few years the District expects to experience continued growth between 500 and 1,500 students each year. Additional student enrollment results in greater revenue but also increases in costs associated with the need for new teachers and additional classroom space.

- Long Range Planning Committee - The Board has directed the LRPC in collaboration with the FOC to gather input from all stakeholders in the Douglas County Community regarding the District's Capital needs over the next 5 years. Since the failure of the November, 2011 Bond and Mill Levy Override election, the District has worked tirelessly to come up with innovative ways of meeting our ongoing capital needs. As mentioned earlier, the Board adopted a COP policy that provided a mechanism for charter schools to access capital dollars through the District provided the charter school was willing to locate their school in a high growth area of the District. Both Aspen View Academy and American Academy took advantage of this offering.

- 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 \$10,090,751. This increased transfer was approved by the Board to provide resources needed to continue the 6 year refresh of technology equipment district-wide and to fund the ongoing lease payments associated with the copier lease and two Energy Performance Lease Contracts. These two separate Energy Performance Contracts provided resources needed to address Master Capital Plan needs at Douglas County High, ThunderRidge High and the District offices at 620 Wilcox St. These capital improvement contract proceeds will be paid back over time through energy savings. Finally, additional resources were provided to continue to fund the most urgent health and safety needs associated with our Master Capital Plan.



### **Economic Factors and Subsequent Events (Continued)**

- 2003 Certificates of Participation - The 2003 COP was fully paid off in the Spring of 2014 realizing additional savings to the District. The pay-off of this COP released over \$400,000 in COP Reserve funds. These reserve funds earned very little interest over the past four years and these monies were used to pay off the remaining 2003 COP balances. Due to this decision, we were able to sell \$15,000,000 in new money certificates allowing us to meet our most urgent facility needs given the spend down of the prior year's COP and the 2006 Bond proceeds.
- Strategic Plan Progress - New Outcomes for a New Day - The District continues to make progress towards achieving the priorities of its strategic plan, New Outcomes for a New Day. In the spring of 2014, the District engaged in a comprehensive process aimed at updating the Strategic Plan and formally added Safety – a long term priority for the District – as its fourth strategic goal. This updated Strategic Plan, approved by the Board of Education on July 15, 2014, continues the work of providing numerous choices for parents and their students, ensuring that all of these choices are associated with world class outcomes and are inclusive of developing and gauging system performance. The new strategic priority, safety, includes a focus on both physical and mental health safety for all students and staff members in the District. After four years of hard work reinventing American education by focusing on and transforming their classrooms to align what is best for all students in the 21st century, the District has earned the highest school district rating available from CDE – Accredited with Distinction. We are the only school district in Colorado with over 30,000 students to receive this rating.
- Short Term Disability Insurance - The Board has approved the District's recommendation to move to a self insurance model for the District's Short Term Disability Insurance program (STDI). Historically, self insurance plans are able to save 3% to 5% in ongoing insurance premiums by becoming self insured. In addition to this plan change, only those employees who have been with the District for 90 days or more are eligible to access this plan and all employees must use any of their own sick leave balances prior to accessing this benefit.
- The FY 2013-2014 Ending Fund Balance - Combined General Fund - The planned decrease in the Combined General Fund balance amounted to \$16,202,365 due to allocating out over \$7.5 million in one time monies to our schools, a 2% one time pay increase and finally, continuing to draw down the capital projects fund used to pay for capital projects associated with our facilities and technology infrastructure. The ending fund balance of \$88,225,902 includes the restricted TABOR reserve as well as the 4% required by Board of Education policy.
- FY 2014-2015 School Finance Act Approved Increases and New District-wide Allocations – In July 2014, the District adopted a budget that includes an increase in per pupil revenue of \$356/student along with increases associated with student growth. In addition, the District committed to an average ongoing raise for all employees of 3%. 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 \$205/student. Total new allocations out to the District exceeded \$33.9 million.
- Colorado Revenue Forecast – The September 2014 Colorado Revenue Forecast continued to bring positive news to the state of Colorado's economy. Revenue at the state level is forecasted to grow by a modest 1% during calendar year 2014 but is expected to accelerate to 7.1% during 2015. Citing some of this positive economic news, Governor Hickenlooper submitted his FY 2015-2016 budget request to the Joint Budget Committee. The Governor has proposed a modest increase to K-12 funding that includes fully funding student growth and inflation but also includes the use of one time money in the State's education fund. The total State average per pupil increase, then would amount to \$475/student, \$233/student which would be considered one-time. This budget request still needs to be passed by the legislature, and the District is concerned about nearly 50% of the increase being designated as one-time. Any increase, however, in student funding would be welcomed.
- GO Bond Advance Refunding in September 2014 - The District again took advantage of the low bond interest rate environment by refunding \$40,665,000 worth of General Obligation Bonds, saving the District's taxpayers \$6,355,082 in interest, realizing a savings of over 14%.

### **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 includes the first year financial operating activity for Aspen View Academy. Aspen View Academy reported construction activity in FY 2012-2013. In addition, American Academy's new site in Parker began operations in FY 2013-2014 as well indicative of the increased activity reported under American Academy. 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 another review of the Douglas County School Foundation financial activities, the District's business administration has determined that its financial activities, due to the level of materiality and the independence of their activity in relation to the District's, shall not be considered a component unit of the District. The Educational Foundation's financial activity, then, is not included in this report.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's financial status. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Ms. Bonnie J. Betz, 701 Prairie Hawk Drive, Castle Rock, Colorado 80109.

# ***BASIC FINANCIAL STATEMENTS***



**Douglas County** School District  
*Learn today. Lead tomorrow.*

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## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Net Position  
June 30, 2014

	Primary Government		Total	Component
	Governmental Activities	Business Type Activities		Units Charter Schools
<b>ASSETS</b>				
Cash and Investments	\$ 113,589,512	\$ 6,055,569	\$ 119,645,081	\$ 19,559,843
Receivables:				
Property Taxes, Net of Allowance for Uncollectible Taxes	11,541,492	-	11,541,492	-
Other	2,798,144	296,367	3,094,511	401,855
Internal Balances	1,764,406	(1,764,406)	-	-
Inventories	669,850	824,800	1,494,650	30,803
Prepaid Costs and Other Assets	357,211	-	357,211	878,482
Restricted Cash and Investments	83,719,717	-	83,719,717	12,365,746
Capital Assets:				
Non-depreciable	32,670,936	-	32,670,936	13,866,001
Depreciable, Net	667,830,517	3,528,490	671,359,007	106,890,664
<b>Total Assets</b>	<b>914,941,785</b>	<b>8,940,820</b>	<b>923,882,605</b>	<b>153,993,394</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Amount on Refunding	22,927,892	-	22,927,892	2,896,209
<b>LIABILITIES</b>				
Accounts Payable	7,032,965	202,716	7,235,681	3,610,877
Accrued Compensation	22,105,273	683,352	22,788,625	2,344,594
Unearned Revenues	771,282	-	771,282	539,852
Accrued Insurance Claims	6,159,104	-	6,159,104	-
Accrued Interest Payable	969,935	-	969,935	1,406,526
Non-Current Liabilities:				
Due within One Year	56,771,483	-	56,771,483	1,738,018
Due in More than One Year	506,980,649	-	506,980,649	134,993,860
<b>Total Liabilities</b>	<b>600,790,691</b>	<b>886,068</b>	<b>601,676,759</b>	<b>144,633,727</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	195,973,287	3,528,490	199,501,777	(13,142,571)
Restricted:				
TABOR Emergency Reserve	15,132,000	-	15,132,000	2,572,455
Debt Service/Lease Obligation	64,595,606	-	64,595,606	8,929,711
Building	14,986,393	-	14,986,393	1,016,053
Grants	185,120	-	185,120	-
Student Activities	823,833	-	823,833	-
Unrestricted	45,382,747	4,526,262	49,909,009	12,880,228
<b>Total Net Position</b>	<b>\$ 337,078,986</b>	<b>\$ 8,054,752</b>	<b>\$ 345,133,738</b>	<b>\$ 12,255,876</b>

See accompanying notes to the financial statements

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Statement of Activities  
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Instruction	\$ 274,095,304	\$ 28,530,827	\$ 11,607,649	\$ -
Supporting Services	192,408,770	-	18,734,706	-
Payments to Component Units	73,281,995	-	-	-
Interest on Long-Term Debt	28,911,330	-	-	-
<b>Total Governmental Activities</b>	<b>568,697,399</b>	<b>28,530,827</b>	<b>30,342,355</b>	<b>-</b>
<b>Business Type Activities:</b>				
Nutrition Services	14,628,994	12,179,758	3,091,358	-
Before and After School Programs	9,379,960	10,021,837	-	-
Outdoor Education	558,288	468,655	-	-
<b>Total Business Type Activities</b>	<b>24,567,242</b>	<b>22,670,250</b>	<b>3,091,358</b>	<b>-</b>
<b>Total Primary Government</b>	<b>593,264,641</b>	<b>51,201,077</b>	<b>33,433,713</b>	<b>-</b>
<b>Component Units</b>				
Charter Schools	\$ 87,927,649	\$ 8,401,021	\$ 1,766,954	\$ 67,406

## GENERAL REVENUES

Property Taxes

Specific Ownership Taxes

State Equalization

Capital Constuction Funding

Investment Earnings

Grants and Contributions not specific to Programs

Other

Total General Revenues

Change in Net Position Before Transfers

Transfer In (Out)

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
\$ (233,956,828)	\$ -	\$ (233,956,828)	\$ -
(173,674,064)	-	(173,674,064)	-
(73,281,995)	-	(73,281,995)	-
(28,911,330)	-	(28,911,330)	-
<u>(509,824,217)</u>	<u>-</u>	<u>(509,824,217)</u>	<u>-</u>
-	642,122	642,122	-
-	641,877	641,877	-
-	(89,633)	(89,633)	-
<u>-</u>	<u>1,194,366</u>	<u>1,194,366</u>	<u>-</u>
<u>(509,824,217)</u>	<u>1,194,366</u>	<u>(508,629,851)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,692,268)</u>
224,180,235	-	224,180,235	-
19,916,387	-	19,916,387	4,390,622
270,410,414	-	270,410,414	68,794,240
-	-	-	742,138
144,848	-	144,848	193,708
-	-	-	2,024,704
13,296,105	125,907	13,422,012	277,103
<u>527,947,989</u>	<u>125,907</u>	<u>528,073,896</u>	<u>76,422,515</u>
18,123,772	1,320,273	19,444,045	(1,269,753)
<u>(2,605,000)</u>	<u>2,605,000</u>	<u>-</u>	<u>-</u>
15,518,772	3,925,273	19,444,045	(1,269,753)
321,560,214	4,129,479	325,689,693	13,525,629
<u>\$ 337,078,986</u>	<u>\$ 8,054,752</u>	<u>\$ 345,133,738</u>	<u>\$ 12,255,876</u>

See accompanying notes to the financial statements

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Governmental Funds  
Balance Sheet  
June 30, 2014

	Combined General	Bond Redemption	COP		Non-Major Governmental	Total Governmental
			Lease Payment	Building		
<b>ASSETS</b>						
Cash and Investments	\$ 101,249,577	\$ -	\$ -	\$ -	\$ 1,245,483	\$ 102,495,060
Receivables:						
Property Taxes, Net of Allowance for Uncollectible Taxes	8,964,331	2,577,161	-	-	-	11,541,492
Other	504,562	-	-	-	2,288,002	2,792,564
Due from Other Funds	4,627,360	-	-	-	-	4,627,360
Prepaid Costs	357,211	-	-	-	-	357,211
Inventories, at Cost	669,850	-	-	-	-	669,850
Restricted Cash and Investments	2,013,949	62,645,104	1,761,826	17,298,838	-	83,719,717
<b>Total Assets</b>	<b>\$ 118,386,840</b>	<b>\$ 65,222,265</b>	<b>\$ 1,761,826</b>	<b>\$ 17,298,838</b>	<b>\$ 3,533,485</b>	<b>\$ 206,203,254</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 5,049,219	\$ -	\$ -	\$ 1,582,216	\$ 400,457	\$ 7,031,892
Accrued Compensation	21,427,439	-	-	-	677,834	22,105,273
Due to Other Funds	-	913,196	4,880	730,229	1,214,649	2,862,954
Unearned Revenues	539,690	-	-	-	231,592	771,282
<b>Total Liabilities</b>	<b>27,016,348</b>	<b>913,196</b>	<b>4,880</b>	<b>2,312,445</b>	<b>2,524,532</b>	<b>32,771,401</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	3,144,590	1,470,409	-	-	-	4,614,999
<b>FUND BALANCES</b>						
Nonspendable:						
Inventories	669,850	-	-	-	-	669,850
Prepaid Costs	357,211	-	-	-	-	357,211
Restricted:						
TABOR Emergency Reserve	15,132,000	-	-	-	-	15,132,000
Building	-	-	-	14,536,321	-	14,536,321
Aspen View Charter	-	-	-	450,072	-	450,072
Debt Service/Lease Obligation	-	62,838,660	1,756,946	-	-	64,595,606
Grants	-	-	-	-	185,120	185,120
Student Athletics	-	-	-	-	823,833	823,833
Assigned:						
4% Board Reserves	20,200,000	-	-	-	-	20,200,000
School Innovation and HS Student Rqsts	2,100,000	-	-	-	-	2,100,000
Pay for Performance Carryover	3,500,000	-	-	-	-	3,500,000
School and Department Carryover	19,546,877	-	-	-	-	19,546,877
Energy Performance Lease	2,003,702	-	-	-	-	2,003,702
Cash in Lieu of Land	2,319,770	-	-	-	-	2,319,770
Sub-fund Carryover	11,417,806	-	-	-	-	11,417,806
Buses/Phone System/Classroom Technology	8,757,127	-	-	-	-	8,757,127
Extended Service Severance	1,734,705	-	-	-	-	1,734,705
Unassigned	486,854	-	-	-	-	486,854
<b>Total Fund Balances</b>	<b>88,225,902</b>	<b>62,838,660</b>	<b>1,756,946</b>	<b>14,986,393</b>	<b>1,008,953</b>	<b>168,816,854</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 118,386,840</b>	<b>\$ 65,222,265</b>	<b>\$ 1,761,826</b>	<b>\$ 17,298,838</b>	<b>\$ 3,533,485</b>	<b>\$ 206,203,254</b>

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, 2014

<b>Fund Balances of Governmental Funds</b>	\$ 168,816,854
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.	700,501,453
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.	4,614,999
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.	8,698,959
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	\$ (432,426,936)
Certificates of Participation	(52,200,000)
Accreted Interest	(15,722,043)
Bond Premiums	(49,067,791)
Deferred Amount on Refunding	22,927,892
Accrued Interest Payable	(969,935)
Accrued Insurance Claims Payable	(3,759,104)
Capital Leases	(10,174,165)
Extended Service Severance	(1,734,705)
Compensated Absences	(2,426,492)
	<u>(545,553,279)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 337,078,986</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, 2014

	Combined General	Bond Redemption	COP Lease Payment	Building	Non-Major Governmental	Total Governmental
<b>REVENUES</b>						
Property Taxes	\$ 155,045,888	\$ 72,180,079	\$ -	\$ -	\$ -	\$ 227,225,967
Specific Ownership Tax	19,916,387	-	-	-	-	19,916,387
Intergovernmental	289,145,120	-	-	-	11,607,649	300,752,769
Charges for Services	21,730,194	-	-	-	6,800,633	28,530,827
Investment Earnings	66,287	50,682	466	15,467	-	132,902
Other	9,927,438	-	425,041	-	3,580,131	13,932,610
<b>Total Revenue</b>	<b>495,831,314</b>	<b>72,230,761</b>	<b>425,507</b>	<b>15,467</b>	<b>21,988,413</b>	<b>590,491,462</b>
<b>EXPENDITURES</b>						
Current:						
Instruction	259,965,017	-	-	-	21,056,968	281,021,985
Supporting Services	171,160,983	-	-	-	4,602,694	175,763,677
Capital Outlay	-	-	-	12,817,891	127,816	12,945,707
Debt Service/Lease Payments:						
Principal	-	38,316,380	3,535,000	-	-	41,851,380
Debt Issuance Costs	-	-	-	172,052	-	172,052
Interest and Fiscal Charges	-	30,610,791	1,560,138	22,654	-	32,193,583
Payments to Component Units	73,281,995	-	-	-	-	73,281,995
<b>Total Expenditures</b>	<b>504,407,995</b>	<b>68,927,171</b>	<b>5,095,138</b>	<b>13,012,597</b>	<b>25,787,478</b>	<b>617,230,379</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,576,681)</b>	<b>3,303,590</b>	<b>(4,669,631)</b>	<b>(12,997,130)</b>	<b>(3,799,065)</b>	<b>(26,738,917)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of Capital Lease	3,530,800	-	-	-	-	3,530,800
Issuance of Certificates of Participation	-	-	-	15,000,000	-	15,000,000
Proceeds from Sale of Capital Assets	122,719	-	-	-	-	122,719
Transfers In	-	-	6,175,681	-	3,887,406	10,063,087
Transfers Out	(11,279,203)	-	-	(1,388,884)	-	(12,668,087)
<b>Total Other Financing Sources</b>	<b>(7,625,684)</b>	<b>-</b>	<b>6,175,681</b>	<b>13,611,116</b>	<b>3,887,406</b>	<b>16,048,519</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(16,202,365)</b>	<b>3,303,590</b>	<b>1,506,050</b>	<b>613,986</b>	<b>88,341</b>	<b>(10,690,398)</b>
FUND BALANCES, Beginning,	104,428,267	59,535,070	250,896	14,372,407	920,612	179,507,252
FUND BALANCES, Ending	<u>\$ 88,225,902</u>	<u>\$ 62,838,660</u>	<u>\$ 1,756,946</u>	<u>\$ 14,986,393</u>	<u>\$ 1,008,953</u>	<u>\$ 168,816,854</u>

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2014

**Net change in fund balances of governmental funds** \$ (10,690,398)

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	\$ 23,704,664	
Depreciation	(26,785,998)	
Proceeds on Sale of Capital Asset	(122,719)	
Gain on Sale of Capital Assets	(45,418)	(3,249,471)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (3,045,732)

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	38,316,380	
Principal Lease Payments - Certificates of Participation	3,535,000	
Issuance of Certificates of Participation	(15,000,000)	
Change in Accreted Interest	3,973,727	
Change in Accrued Interest	(519,422)	
Change in Compensated Absences	1,540,996	
Change in Extended Service Severance	1,937,702	
Change in Early Separation Agreement	1,551,191	
Issuance of Capital Lease	(3,530,800)	
Principal Payments Capital Lease	721,339	
Amortization of Bond Premium and Deferred Charges	1,303,854	33,829,967

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. (379,640)

Internal Service Funds are used by management to charge 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. (945,954)

**Change in net position of governmental activities** \$ 15,518,772

See accompanying notes to the financial statements

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Proprietary Funds  
Statement of Net Position  
June 30, 2014

	Business Type Activities			Governmental
	Enterprise Funds			Activities
	Nutrition Services Fund 51	Non-Major Enterprise Funds	Total	Medical (Internal Service) Fund
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 936,272	\$ 5,119,297	\$ 6,055,569	\$ 11,094,452
Intergovernmental and Grant Receivables	296,367	-	296,367	-
Other Receivables	-	-	-	5,580
Inventories	824,800	-	824,800	-
Total Current Assets	<u>2,057,439</u>	<u>5,119,297</u>	<u>7,176,736</u>	<u>11,100,032</u>
Capital Assets:				
Building	362,320	214,448	576,768	-
Machinery and Equipment	6,913,003	313,645	7,226,648	-
Accumulated Depreciation	<u>(4,196,456)</u>	<u>(78,470)</u>	<u>(4,274,926)</u>	<u>-</u>
Total Capital Assets	<u>3,078,867</u>	<u>449,623</u>	<u>3,528,490</u>	<u>-</u>
Total Assets	<u><u>\$ 5,136,306</u></u>	<u><u>\$ 5,568,920</u></u>	<u><u>\$ 10,705,226</u></u>	<u><u>\$ 11,100,032</u></u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 48,244	\$ 154,472	\$ 202,716	\$ 1,073
Due to Other Funds	1,764,406	-	1,764,406	-
Accrued Compensation	131,241	552,111	683,352	-
Accrued Insurance Claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400,000</u>
Total Current Liabilities	<u>1,943,891</u>	<u>706,583</u>	<u>2,650,474</u>	<u>2,401,073</u>
<b>NET POSITION</b>				
Investment in Capital Assets	3,078,867	449,623	3,528,490	-
Unrestricted	<u>113,548</u>	<u>4,412,714</u>	<u>4,526,262</u>	<u>8,698,959</u>
Total Net Position	<u>3,192,415</u>	<u>4,862,337</u>	<u>8,054,752</u>	<u>8,698,959</u>
Total Liabilities and Net Position	<u><u>\$ 5,136,306</u></u>	<u><u>\$ 5,568,920</u></u>	<u><u>\$ 10,705,226</u></u>	<u><u>\$ 11,100,032</u></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, 2014

	Business Type Activities			Governmental
	Enterprise Funds			Activities
	Nutrition Services Fund 51	Non-Major Enterprise Funds	Total	Medical (Internal Service) Fund
OPERATING REVENUES				
Food Charges	\$ 12,179,758	\$ -	\$ 12,179,758	\$ -
Charges for Services	-	10,490,492	10,490,492	37,879,366
Other	32,520	96,178	128,698	52,780
Total Operating Revenue	<u>12,212,278</u>	<u>10,586,670</u>	<u>22,798,948</u>	<u>37,932,146</u>
OPERATING EXPENSES				
Salaries and Benefits	6,328,850	7,483,920	13,812,770	-
Food Purchases	6,710,420	-	6,710,420	-
Purchased Services	342,516	723,214	1,065,730	852,316
Depreciation	367,424	15,078	382,502	-
Supplies	816,316	879,728	1,696,044	-
Other	63,468	836,308	899,776	35,613
Insurance and Claims	-	-	-	38,002,117
Total Operating Expenses	<u>14,628,994</u>	<u>9,938,248</u>	<u>24,567,242</u>	<u>38,890,046</u>
OPERATING INCOME (LOSS)	<u>(2,416,716)</u>	<u>648,422</u>	<u>(1,768,294)</u>	<u>(957,900)</u>
NON-OPERATING REVENUES (EXPENSES)				
Federal Government Lunch Program	2,295,856	-	2,295,856	-
Commodity Contribution	689,895	-	689,895	-
State Match	105,607	-	105,607	-
Loss on Sale of Capital Assets	(2,250)	(541)	(2,791)	-
Investment Earnings	-	-	-	11,946
Total Non-operating Revenues (Expenses)	<u>3,089,108</u>	<u>(541)</u>	<u>3,088,567</u>	<u>11,946</u>
Income (Loss) Before Transfers	672,392	647,881	1,320,273	(945,954)
Interfund Transfers	<u>2,500,000</u>	<u>105,000</u>	<u>2,605,000</u>	<u>-</u>
CHANGE IN NET POSITION	3,172,392	752,881	3,925,273	(945,954)
NET POSITION, Beginning	<u>20,023</u>	<u>4,109,456</u>	<u>4,129,479</u>	<u>9,644,913</u>
NET POSITION, Ending	<u>\$ 3,192,415</u>	<u>\$ 4,862,337</u>	<u>\$ 8,054,752</u>	<u>\$ 8,698,959</u>

See accompanying notes to the financial statements

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Proprietary Funds  
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2014

	Business-Type Activities Enterprise Funds			Governmental Activities
	Nutrition Fund 51	Non-Major Enterprise Funds	Total	Medical (Internal Service) Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 12,227,834	\$ 10,602,130	\$ 22,829,964	\$ 38,066,216
Payments to Suppliers	(7,109,985)	(2,441,929)	(9,551,914)	(40,210,480)
Payments to Employees	(6,303,182)	(7,361,274)	(13,664,456)	(8,905)
Net Cash Provided (Used) by Operating Activities	(1,185,333)	798,927	(386,406)	(2,153,169)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Federal Government Lunch Payments	2,358,853	-	2,358,853	-
State Match	105,607	-	105,607	-
Interfund Transfers	161,274	105,000	266,274	-
Net Cash Provided by Noncapital Financing Activities	2,625,734	105,000	2,730,734	-
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>				
Purchase of Equipment	(508,826)	(118,174)	(627,000)	-
Proceeds from Sale of Equipment	3,250	-	3,250	-
Net Cash Used by Capital Financing Activities	(505,576)	(118,174)	(623,750)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Earnings on Investments	-	-	-	11,946
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	934,825	785,753	1,720,578	(2,141,223)
CASH AND CASH EQUIVALENTS, Beginning	1,447	4,333,544	4,334,991	13,235,675
CASH AND CASH EQUIVALENTS, Ending	\$ 936,272	\$ 5,119,297	\$ 6,055,569	\$ 11,094,452
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (2,416,716)	648,422	\$ (1,768,294)	\$ (957,900)
Adjustments to Operating Income (Loss) not Affecting Cash Flows:				
Depreciation	367,424	15,078	382,502	-
Food Commodities	689,895	-	689,895	-
Changes in Assets and Liabilities:				
Change in Other Receivables	15,556	15,460	31,016	134,070
Change in Inventories	99,103	-	99,103	-
Change in Accounts Payable	33,737	(2,679)	31,058	(649,474)
Change in Accrued Compensation	25,668	122,646	148,314	(8,905)
Change in Accrued Insurance Claims	-	-	-	(670,960)
Total Adjustments	1,231,383	150,505	1,381,888	(1,195,269)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,185,333)	798,927	(386,406)	(2,153,169)
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Donated Federal Government Commodity Items	\$ 689,895	\$ -	\$ 689,895	\$ -

See accompanying notes to the financial statements

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fiduciary Funds  
Statement of Net Position  
June 30, 2014

	Private Purpose Trust Scholarship Fund 75	Agency Fund 74
<b>ASSETS</b>		
Cash and Investments	\$ 45,666	\$ 3,915,039
Total Assets	<u>45,666</u>	<u>3,915,039</u>
<b>LIABILITIES</b>		
Accounts Payable	-	60,356
Assigned Student Related Activities	-	3,854,683
Total Liabilities	-	<u>\$ 3,915,039</u>
<b>NET POSITION</b>		
Held in Trust for Scholarships	<u>45,666</u>	
Total Net Position	<u>\$ 45,666</u>	

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, 2014

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	<u>Private Purpose Trust Scholarship</u>
ADDITIONS	
Contributions	\$ 58,800
Total Additions	<u>58,800</u>
DEDUCTIONS	
Grants and Scholarships	<u>77,000</u>
Total Deductions	<u>77,000</u>
CHANGE IN NET POSITION	(18,200)
NET Position, Beginning	<u>63,866</u>
NET POSITION, Ending	<u><u>\$ 45,666</u></u>

See accompanying notes to the financial statements



NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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

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

***Discretely Presented Component Units*** - The District's charter schools consist of twelve separately authorized charters: Academy, American Academy, Aspen View Academy, Ben Franklin Academy, Challenge to Excellence, Parker Core Knowledge, North Star Academy, Platte River Academy, DCS Montessori, SkyView, STEM High (Science, Technology, Engineering and Math), and Hope Online Learning Academy Co-Op. Aspen View Academy is a new charter school that opened in Fall of 2013. American Academy expanded to a second site in Parker also in the Fall of 2013

Charter schools are public schools authorized by the State of Colorado to provide educational alternatives for parents, pupils and teachers. The schools have separate governing boards but are fiscally dependent on the District for the majority of funding, and their exclusion would render the District's financial statements incomplete. Charter schools are considered discretely presented component units for external financial reporting purposes. The District considers each of the component units to be non-major component units because none of the schools individually has a financial relationship with the District that is significant enough to require separate reporting within the basic financial statements. Combining schedules are included within the supplementary section of this comprehensive annual financial report. The charter schools report within their reporting entities various foundations formed for fund-raising or debt administration. Separate financial statements for all charter schools 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 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, 2014

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 and lease payment expenditures, as well as expenditures related to compensated absences and risk management claims, are recorded only when payment is due.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Nutrition Services Fund, the Child Care Fund, the Outdoor Education Fund and the Medical Fund (an Internal Service Fund) 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, 2014

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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 and equipment 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, 2014

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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**

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 governmental financial statements.

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

Inventories and Prepaid Costs

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

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

Restricted Assets

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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

Capital assets, which include property and equipment, are reported in the 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:

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

Unearned Revenue

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District 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, 2014

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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. Bond issuance costs are expensed in the year they are incurred.

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

Fund Balance/Net Position

In the fund financial statements, governmental funds report the following classification of fund balance in accordance with GASB Statement No. 54:

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

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

*Committed* - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Fund balance of the District may be committed for a specific source by formal action of the Board of Education. Amendments or modifications of the committed fund balance must also be approved by formal action of the Board of Education. As of June 30, 2014 the District has no committed amounts.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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

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

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

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 consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond and COP proceeds of \$17,298,838. 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, 2014, the District has \$15,132,000 and the charter schools have \$2,572,455 restricted by enabling legislation.

NOTE 2: DEPOSITS AND INVESTMENTS

At June 30, 2014, deposits and investments were reported in the financial statements as follows:

Governmental Activities *	\$	197,309,229
Business Type Activities		6,055,569
Private Purpose Trust Scholarship		45,666
Agency		3,915,039
		<hr/>
Total	\$	<u>207,325,503</u>

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

Cash and investments at June 30, 2014, consisted of the following:

Deposits	\$	25,323,110
Cash on Hand		44,486
Investments		181,957,907
		<hr/>
Total	\$	<u>207,325,503</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 levels must be collateralized by eligible collateral as determined by the PDPA.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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

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, 2014, 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, 2014, the District had the following investments:

<u>Investment Type</u>	<u>Rating Standard &amp; Poor's or Moody's</u>	<u>Less Than 1 year</u>	<u>1-5 years</u>	<u>Fair Value</u>
Money Market Funds	AAAm	\$ 67,305,480	\$ -	\$ 67,305,480
Investment Pool	AAAm	114,652,427	-	114,652,427
	Total	<u>\$ 181,957,907</u>	<u>\$ -</u>	<u>\$ 181,957,907</u>

*Local Government Investment Pools* - At June 30, 2014, the District had dollars invested in local government investment pools with \$114,050,287 invested in CSAFE, Colorado Surplus Asset Fund, and \$602,140 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, 2014

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. None of the District's investments are subject to custodial risk.

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

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

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

*Concentration of Credit Risk* - State statutes and the District's investment policy do not limit the amount the District may invest in one issuer.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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, 2014, were composed of the following:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Nutrition Services Fund	General Fund	\$ 1,764,406
Grant Fund	General Fund	1,214,649
Bond Redemption Fund	General Fund	913,196
Building Fund	General Fund	730,229
COP Lease Payment Fund	General Fund	4,880

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

Transfers are used to move revenues from the fund that collects them to specific programs accounted for in other funds, in accordance with budget authorization. Transferred funds are without recourse. Transfers during the fiscal year ended June 30, 2014, were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	COP Lease Payment Fund	\$ 4,786,797
General Fund	Student Athletics Fund	3,887,406
General Fund	Nutrition Services Fund	2,500,000
General Fund	Outdoor Education Fund	105,000
Building Fund	COP Lease Payment Fund	1,388,884

The transfers from the Building Fund to the COP Lease Payment Fund was done to ensure the required COP reserve funds are reported and identified as reserved each year. 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.

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## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

NOTE 4: CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
<b>Governmental Activities</b>					
Land	\$ 11,705,813	\$ 1,692,870	\$ (82,000)	\$ -	\$ 13,316,683
Construction in Progress (CIP)	21,195,515	14,063,151	-	(15,904,413)	19,354,253
Total Capital Assets (Not Depreciated)	32,901,328	15,756,021	(82,000)	(15,904,413)	32,670,936
Buildings and Improvements	895,081,935	292,021	(25,148)	14,781,223	910,130,031
Machinery and Equipment	71,078,655	7,656,622	(4,149,394)	1,123,190	75,709,073
Total Depreciable Capital Assets	966,160,590	7,948,643	(4,174,542)	15,904,413	985,839,104
<u>Accumulated Depreciation</u>					
Building and Improvements	(243,944,922)	(25,417,350)	19,815	-	(269,342,457)
Machinery and Equipment	(51,366,072)	(1,368,648)	4,068,590	-	(48,666,130)
Total Accumulated Depreciation	(295,310,994)	(26,785,998)	4,088,405	-	(318,008,587)
Net Depreciated Capital Assets	670,849,596	(18,837,355)	(86,137)	15,904,413	667,830,517
Net Capital Assets with Land and CIP	<u>\$ 703,750,924</u>	<u>\$ (3,081,334)</u>	<u>\$ (168,137)</u>	<u>\$ -</u>	<u>\$ 700,501,453</u>
<b>Business Type Activities</b>					
Construction In Progress (CIP) (Not Depreciated)	\$ 33,868	\$ -	\$ -	\$ (33,868)	\$ -
Buildings and Improvements	424,727	118,173	-	33,868	576,768
Machinery and Equipment	6,764,690	508,827	(46,869)	-	7,226,648
Total Depreciable Capital Assets	7,189,417	627,000	(46,869)	33,868	7,803,416
<u>Accumulated Depreciation</u>					
Building and Improvements	(29,338)	(6,922)	-	-	(36,260)
Machinery and Equipment	(3,903,914)	(375,580)	40,828	-	(4,238,666)
Total Accumulated Depreciation	(3,933,252)	(382,502)	40,828	-	(4,274,926)
Net Depreciated Capital Assets	3,256,165	244,498	(6,041)	33,868	3,528,490
Net Capital Assets with CIP	<u>\$ 3,290,033</u>	<u>\$ 244,498</u>	<u>\$ (6,041)</u>	<u>\$ -</u>	<u>\$ 3,528,490</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

NOTE 4: CAPITAL ASSETS (Continued)

<b>Diseretely Presented Component Units- Charter Schools</b>	June 30, 2013	Additions	Deletions	June 30, 2014
Land	\$ 13,866,001	\$ -	\$ -	\$ 13,866,001
Construction in Progress	12,979,971	1,723,242	(14,703,213)	-
Total Capital Assets Not Depreciated	26,845,972	1,723,242	(14,703,213)	13,866,001
Buildings and Improvements	97,698,328	21,728,209	-	119,426,537
Machinery and Equipment	3,742,590	2,281,591	(162,459)	5,861,722
Total Capital Assets Depreciated	101,440,918	24,009,800	(162,459)	125,288,259
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	(11,901,782)	(2,827,237)	-	(14,729,019)
Machinery and Equipment	(2,448,560)	(1,172,187)	161,503	(3,668,576)
Total Accumulated Depreciation	(14,350,342)	(3,999,424)	161,503	(18,397,595)
Net Capital Assets Being Depreciated	87,090,576	20,010,376	(956)	106,890,664
Net Capital Assets	\$ 113,936,548	\$ 21,733,618	\$ (14,704,169)	\$ 120,756,665

For FY 2013-2014, depreciation expense was charged to programs of the District as follows:

**Governmental Activities:**

Instruction	\$ 3,072,912
Supporting Services	23,713,086
Subtotal	26,785,998

**Business Type Activities:**

Nutrition Services	367,424
Before and After School Programs	5,333
Outdoor Education	9,745
Subtotal	382,502

<b>Total</b>	<b>\$ 27,168,500</b>
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## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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, 2014 are recorded in the funds as follows:

**Governmental Activities:**

Combined General Fund	\$ 21,427,439
Non-major Governmental Funds	<u>677,834</u>
Subtotal	<u>22,105,273</u>

**Business Type Activities:**

Nutrition Services	131,241
Non-Major Enterprises	<u>552,111</u>
Subtotal	<u>683,352</u>
Total	<u>\$ 22,788,625</u>

Accrued compensation for the charter schools as of June 30, 2014, is \$2,344,594.

NOTE 6: LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2014, is as follows:

	Balance June 30, 2013	Additions	Payments	Balance June 30, 2014	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 470,743,316	\$ -	\$ 38,316,380	\$ 432,426,936	\$ 39,363,688
Certificates of Participation	40,735,000	15,000,000	3,535,000	52,200,000	2,190,000
Accreted Interest	19,695,769	4,401,273	8,374,999	15,722,043	8,832,691
Bond Premiums	53,252,046	-	4,184,255	49,067,791	4,184,255
Early Separation Agreement	1,551,191	-	1,551,191	-	-
Extended Service Separation	3,672,407	-	1,937,702	1,734,705	628,117
Capital Leases	7,364,704	3,530,800	721,339	10,174,165	967,732
Compensated Absences	3,967,488	1,005,451	2,546,447	2,426,492	605,000
Total	<u>\$ 600,981,921</u>	<u>\$ 23,937,524</u>	<u>\$ 61,167,313</u>	<u>\$ 563,752,132</u>	<u>\$ 56,771,483</u>

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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

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, 2014, consisted of the following:

\$65,000,000 G.O. Bonds, Series 2004A; interest ranging from 5.50% to 5.75% payable semiannually; principal payable annually beginning December 2008. The final payment is due December 2014.	\$ 3,615,000
\$158,920,000 G.O. Refunding Bonds, Series 2004B; interest ranging from 2% to 5% payable semiannually; principal payable annually beginning December 2005. The final payment is due December 2019.	102,695,000
\$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.	218,553
\$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 December 2009. The final payment is due 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 December 2013. The final payment is due December 2014.	1,036,546

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

NOTE 6: LONG-TERM LIABILITIES (Continued)**General Obligation Bonds (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.	\$ 1,276,837
\$13,945,000 G.O. Refunding Bonds, Series 2007B; interest ranging from 4% to 5% payable semiannually; principal payable annually beginning December 2017. The final payment is due December 2018. A portion of these bonds was refunded in fiscal year 2012.	13,945,000
\$87,310,000 G.O. Refunding Bonds, Series 2009; interest ranging from 2% to 5.25%; interest payable semiannually; principal payable annually beginning December 2009. The final payment is due December 2025.	81,310,000
\$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.	83,150,000
\$560,000 G.O. Capital Appreciation Bonds, Series 2010; yielding 2.25% to 2.5% interest compounds semiannually; principal payable annually beginning December 2016. The final payment is due December 2017.	560,000
\$70,995,000 G.O. Refunding Bonds, Series 2012; yielding 0.28% to 2.86% interest compounds semiannually; principal payable annually beginning December 2015. The final payment is due December 2030.	69,645,000
\$100,000 G.O. Capital Appreciation Bonds, Series 2012; yielding 3.2% to 3.35% interest compounds semiannually; principal payable annually beginning December of 2022. The final payment is due December 2023.	100,000
\$31,020,000 G.O. Refunding Bonds, Series 2013, yielding 0.25% to 2.72% interest compounds semiannually; principal payable annually beginning December 2013. The final payment is due December 2028.	30,705,000
<b>Total General Obligation Bonds</b>	<b><u>\$ 432,426,936</u></b>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

NOTE 6: LONG-TERM LIABILITIES (Continued)**Certificates of Participation**

\$13,830,000 Certificates of Participation, Series 2006, interest ranging from 4% to 4.75% payable semiannually, principal payable annually beginning December 2008. The final payment is due December 2021. \$ 9,005,000

\$13,920,000 Certificates of Participation, Series 2009; interest ranging from 2% to 5% payable semiannually; principal payable annually beginning January 2011. The final payment is due January 2031. 12,695,000

\$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 January 2037. 15,500,000

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

**Total Certificates of Participation** \$ **52,200,000**

**Capital Leases**

The District entered into the following capital leases:

Copier equipment lease beginning July 2012 in the amount of \$2,065,487. Monthly payments including interest at 2.5% are due beginning August 2012. The final payment is due June 2017. \$ 1,410,911

Energy Performance Capital Lease Phase I beginning in 2013 in the amount of \$5,571,226. Semi-annual payments ranging from \$224,381 to \$371,610 are due beginning September 2013 including interest at 2%. Final payment is due March 2023. 5,232,454

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

**Total Capital Leases** \$ **10,174,165**

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

Equipment (energy performance contract) \$ 10,057,005  
 Other equipment 2,065,487  
 Less: Accumulated Depreciation 523,070  
**Total** \$ **11,599,422**



## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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

Accreted compound interest on capital appreciation bonds,  
due and payable upon final payment of each respective bond. \$ 15,722,043

**Future Debt Service/Lease Obligations**

The following schedule represents the District's debt service and lease payment obligations to maturity for outstanding bonded debt, registered coupons and certificates of participation and capital leases at June 30, 2014:

**General Obligation Bonds**

June 30,	Principal	Interest	Total
2015	\$ 39,363,688	\$ 29,108,249	\$ 68,471,937
2016	43,998,535	22,217,865	66,216,400
2017	37,190,142	18,495,651	55,685,793
2018	35,179,571	19,544,966	54,724,537
2019	37,820,000	11,736,825	49,556,825
2020-2024	147,630,000	40,082,231	187,712,231
2025-2029	85,650,000	9,283,362	94,933,362
2030-2031	5,595,000	283,125	5,878,125
Total	<u>\$ 432,426,936</u>	<u>\$ 150,752,274</u>	<u>\$ 583,179,210</u>

**Certificates of Participation**

June 30,	Principal	Interest	Total
2015	\$ 2,190,000	\$ 1,814,255	\$ 4,004,255
2016	2,380,000	1,871,018	4,251,018
2017	2,740,000	1,791,217	4,531,217
2018	2,830,000	1,701,605	4,531,605
2019	2,920,000	1,613,505	4,533,505
2020-2024	13,495,000	6,455,620	19,950,620
2025-2029	11,765,000	4,162,506	15,927,506
2030-2034	10,990,000	1,642,393	12,632,393
2035-2039	2,890,000	204,575	3,094,575
Total	<u>\$ 52,200,000</u>	<u>\$ 21,256,694</u>	<u>\$ 73,456,694</u>

**Capital Lease**

June 30,	Principal	Interest	Total
2015	\$ 967,732	\$ 271,566	\$ 1,239,298
2016	1,034,780	237,006	1,271,786
2017	1,131,935	197,137	1,329,072
2018	850,051	162,130	1,012,181
2019	782,311	143,741	926,052
2020-2024	4,017,522	431,776	4,449,298
2025-2029	1,389,834	84,296	1,474,130
Total	<u>\$ 10,174,165</u>	<u>\$ 1,527,652</u>	<u>\$ 11,701,817</u>

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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

In the 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, 2014, the outstanding balance of the defeased debt was \$248,974,702.

**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 each September 2009 - 2013 to be transmitted to the participating employees. The final payment was made September 2013.

**Extended Service Severance**

During the 2012 fiscal year, the District initiated a phase out of an extended service severance benefit offered within the DCFT, division of AFT, certified and classified contracts. Employees who were eligible to retire by June 30, 2012, June 30, 2013 and June 30, 2014 were eligible to take advantage of this benefit phase out. The total liability was calculated at about \$6.2 million of which \$2.5 million was paid out October 2012 and about \$2 million paid October 2013 leaving a liability of about \$1.7 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.

**Charter School Debt and Capital Lease Activity**

Charter school debt and lease activity for the year ended June 30, 2014 was as follows:

	Balance			Balance	Due Within
	June 30, 2013	Additions	Payments	June 30, 2014	One Year
<b><u>Charter Schools:</u></b>					
Loans	\$ 127,407,852	\$ 3,855,000	\$ 1,149,480	\$ 130,113,372	\$ 1,328,718
Capital Lease	6,869,130	-	285,028	6,584,102	400,000
Discount	(199,276)	-	(8,660)	(190,616)	-
Premium	197,066	-	8,753	188,313	-
Compensated Absences	38,955	31,242	33,490	36,707	9,300
	<u>\$ 134,313,727</u>	<u>\$ 3,886,242</u>	<u>\$ 1,468,091</u>	<u>\$ 136,731,878</u>	<u>\$ 1,738,018</u>

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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>
2015	\$ 1,728,718	\$ 7,573,462	\$ 9,302,180
2016	2,881,115	7,478,468	10,359,583
2017	12,222,904	7,354,810	19,577,714
2018	49,772,237	5,467,034	55,239,271
2019	4,050,000	11,505,142	15,555,142
2020-2024	12,385,000	17,210,173	29,595,173
2025-2029	16,045,000	13,532,898	29,577,898
2030-2034	21,162,500	8,369,387	29,531,887
2035-2039	15,445,000	2,035,005	17,480,005
2040-2043	1,005,000	65,850	1,070,850
Total	<u>\$ 136,697,474</u>	<u>\$ 80,592,229</u>	<u>\$ 217,289,703</u>

**Charter School Operating Leases**

Charter School operating lease expenses for the year ending June 30, 2014 are \$1,836,686.

Charter School Long Term Lease Commitments

<u>Year Ended June 30,</u>	<u>Total</u>
2015	\$ 2,376,307
2016	2,740,688
2017	2,751,749
2018	2,612,373
2019	464,623
2020-2024	8,118,544
2025-2029	9,367,030
2030-2034	6,321,922
Total	<u>\$ 34,753,236</u>

NOTE 7: SHORT-TERM DEBT

During the fiscal year ended June 30, 2014, the District did not borrow funds from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year.

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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, 2014.

	Medical	Property/Workers Compensation	Total
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
Claims 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
Claims Payments	(19,820,612)	(1,233,229)	(21,053,841)
Claims Liability June 30, 2013	3,070,960	3,379,464	6,450,424
Claims Incurred and Adjusted	19,051,675	2,349,913	21,401,588
Claims Payments	(19,722,635)	(1,970,273)	(21,692,908)
Claims Liability June 30, 2014	\$ 2,400,000	\$ 3,759,104	\$ 6,159,104

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 \$2,400,000 is reported within the Medical Fund as a current liability.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

*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.

<b>Start Date</b>	<b>Statutory Employer Rate</b>	<b>Amortization Equalization Disbursement</b>	<b>Supplemental Amortization Equalization Disbursement</b>	<b>Total Employer Rate</b>
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%
January 2014	10.15%	3.80%	3.50%	17.45%

For the years ending June 30, 2012, 2013, and 2014, the District’s employer contributions to the SDTF were \$39,173,651, \$42,826,213 and \$47,497,483 respectively, equal to its required contributions for each year.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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](http://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% 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, 2012, 2013, and 2014, the District's employer contributions to the HCTF were \$2,939,165, \$2,703,090 and \$2,776,357 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](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

*Funding Policy* - The 401(k) Plan is funded by voluntary member contributions of up to a maximum IRS limit of \$17,500 for 2014. The limits for catch-up contributions was up to \$5,500 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, 2014, the 401(k) Plan member contributions from the District were \$4,151,767.

**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. 401(a) contributions for Administrators and Professional/Technical staff for the year ended June 30, 2014 was \$452,760. The district utilizes two companies, AXA Advisors and MetLife to administer the 401(a) plans.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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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, 2014, 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, 2014, the District had contractual commitments for the construction of various major capital projects and facilities of \$6,393,679. Certificates of participation, investment earnings, and energy performance contract lease agreement proceeds will provide funding for these immediate future expenditures. These commitments include \$450,072 for the continued construction of Aspen View Charter School and \$3 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. This document has been updated and approved by the Board each year since July 1, 2012. The District has maintained their ongoing contract with ATU, the Amalgamated 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.

Oracle Corporation has made a written demand for past software licensing fees for its Payroll module, claiming that the District has not paid for them going back to 1997. The District strongly believes that it has paid for the payroll licensing fees since Oracle was implemented, and that payment and other records and testimony demonstrate this. Oracle offered to settle for \$580,000 but the parties could not agree on release language. We will continue discussions with Oracle but, potential legal and/or settlement costs could exceed \$2 million.

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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NOTE 10: COMMITMENTS AND CONTINGENCIES (Continue)

**TABOR Amendment (Continue)**

The TABOR Amendment requires the District to establish a reserve of 3% for emergencies. At June 30, 2014, the District and charter school reserves of \$15,132,000 and \$2,572,455 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.

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.

*GASB Statement No. 71 - Transitions for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, issued November 2013, will be effective for the District for its year ending June 30, 2015.

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

NOTE 12: SUBSEQUENT EVENTS

In September 2014, the District refunded a portion of its outstanding general obligation bonds in the amount of \$43.4 million resulting in a savings to Douglas County tax payers in the amount of \$6.35 million. The refunding takes advantage of the Districts strong credit rating and lower interest rates available in the current market.

Also in September 2014, the District underwent a thorough review of its finances and operations by the independent credit rating agency of Moody's Investor Service. As a result of the review conducted, Moody's reaffirmed the "Aa 1" rating.



DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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NOTE 12: SUBSEQUENT EVENTS (Continue)

On July 10, 2014, the Colorado Educational and Cultural Facilities Authority issued \$29,120,000 Charter School Refunding and Improvement Revenue Bonds, Series 2014. Proceeds were loaned to the Corporation to repay the outstanding building loan and to construct improvements to the Academy's educational facilities. The Academy will be required to make monthly lease payments to the Corporation for use of the facilities. The Corporation will make equal payments to the Trustee for payment of the bonds. The bonds accrue interest at rates ranging from 4.125% to 0.5% and mature on July 1, 2049.

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***REQUIRED  
SUPPLEMENTARY  
INFORMATION***

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2014

	2014			Variance with Budget
	Adopted Budget	Amended Budget	Actual	
<b>REVENUES</b>				
Taxes:				
Local Property Taxes	\$ 154,153,999	\$ 153,645,502	\$ 155,045,888	\$ 1,400,386
Specific Ownership Taxes	17,102,371	18,219,797	19,916,387	1,696,590
Total Taxes	<u>171,256,370</u>	<u>171,865,299</u>	<u>174,962,275</u>	<u>3,096,976</u>
Intergovernmental State Funding:				
State Equalization	276,800,816	270,568,569	270,410,414	(158,155)
Special Education	10,286,430	10,170,197	10,164,193	(6,004)
Vocational Education	327,762	594,170	594,172	2
Other	5,137,268	9,879,912	7,976,341	(1,903,571)
Total Intergovernmental State Funding	<u>292,552,276</u>	<u>291,212,848</u>	<u>289,145,120</u>	<u>(2,067,728)</u>
Other:				
Investment Income	101,726	101,726	66,287	(35,439)
Charges for Services	20,748,985	21,262,293	21,730,194	467,901
Other	2,068,208	6,420,597	9,927,438	3,506,841
Total Other	<u>22,918,919</u>	<u>27,784,616</u>	<u>31,723,919</u>	<u>3,939,303</u>
Total Revenue	<u>486,727,565</u>	<u>490,862,763</u>	<u>495,831,314</u>	<u>4,968,551</u>
<b>EXPENDITURES</b>				
Current Operating:				
Instructional Services	272,726,262	282,848,453	259,965,017	22,883,436
Supporting Services:				
Pupil Support Services	60,507,022	66,147,868	65,464,314	683,554
Operations and Maintenance	56,423,281	70,853,288	68,512,122	2,341,166
Central Supporting Services	46,614,991	48,127,284	37,184,547	10,942,737
Payments to Component Units	76,946,065	73,132,718	73,281,995	(149,277)
Total Expenditures	<u>513,217,621</u>	<u>541,109,611</u>	<u>504,407,995</u>	<u>36,701,616</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(26,490,056)</u>	<u>(50,246,848)</u>	<u>(8,576,681)</u>	<u>41,670,167</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Capital Lease	-	3,530,800	3,530,800	-
Proceeds from Sale of Capital Assets	-	-	122,719	122,719
Transfers Out	(6,813,929)	(11,174,203)	(11,279,203)	(105,000)
Total Other Financing Sources (Uses)	<u>(6,813,929)</u>	<u>(7,643,403)</u>	<u>(7,625,684)</u>	<u>17,719</u>
NET CHANGE IN FUND BALANCES	<u>\$ (33,303,985)</u>	<u>\$ (57,890,251)</u>	<u>(16,202,365)</u>	<u>\$ 41,687,886</u>
FUND BALANCE, Beginning			<u>104,428,267</u>	
FUND BALANCE, Ending			<u>\$ 88,225,902</u>	

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

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2014

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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.



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***SUPPLEMENTARY  
INFORMATION***

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund  
Comparative Balance Sheet  
June 30, 2014 and 2013

	2014	2013
<b>ASSETS</b>		
Cash and Investments	\$ 101,249,577	\$ 114,810,315
Receivables:		
Property Taxes, Net of Allowance for Uncollectible Taxes	8,964,331	10,236,677
Other	504,562	454,765
Inventories	669,850	675,286
Due from Other Funds	4,627,360	7,493,352
Prepaid Costs	357,211	145,014
Restricted Cash and Investments	2,013,949	5,573,478
	<u>118,386,840</u>	<u>139,388,887</u>
Total Assets	\$ 118,386,840	\$ 139,388,887
<b>LIABILITIES</b>		
Accounts Payable	\$ 5,049,219	\$ 8,511,947
Accrued Compensation	21,427,439	20,686,057
Unearned Revenues	539,690	507,756
	<u>27,016,348</u>	<u>29,705,760</u>
Total Liabilities	27,016,348	29,705,760
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue - Property Taxes	3,144,590	5,254,860
	<u>3,144,590</u>	<u>5,254,860</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Inventories	669,850	675,286
Prepaid Costs	357,211	145,014
Restricted:		
TABOR Emergency Reserve	15,132,000	14,043,000
Assigned:		
4% Board Reserves	20,200,000	18,724,000
School Innovation and HS Student Requests	2,100,000	2,100,000
Early Separation Agreement	-	1,551,191
Extended Service Severance	1,734,705	3,672,407
Average Pay Increases - 3%	-	9,000,000
School Discretionary Funds-\$105/student	-	5,475,675
Pay for Performanace Carryover	3,500,000	2,900,000
School and Department Carryover	19,546,877	19,530,498
Energy Performance Lease Proceeds	2,003,702	-
Cash in Lieu of Land	2,319,770	-
Sub-fund Carryover	11,417,806	24,714,053
Buses/Phone System/Classroom Tech	8,757,127	1,360,000
Unassigned	486,854	537,143
	<u>88,225,902</u>	<u>104,428,267</u>
Total Fund Balances	88,225,902	104,428,267
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 118,386,840	\$ 139,388,887



## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

General Fund  
Combining Balance Sheet  
June 30, 2014

	General Fund 10	Full Day Kindergarten Fund 15	Risk Insurance Fund 18	Transportation Fund 25	Capital Projects Fund 43	Combined General Fund
<b>ASSETS</b>						
Cash and Investments	\$ 84,882,092	\$ 4,367,483	\$ 1,784,563	\$ 858,547	\$ 9,356,892	\$ 101,249,577
Receivables:						
Property Taxes, Net of Allowance for Uncollectible Taxes	8,964,331	-	-	-	-	8,964,331
Other	271,039	-	-	233,036	487	504,562
Inventories	427,853	-	-	241,997	-	669,850
Due from Other Funds	4,627,360	-	-	-	-	4,627,360
Prepaid Costs	217,211	-	140,000	-	-	357,211
Restricted Cash and Investments	-	-	-	-	2,013,949	2,013,949
<b>Total Assets</b>	<b>\$ 99,389,886</b>	<b>\$ 4,367,483</b>	<b>\$ 1,924,563</b>	<b>\$ 1,333,580</b>	<b>\$ 11,371,328</b>	<b>\$ 118,386,840</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 3,551,924	\$ 395	\$ 163,067	\$ 152,874	\$ 1,180,959	\$ 5,049,219
Accrued Compensation	20,343,830	395,939	437	647,850	39,383	21,427,439
Unearned Revenues	246,915	292,775	-	-	-	539,690
<b>Total Liabilities</b>	<b>24,142,669</b>	<b>689,109</b>	<b>163,504</b>	<b>800,724</b>	<b>1,220,342</b>	<b>27,016,348</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	3,144,590	-	-	-	-	3,144,590
<b>FUND BALANCES</b>						
Nonspendable:						
Inventories	427,853	-	-	241,997	-	669,850
Prepaid Costs	217,211	-	140,000	-	-	357,211
Restricted:						
TABOR Emergency Reserve	15,132,000	-	-	-	-	15,132,000
Assigned:						
4% Board Reserves	20,200,000	-	-	-	-	20,200,000
School Innovation and HS Student Rqst	2,100,000	-	-	-	-	2,100,000
Extended Service Severance	1,734,705	-	-	-	-	1,734,705
Pay for Performance Carryover	3,500,000	-	-	-	-	3,500,000
School and Department Carryover	19,546,877	-	-	-	-	19,546,877
Energy Performance Lease Proceeds	-	-	-	-	2,003,702	2,003,702
Cash in Lieu of Land	-	-	-	-	2,319,770	2,319,770
Sub-Fund Carryover	-	3,678,374	1,621,059	290,859	5,827,514	11,417,806
Buses/Phone System/Classroom Tech	8,757,127	-	-	-	-	8,757,127
Unassigned	486,854	-	-	-	-	486,854
<b>Total Fund Balances</b>	<b>72,102,627</b>	<b>3,678,374</b>	<b>1,761,059</b>	<b>532,856</b>	<b>10,150,986</b>	<b>88,225,902</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 99,389,886</b>	<b>\$ 4,367,483</b>	<b>\$ 1,924,563</b>	<b>\$ 1,333,580</b>	<b>\$ 11,371,328</b>	<b>\$ 118,386,840</b>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2014

	General Fund 10	Full Day Kindergarten Fund 15	Risk Insurance Fund 18	Transportation Fund 25	Capital Projects Fund 43	Combined General Fund
<b>REVENUES</b>						
Property Taxes	\$155,045,888	\$ -	\$ -	\$ -	\$ -	\$ 155,045,888
Specific Ownership Tax	19,916,387	-	-	-	-	19,916,387
Intergovernmental State Sources:						
Equalization	270,410,414	-	-	-	-	270,410,414
Special Education	10,164,193	-	-	-	-	10,164,193
Vocational Education	594,172	-	-	-	-	594,172
Other State	3,348,122	-	-	4,628,219	-	7,976,341
Charges for Services	14,391,179	4,415,460	-	2,923,555	-	21,730,194
Investment Earnings	62,882	-	-	-	3,405	66,287
Other	7,401,864	1,505	-	21,428	2,502,641	9,927,438
<b>Total Revenues</b>	<b>481,335,101</b>	<b>4,416,965</b>	<b>-</b>	<b>7,573,202</b>	<b>2,506,046</b>	<b>495,831,314</b>
<b>EXPENDITURES</b>						
Current Operating:						
Instructional Services	248,653,284	6,659,817	-	-	4,651,916	259,965,017
Supporting Services:						
Pupil Support Services	63,924,519	72,771	-	-	1,467,024	65,464,314
Operations and Maintenance	37,447,060	-	797,030	20,981,604	9,286,428	68,512,122
Central Supporting Services	26,793,736	-	3,291,427	31,690	7,067,694	37,184,547
Payments to Component Units	73,281,995	-	-	-	-	73,281,995
<b>Total Expenditures</b>	<b>450,100,594</b>	<b>6,732,588</b>	<b>4,088,457</b>	<b>21,013,294</b>	<b>22,473,062</b>	<b>504,407,995</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>31,234,507</b>	<b>(2,315,623)</b>	<b>(4,088,457)</b>	<b>(13,440,092)</b>	<b>(19,967,016)</b>	<b>(8,576,681)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of Capital Lease	-	-	-	-	3,530,800	3,530,800
Proceeds from Sale of Capital Assets	-	-	-	-	122,719	122,719
Transfers In/Out	(38,500,248)	-	3,654,644	13,475,650	10,090,751	(11,279,203)
<b>Total Other Financing Sources (Uses)</b>	<b>(38,500,248)</b>	<b>-</b>	<b>3,654,644</b>	<b>13,475,650</b>	<b>13,744,270</b>	<b>(7,625,684)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(7,265,741)</b>	<b>(2,315,623)</b>	<b>(433,813)</b>	<b>35,558</b>	<b>(6,222,746)</b>	<b>(16,202,365)</b>
<b>FUND BALANCES, Beginning</b>	<b>79,368,368</b>	<b>5,993,997</b>	<b>2,194,872</b>	<b>497,298</b>	<b>16,373,732</b>	<b>104,428,267</b>
<b>FUND BALANCES, Ending</b>	<b>\$ 72,102,627</b>	<b>\$ 3,678,374</b>	<b>\$ 1,761,059</b>	<b>\$ 532,856</b>	<b>\$ 10,150,986</b>	<b>\$ 88,225,902</b>

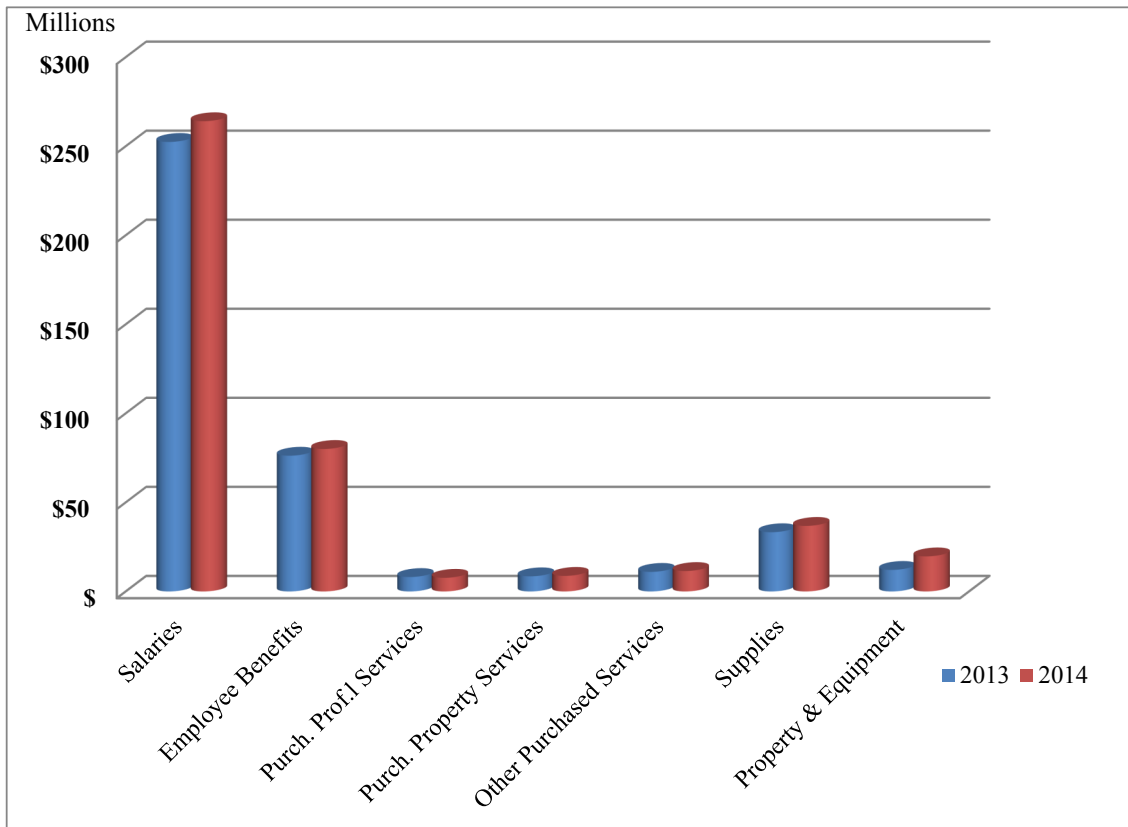
DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund  
 Schedule of Expenditures by Object - Budget to Actual  
 For the Fiscal Year Ended June 30, 2014

(With Comparative Actual Information for the Year End June 30, 2013)

EXPENDITURES	2014				2013 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
Salaries	\$ 264,841,733	\$ 269,992,138	\$ 264,049,303	\$ 5,942,835	\$ 252,411,520
Employee Benefits	85,539,215	90,063,576	80,006,437	10,057,139	76,224,172
Purchased Professional Services	7,960,865	10,375,534	7,656,357	2,719,177	8,100,101
Purchased Property Services	7,441,938	8,676,171	8,742,208	(66,037)	8,492,955
Other Purchased Services	8,304,115	11,049,471	11,466,391	(416,920)	10,986,932
Supplies	49,085,914	59,686,506	36,801,039	22,885,467	33,260,535
Property & Equipment	12,263,853	18,321,908	23,222,880	(4,900,972)	19,732,813
Prop & Equip Capital Lease	-	(3,530,800)	(3,530,800)	-	(7,636,963)
Chargebacks/Credits	833,923	3,342,389	(818,615)	4,161,004	(1,089,800)
Total Expenditures	436,271,556	467,976,893	427,595,200	40,381,693	400,482,265
Capital Lease Expense	-	3,530,800	3,530,800	-	7,636,963
Charter Schools	76,946,065	73,132,718	73,281,995	(149,277)	59,994,588
Interfund Transfers, net	6,813,929	11,174,203	11,279,203	(105,000)	5,819,193
Total Expenditures	\$ 520,031,550	\$ 555,814,614	\$ 515,687,198	\$ 40,127,416	\$ 473,933,009

FY 2013 and 2014  
 Combined General Fund Expenditures by Object



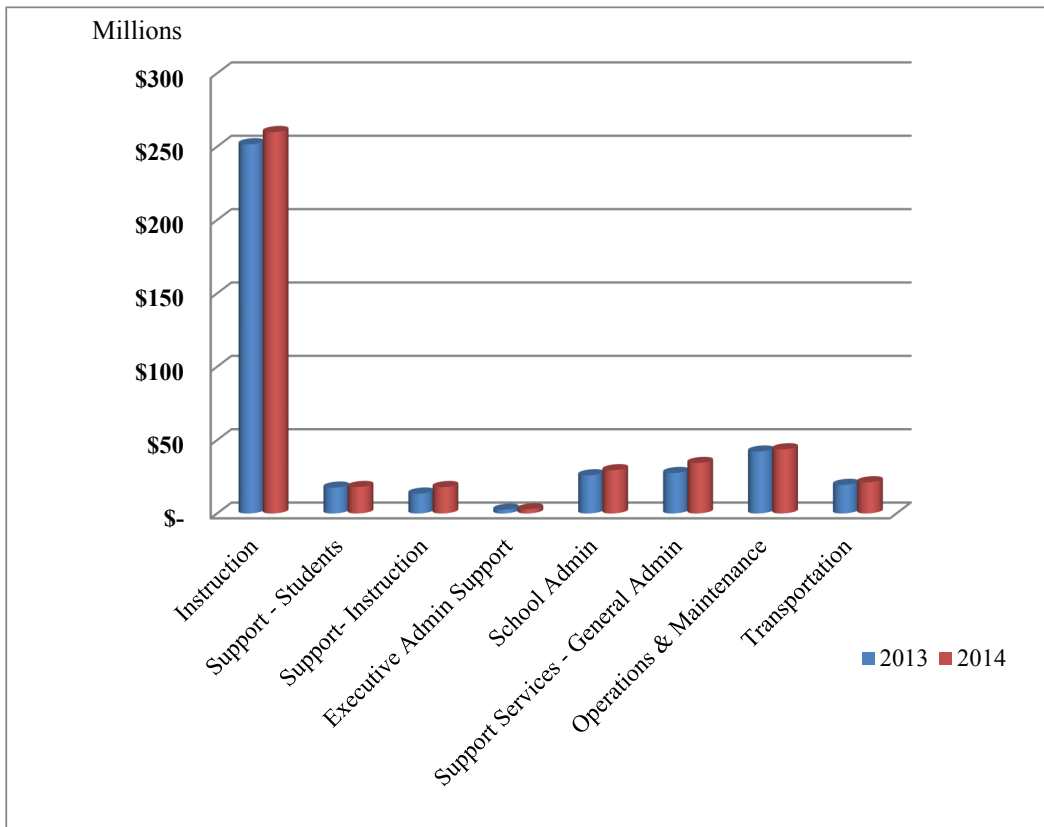
DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Combined General Fund  
 Schedule of Expenditures by Program - Budget to Actual  
 For the Fiscal Year Ended June 30, 2014

(With Comparative Actual Information for the Year End June 30, 2013)

	2014				2013 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
<b>EXPENDITURES</b>					
Instruction	\$ 272,726,262	\$ 282,848,453	\$ 259,965,017	\$ 22,883,436	\$ 251,623,730
Support - Students	12,542,077	12,785,513	18,032,054	(5,246,541)	17,607,002
Support - Instruction	19,294,578	22,405,673	17,985,897	4,419,776	13,534,076
Executive Admin Support	2,158,698	2,618,560	2,787,033	(168,473)	2,507,632
School Admin	28,670,367	30,956,682	29,446,363	1,510,319	25,999,218
Support Services - General Admin	44,456,293	45,508,724	34,397,514	11,111,210	27,567,976
Operations & Maintenance	36,833,697	49,600,264	43,730,027	5,870,237	42,189,685
Transportation	19,589,584	21,253,024	21,251,295	1,729	19,452,946
Total Expenditures	436,271,556	467,976,893	427,595,200	40,381,693	400,482,265
Capital Lease Financing	-	3,530,800	3,530,800	-	7,636,963
Charter Schools	76,946,065	73,132,718	73,281,995	(149,277)	59,994,588
Interfund Transfers, net	6,813,929	11,174,203	11,279,203	(105,000)	5,819,193
Total Expenditures	\$ 520,031,550	\$ 555,814,614	\$ 515,687,198	\$ 40,127,416	\$ 473,933,009

**FY 2013 and FY 2014  
 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, 2014 and 2013

	2014	2013
<b>REVENUES</b>		
Taxes	\$ 174,962,275	\$ 169,221,374
Intergovernmental:		
State Equalization	270,410,414	255,686,365
Special Education	10,164,193	8,786,430
Vocational Education	594,172	437,016
Other State	7,976,341	5,896,037
Charges for Services	21,730,194	18,930,632
Investment Earnings	66,287	159,765
Other	9,927,438	11,122,354
<b>Total Revenue</b>	<b>495,831,314</b>	<b>470,239,973</b>
<b>EXPENDITURES</b>		
Current Operating:		
Instructional Services	259,965,017	251,623,730
Supporting Services:		
Pupil Support Services	65,464,314	59,647,928
Operations and Maintenance	68,512,122	55,263,775
Central Supporting Services	37,184,547	41,583,795
Charter School Allocations	73,281,995	59,994,588
<b>Total Expenditures</b>	<b>504,407,995</b>	<b>468,113,816</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(8,576,681)</b>	<b>2,126,157</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of Capital Lease	3,530,800	7,636,963
Proceeds from Sale of Capital Assets	122,719	100,000
Transfers Out	(11,279,203)	(5,819,193)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,625,684)</b>	<b>1,917,770</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(16,202,365)</b>	<b>4,043,927</b>
<b>FUND BALANCES, Beginning</b>	<b>104,428,267</b>	<b>100,384,340</b>
<b>FUND BALANCES, Ending</b>	<b>\$ 88,225,902</b>	<b>\$ 104,428,267</b>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Governmental Funds  
Combining Balance Sheet  
June 30, 2014

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	Governmental Designated Purpose Grants Fund 22	Athletics and Activities Fund 26	Total Non-Major Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ -	\$ 1,245,483	\$ 1,245,483
Receivables:			
Intergovernmental and Grants	2,287,736	266	2,288,002
<b>Total Assets</b>	<b>\$ 2,287,736</b>	<b>\$ 1,245,749</b>	<b>\$ 3,533,485</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 88,357	\$ 312,100	\$ 400,457
Due to Other Funds	1,214,649	-	1,214,649
Accrued Compensation	573,268	104,566	677,834
Unearned Revenues - Grants	226,342	5,250	231,592
<b>Total Liabilities</b>	<b>2,102,616</b>	<b>421,916</b>	<b>2,524,532</b>
<b>FUND BALANCES</b>			
Restricted	185,120	823,833	1,008,953
<b>Total Fund Balances</b>	<b>185,120</b>	<b>823,833</b>	<b>1,008,953</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,287,736</b>	<b>\$ 1,245,749</b>	<b>\$ 3,533,485</b>

## 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, 2014

	Governmental Designated Purpose Grants Fund 22	Athletics and Activities Fund 26	Total Non-Major Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 11,607,649	\$ -	\$ 11,607,649
Charges for Services	-	6,800,633	6,800,633
Other	263,071	3,317,060	3,580,131
Total Revenues	<u>11,870,720</u>	<u>10,117,693</u>	<u>21,988,413</u>
<b>EXPENDITURES</b>			
Current Operating:			
Instruction	8,684,060	12,372,908	21,056,968
Supporting Services	3,186,660	1,416,034	4,602,694
Capital Outlay	-	127,816	127,816
Total Expenditures	<u>11,870,720</u>	<u>13,916,758</u>	<u>25,787,478</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(3,799,065)</u>	<u>(3,799,065)</u>
<b>OTHER FINANCING SOURCES</b>			
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	-	88,341	88,341
FUND BALANCE, Beginning	<u>185,120</u>	<u>735,492</u>	<u>920,612</u>
FUND BALANCE, Ending	<u>\$ 185,120</u>	<u>\$ 823,833</u>	<u>\$ 1,008,953</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, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014			Variance with Budget	2013 Actual
	Adopted Budget	Amended Budget	Actual		
<b>REVENUES</b>					
Intergovernmental:					
Federal	\$ 11,361,808	\$ 12,658,275	\$ 11,544,882	\$ (1,113,393)	\$ 13,478,146
State and Local	245,700	30,201	62,767	32,566	179,536
Other	195,873	394,250	263,071	(131,179)	239,144
Total Revenues	<u>11,803,381</u>	<u>13,082,726</u>	<u>11,870,720</u>	<u>(1,212,006)</u>	<u>13,896,826</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries and Benefits	8,015,391	7,277,116	7,533,033	(255,917)	9,137,614
Purchased Services	796,728	1,219,179	942,807	276,372	1,158,339
Supplies and Materials	136,220	115,045	208,220	(93,175)	220,654
Support Services:					
Salaries and Benefits	2,130,674	1,929,196	1,838,542	90,654	2,015,802
Purchased Services	448,159	757,048	565,410	191,638	491,508
Supplies and Materials	264,427	220,500	116,870	103,630	188,688
Capital Outlay	133,591	108,165	-	108,165	-
Other	63,311	1,456,477	665,838	790,639	684,221
Total Expenditures	<u>11,988,501</u>	<u>13,082,726</u>	<u>11,870,720</u>	<u>1,212,006</u>	<u>13,896,826</u>
<b>NET CHANGE IN</b>					
<b>FUND BALANCE</b>	<u>\$ (185,120)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCE, Beginning			<u>185,120</u>		<u>185,120</u>
FUND BALANCE, Ending			<u>\$ 185,120</u>		<u>\$ 185,120</u>



## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

## Fund 26

## Athletics and Activities Fund

## Schedule of Revenues, Expenses and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014			Variance with Budget	2013 Actual
	Adopted Budget	Amended Budget	Actual		
<b>REVENUES</b>					
Charges for Services:					
Student Fees	\$ 7,635,407	\$ 7,719,486	\$ 6,162,855	\$ (1,556,631)	\$ 8,347,827
Gate Fees	790,741	1,131,935	637,778	(494,157)	596,400
Other	710,093	1,251,475	3,317,060	2,065,585	747,595
Total Revenues	<u>9,136,241</u>	<u>10,102,896</u>	<u>10,117,693</u>	<u>14,797</u>	<u>9,691,822</u>
<b>EXPENDITURES</b>					
Instructional:					
Salaries and Benefits	4,888,854	4,822,704	4,602,415	220,289	4,369,141
Purchased Services	1,809,875	2,403,606	2,269,907	133,699	2,020,824
Supplies	5,183,280	4,861,339	5,034,335	(172,996)	5,232,017
Capital Outlay	46,000	135,049	-	135,049	-
Other	702,757	494,786	466,251	28,535	405,498
Supporting Services:					
Salaries and Benefits	463,734	463,734	593,968	(130,234)	533,930
Purchased Services	40,325	43,325	143,690	(100,365)	208,107
Supplies	6,720	616,256	613,719	2,537	681,037
Capital Outlay	-	-	127,816	(127,816)	135,045
Other	336,939	94,889	64,657	30,232	184,177
Total Expenditures	<u>13,478,484</u>	<u>13,935,688</u>	<u>13,916,758</u>	<u>18,930</u>	<u>13,769,776</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,342,243)</u>	<u>(3,832,792)</u>	<u>(3,799,065)</u>	<u>33,727</u>	<u>(4,077,954)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
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>\$ (454,837)</u>	<u>\$ 54,614</u>	<u>88,341</u>	<u>\$ 33,727</u>	<u>(190,548)</u>
FUND BALANCE, Beginning			<u>735,492</u>		<u>926,040</u>
FUND BALANCE, Ending			<u>\$ 823,833</u>		<u>\$ 735,492</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 31  
 Bond Redemption Fund  
 Comparative Balance Sheet  
 For the Fiscal Year Ended June 30, 2014 and 2013

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Receivables:		
Property Taxes, Net of Allowance for Uncollectable Taxes	\$ 2,577,161	\$ 3,259,909
Restricted Cash and Investment	<u>62,645,104</u>	<u>59,825,710</u>
Total Assets	<u>\$ 65,222,265</u>	<u>\$ 63,085,619</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 20,000
Due to Other Funds	<u>913,196</u>	<u>1,124,679</u>
Total Liabilities	<u>913,196</u>	<u>1,144,679</u>
Deferred Inflows of Resources		
Unavailable - Property Taxes	<u>1,470,409</u>	<u>2,405,870</u>
<b>FUND BALANCES</b>		
Restricted:		
Debt Service	<u>62,838,660</u>	<u>59,535,070</u>
Total Fund Balances	<u>62,838,660</u>	<u>59,535,070</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 65,222,265</u>	<u>\$ 63,085,619</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, 2014  
(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014				2013 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
<b>REVENUES</b>					
Property Taxes	\$ 69,251,088	\$ 72,326,378	\$ 72,180,079	\$ (146,299)	\$ 68,143,974
Investment Earnings	65,000	64,000	50,682	(13,318)	66,450
Total Revenues	<u>69,316,088</u>	<u>72,390,378</u>	<u>72,230,761</u>	<u>(159,617)</u>	<u>68,210,424</u>
<b>EXPENDITURES</b>					
Debt Service:					
Principal Retirement	38,316,380	38,316,380	38,316,380	-	40,687,777
Debt Issuance Costs	-	-	-	-	248,243
Interest and Fiscal Charges	30,606,107	30,622,107	30,610,791	11,316	28,257,496
Total Expenditures	<u>68,922,487</u>	<u>68,938,487</u>	<u>68,927,171</u>	<u>11,316</u>	<u>69,193,516</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>393,601</u>	<u>3,451,891</u>	<u>3,303,590</u>	<u>(148,301)</u>	<u>(983,092)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Bond Refunding	-	-	-	-	31,020,000
Refunding Bond Premium	-	-	-	-	3,582,115
Payment to Refunded Bond Escrow Agent	-	-	-	-	(34,353,871)
Transfers Out	(44,600)	-	-	-	(64,046)
Total Other Financing Sources (Uses)	<u>(44,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,198</u>
NET CHANGE IN FUND BALANCE	<u>\$ 349,001</u>	<u>\$ 3,451,891</u>	<u>3,303,590</u>	<u>\$ (148,301)</u>	<u>(798,894)</u>
FUND BALANCE, Beginning			<u>59,535,070</u>		<u>60,333,964</u>
FUND BALANCE, Ending			<u>\$ 62,838,660</u>		<u>\$ 59,535,070</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, 2014 and 2013

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and Investments	\$ 1,761,826	\$ 250,896
Total Assets	<u>\$ 1,761,826</u>	<u>\$ 250,896</u>
<b>LIABILITIES</b>		
Due to General Fund	\$ 4,880	\$ -
Total Liabilities	<u>4,880</u>	<u>-</u>
<b>FUND BALANCES</b>		
Restricted:		
2009 COP Reserve Fund	1,104,375	-
Lease Payments	<u>652,571</u>	<u>250,896</u>
Total Fund Balances	<u>1,756,946</u>	<u>250,896</u>
Total Liabilities and Fund Balances	<u>\$ 1,761,826</u>	<u>\$ 250,896</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, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014			Variance with Budget	2013 Actual
	Adopted Budget	Amended Budget	Actual		
<b>REVENUES</b>					
Aspen View COP Lease Payment	\$ 232,080	\$ 232,080	\$ 425,041	\$ 192,961	\$ -
Investment Earnings	500	500	466	(34)	2,818
Total Revenues	<u>232,580</u>	<u>232,580</u>	<u>425,507</u>	<u>192,927</u>	<u>2,818</u>
<b>EXPENDITURES</b>					
Lease Payments:					
Principal Retirement	1,840,000	3,561,004	3,535,000	(26,004)	1,170,000
Interest and Fiscal Charges	<u>1,318,603</u>	<u>1,325,603</u>	<u>1,560,138</u>	<u>234,535</u>	<u>1,345,781</u>
Total Expenditures	<u>3,158,603</u>	<u>4,886,607</u>	<u>5,095,138</u>	<u>208,531</u>	<u>2,515,781</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,926,023)</u>	<u>(4,654,027)</u>	<u>(4,669,631)</u>	<u>(15,604)</u>	<u>(2,512,963)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	<u>2,926,523</u>	<u>4,786,797</u>	<u>6,175,681</u>	<u>1,388,884</u>	<u>2,763,859</u>
Total Other Financing Sources (Uses)	<u>2,926,523</u>	<u>4,786,797</u>	<u>6,175,681</u>	<u>1,388,884</u>	<u>2,763,859</u>
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 132,770</u>	<u>1,506,050</u>	<u>\$ 1,373,280</u>	<u>250,896</u>
FUND BALANCE, Beginning			<u>250,896</u>		<u>-</u>
FUND BALANCE, Ending			<u>\$ 1,756,946</u>		<u>\$ 250,896</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 45  
 Building Funds  
 Comparative Balance Sheet  
 June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Prepaid Expenses	\$ -	\$ 30,000
Restricted Cash and Investments	<u>17,298,838</u>	<u>23,795,586</u>
Total Assets	<u>\$ 17,298,838</u>	<u>\$ 23,825,586</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,582,216	\$ 7,187,638
Due to General Fund	<u>730,229</u>	<u>2,265,541</u>
Total Liabilities	<u>2,312,445</u>	<u>9,453,179</u>
<b>FUND BALANCES</b>		
Nonspendable	-	30,000
Restricted:		
Aspen View Charter School	450,072	-
Building & Equipment Expenditures	<u>14,536,321</u>	<u>14,342,407</u>
Total Fund Balances	<u>14,986,393</u>	<u>14,372,407</u>
Total Liabilities and Fund Balances	<u>\$ 17,298,838</u>	<u>\$ 23,825,586</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 45  
Building FundsSchedule of Revenues, Expenses and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014				2013 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
<b>REVENUES</b>					
Investment Earnings	\$ -	\$ -	\$ 15,467	\$ 15,467	\$ 50,420
Other	9,532	9,532	-	(9,532)	100,000
Total Revenues	9,532	9,532	15,467	5,935	150,420
<b>EXPENDITURES</b>					
Capital Outlay:					
Building and Building Improvements	8,000,000	13,363,991	7,335,234	6,028,757	16,183,265
Purchased Services	-	190,000	410,153	(220,153)	533,020
Supplies and Materials	-	-	5,045,911	(5,045,911)	1,549,025
Equipment	-	-	-	-	119,063
Services Provided by District Personnel	-	-	26,593	(26,593)	217,249
COP Issuance Costs	-	-	172,052	(172,052)	234,781
Other	-	-	22,654	(22,654)	19,271
Total Expenditures	8,000,000	13,553,991	13,012,597	541,394	18,855,674
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	(7,990,468)	(13,544,459)	(12,997,130)	547,329	(18,705,254)
<b>OTHER FINANCING SOURCES</b>					
Issuance of COP	-	15,000,000	15,000,000	-	15,500,000
Bond Premium	-	-	-	-	343,432
Transfers Out	-	-	(1,388,884)	(1,388,884)	(768,026)
Total Financing Sources	-	15,000,000	13,611,116	(1,388,884)	15,075,406
<b>NET CHANGES IN FUND BALANCES</b>					
	\$ (7,990,468)	\$ 1,455,541	613,986	\$ (841,555)	(3,629,848)
<b>FUND BALANCE, Beginning</b>					
			14,372,407		18,002,255
<b>FUND BALANCE, Ending</b>					
			\$ 14,986,393		\$ 14,372,407

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 51  
Nutrition Services Fund  
Comparative Balance Sheet  
June 30, 2014 and 2013

	2014	2013
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 936,272	\$ 1,447
Intergovernmental and Grant Receivables	296,367	359,364
Other Receivables	-	15,556
Inventories	824,800	923,903
Total Current Assets	2,057,439	1,300,270
Capital Assets:		
Building	362,320	362,320
Machinery and Equipment	6,913,003	6,448,341
Accumulated Depreciation	(4,196,456)	(3,867,696)
Total Capital Assets	3,078,867	2,942,965
Total Assets	\$ 5,136,306	\$ 4,243,235
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 48,244	\$ 14,507
Due to Other Funds	1,764,406	4,103,132
Accrued Compensation	131,241	105,573
Total Current Liabilities	1,943,891	4,223,212
<b>NET POSITION (DEFICIT)</b>		
Investment in Capital Assets	3,078,867	2,942,965
Unrestricted	113,548	(2,922,942)
Total Net Position	3,192,415	20,023
Total Liabilities and Net Position	\$ 5,136,306	\$ 4,243,235



## 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, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014			Variance with Budget	2013 Actual
	Adopted Budget	Amended Budget	Actual		
OPERATING REVENUE					
Food Charges	\$ 11,591,497	\$ 11,841,497	\$ 12,179,758	\$ 338,261	\$ 10,883,923
Other	69,000	69,000	32,520	(36,480)	57,921
Total Operating Revenue	<u>11,660,497</u>	<u>11,910,497</u>	<u>12,212,278</u>	<u>301,781</u>	<u>10,941,844</u>
OPERATING EXPENSES					
Salaries and Benefits	6,296,096	6,146,096	6,328,850	(182,754)	5,827,420
Food Purchases	5,888,438	6,588,438	6,710,420	(121,982)	6,284,707
Purchased Services	656,830	746,830	342,516	404,314	668,042
Depreciation	300,000	360,000	367,424	(7,424)	374,629
Supplies and Equipment	794,000	794,000	816,316	(22,316)	801,745
Other	590,500	590,500	63,468	527,032	513,980
Total Operating Expenses	<u>14,525,864</u>	<u>15,225,864</u>	<u>14,628,994</u>	<u>596,870</u>	<u>14,470,523</u>
OPERATING LOSS	<u>(2,865,367)</u>	<u>(3,315,367)</u>	<u>(2,416,716)</u>	<u>898,651</u>	<u>(3,528,679)</u>
NON-OPERATING REVENUES (EXPENSES)					
Federal Government Lunch Program	2,255,227	2,255,227	2,295,856	40,629	2,775,656
Commodity Contribution	900,000	900,000	689,895	(210,105)	837,372
State Match	118,746	118,746	105,607	(13,139)	119,927
Loss on Sale of Capital Assets	-	-	(2,250)	(2,250)	(130,030)
Total Non-operating Revenues	<u>3,273,973</u>	<u>3,273,973</u>	<u>3,089,108</u>	<u>(184,865)</u>	<u>3,602,925</u>
Income (Loss) Before Transfers	408,606	(41,394)	672,392	713,786	74,246
Interfund Transfers	-	2,500,000	2,500,000	-	(55,042)
CHANGE IN NET POSITION	<u>\$ 408,606</u>	<u>\$ 2,458,606</u>	<u>3,172,392</u>	<u>\$ 713,786</u>	<u>19,204</u>
NET POSITION, Beginning			<u>20,023</u>		<u>819</u>
NET POSITION, Ending			<u>\$ 3,192,415</u>		<u>\$ 20,023</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Enterprise Funds  
Combining Balance Sheet  
For the Fiscal Year Ended June 30, 2014

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	Child Care Fund 52	Outdoor Education Fund 54	Total Non-Major Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 5,095,740	\$ 23,557	\$ 5,119,297
Total Current Assets	5,095,740	23,557	5,119,297
Capital Assets:			
Building and Improvements	5,000	209,448	214,448
Machinery and Equipment	288,408	25,237	313,645
Accumulated Depreciation	(65,753)	(12,717)	(78,470)
Total Capital Assets	227,655	221,968	449,623
Total Assets	\$ 5,323,395	\$ 245,525	\$ 5,568,920
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 152,256	\$ 2,216	\$ 154,472
Accrued Compensation	530,989	21,122	552,111
Total Current Liabilities	683,245	23,338	706,583
<b>NET POSITION</b>			
Investment in Capital Assets	227,655	221,968	449,623
Unrestricted	4,412,495	219	4,412,714
Total Net Position	4,640,150	222,187	4,862,337
Total Liabilities and Net Position	\$ 5,323,395	\$ 245,525	\$ 5,568,920

## 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, 2014

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	Child Care Fund 52	Outdoor Education Fund 54	Total Non-Major Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 10,021,837	\$ 468,655	\$ 10,490,492
Other	4,724	91,454	96,178
Total Operating Revenues	<u>10,026,561</u>	<u>560,109</u>	<u>10,586,670</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	7,204,641	279,279	7,483,920
Purchased Services	545,159	178,055	723,214
Depreciation	5,333	9,745	15,078
Supplies	814,455	65,273	879,728
Field Trips and Other	810,372	25,936	836,308
Total Operating Expense	<u>9,379,960</u>	<u>558,288</u>	<u>9,938,248</u>
<b>OPERATING INCOME</b>	<u>646,601</u>	<u>1,821</u>	<u>648,422</u>
<b>NON-OPERATING EXPENSE</b>			
Loss on Sale of Asset	<u>(541)</u>	<u>-</u>	<u>(541)</u>
Total Non-operating Expense	<u>(541)</u>	<u>-</u>	<u>(541)</u>
Income Before Transfers	646,060	1,821	647,881
Interfund Transfers	<u>-</u>	<u>105,000</u>	<u>105,000</u>
<b>CHANGE IN NET POSITION</b>	646,060	106,821	752,881
NET POSITION, Beginning	<u>3,994,090</u>	<u>115,366</u>	<u>4,109,456</u>
NET POSITION, Ending	<u>\$ 4,640,150</u>	<u>\$ 222,187</u>	<u>\$ 4,862,337</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Enterprise Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2014

	Child Care Fund 52	Outdoor Education Fund 54	Total Non-Major Enterprise Funds
<b>CASH FLOWS FROM</b>			
<b>OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 10,026,561	\$ 575,569	\$ 10,602,130
Payments to Suppliers	(2,165,712)	(276,217)	(2,441,929)
Payments to Employees	(7,092,729)	(268,545)	(7,361,274)
Net Cash Provided by Operating Activities	<u>768,120</u>	<u>30,807</u>	<u>798,927</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interfund Transfers	-	105,000	105,000
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>105,000</u>	<u>105,000</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>			
Purchase of Equipment	-	(118,174)	(118,174)
Net Cash Used by Capital Financing Activities	<u>-</u>	<u>(118,174)</u>	<u>(118,174)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>768,120</b>	<b>17,633</b>	<b>785,753</b>
CASH AND CASH EQUIVALENTS, Beginning	<u>4,327,620</u>	<u>5,924</u>	<u>4,333,544</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 5,095,740</u>	<u>\$ 23,557</u>	<u>\$ 5,119,297</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating Income	\$ 646,601	\$ 1,821	\$ 648,422
Adjustments to Operating Income not Affecting Cash Flows:			
Depreciation	5,333	9,745	15,078
Changes in Assets and Liabilities:			
Change in Other Receivables	-	15,460	15,460
Change in Accounts Payable	4,274	(6,953)	(2,679)
Change in Accrued Compensation	111,912	10,734	122,646
Total Adjustments	<u>121,519</u>	<u>28,986</u>	<u>150,505</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 768,120</u>	<u>\$ 30,807</u>	<u>\$ 798,927</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

## Fund 52

## Child Care Fund

## Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014				2013 Actual
	Adoped Budget	Amended Budget	Actual	Variance with Budget	
OPERATING REVENUE					
Charges for Services	\$ 9,460,907	\$ 9,460,907	\$ 10,021,837	\$ 560,930	\$ 9,363,293
Other	-	-	4,724	4,724	4,866
Total Operating Revenue	9,460,907	9,460,907	10,026,561	565,654	9,368,159
OPERATING EXPENSES					
Salaries and Benefits	7,208,431	7,208,431	7,204,641	3,790	6,971,879
Purchased Services	281,768	281,768	545,159	(263,391)	448,705
Depreciation	-	-	5,333	(5,333)	8,009
Supplies	446,400	508,984	814,455	(305,471)	775,328
Field Trips and Other	1,524,308	1,461,724	810,372	651,352	784,992
Total Operating Expenses	9,460,907	9,460,907	9,379,960	80,947	8,988,913
OPERATING INCOME	-	-	646,601	646,601	379,246
NON-OPERATING EXPENSE					
Loss on Sale of Asset	-	-	(541)	(541)	-
CHANGE IN NET POSITION	\$ -	\$ -	646,060	\$ 646,060	379,246
NET POSITION, Beginning			3,994,090		3,614,844
NET POSITION, Ending			\$ 4,640,150		\$ 3,994,090



**Douglas County** School District  
*Learn today. Lead tomorrow.*

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## 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, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014				2013 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
OPERATING REVENUE					
Charges for Services	\$ 423,119	\$ 603,119	\$ 468,655	\$ (134,464)	\$ 278,552
Other	-	-	91,454	91,454	17,843
Total Operating Revenue	423,119	603,119	560,109	(43,010)	296,395
OPERATING EXPENSES					
Salaries and Benefits	211,936	211,936	279,279	(67,343)	233,013
Purchased Services	71,404	141,404	178,055	(36,651)	81,417
Depreciation	6,000	6,000	9,745	(3,745)	2,972
Supplies	85,177	98,149	65,273	32,876	133,275
Equipment	-	137,028	-	137,028	-
Field Trips and Other	12,318	12,318	25,936	(13,618)	17,900
Total Operating Expenses	386,835	606,835	558,288	48,547	468,577
OPERATING INCOME (LOSS)	36,284	(3,716)	1,821	5,537	(172,182)
Interfund Transfers	-	-	105,000	105,000	-
CHANGE IN NET POSITION	<u>\$ 36,284</u>	<u>\$ (3,716)</u>	106,821	<u>\$ 110,537</u>	(172,182)
NET POSITION, Beginning			115,366		287,548
NET POSITION, Ending			<u>\$ 222,187</u>		<u>\$ 115,366</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Fund 65  
 Medical Fund (Internal Service Fund)  
 Comparative Balance Sheet  
 June 30, 2014 and 2013

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	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 11,094,452	\$ 13,235,675
Other Receivables	5,580	139,650
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 11,100,032</u>	<u>\$ 13,375,325</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 1,073	\$ 650,547
Accrued Compensation	-	8,905
Accrued Insurance Claims	2,400,000	3,070,960
	<u>                    </u>	<u>                    </u>
Total Current Liabilities	<u>2,401,073</u>	<u>3,730,412</u>
NET POSITION		
Unrestricted	<u>8,698,959</u>	<u>9,644,913</u>
	<u>                    </u>	<u>                    </u>
Total Net Position	<u>8,698,959</u>	<u>9,644,913</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Net Position	<u>\$ 11,100,032</u>	<u>\$ 13,375,325</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, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014				2013 Actual
	Adopted Budget	Amended Budget	Actual	Variance with Budget	
REVENUE					
Health Revenue	\$ 34,530,677	\$ 34,530,677	\$ 35,832,639	\$ 1,301,962	\$ 33,267,579
Dental Revenue	2,020,924	2,020,924	2,046,727	25,803	1,934,068
Other	577,255	566,100	52,780	(513,320)	727,981
Total Revenue	<u>37,128,856</u>	<u>37,117,701</u>	<u>37,932,146</u>	<u>814,445</u>	<u>35,929,628</u>
EXPENSES					
Health Plan	33,844,516	33,844,516	34,519,171	(674,655)	31,581,182
Dental Plan	2,939,248	2,939,248	2,811,291	127,957	2,672,605
Stop Loss Premiums	1,031,471	1,031,471	671,655	359,816	558,283
Purchased Services	1,037,983	1,037,983	852,316	185,667	844,662
Other	12,769	60,845	35,613	25,232	7,375
Salaries and Benefits	513,018	-	-	-	447,786
Total Expenses	<u>39,379,005</u>	<u>38,914,063</u>	<u>38,890,046</u>	<u>24,017</u>	<u>36,111,893</u>
OPERATING INCOME (LOSS)	<u>(2,250,149)</u>	<u>(1,796,362)</u>	<u>(957,900)</u>	<u>838,462</u>	<u>(182,265)</u>
NON-OPERATING REVENUES					
Investment Earnings	10,173	10,173	11,946	1,773	12,331
Total Non-operating Revenues	<u>10,173</u>	<u>10,173</u>	<u>11,946</u>	<u>1,773</u>	<u>12,331</u>
CHANGE IN NET POSITION	<u>\$ (2,239,976)</u>	<u>\$ (1,786,189)</u>	<u>(945,954)</u>	<u>\$ 840,235</u>	<u>(169,934)</u>
NET POSITION, Beginning			<u>9,644,913</u>		<u>9,814,847</u>
NET POSITION, Ending			<u>\$ 8,698,959</u>		<u>\$ 9,644,913</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

## Fund 74

## Agency Fund

Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended June 30, 2014

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014
<u>Student Activity Funds</u>				
ASSETS				
Cash and Investments	\$ 1,890,796	\$ 1,955,821	\$ 2,279,119	\$ 1,567,498
LIABILITIES				
Accrued Liabilities:				
Accounts Payable	36,199	51,689	36,199	51,689
Due to Student Groups	1,854,597	1,955,821	2,294,609	1,515,809
Total Liabilities	1,890,796	2,007,510	2,330,808	1,567,498
<u>School Discretionary Funds</u>				
ASSETS				
Cash and Investments	3,844,274	5,305	1,502,038	2,347,541
LIABILITIES				
Accrued Liabilities:				
Accounts Payable	25,823	8,667	25,823	8,667
Due to Schools	3,818,451	5,305	1,484,882	2,338,874
Total Liabilities	3,844,274	13,972	1,510,705	2,347,541
<u>Coke Discretionary Funds</u>				
ASSETS				
Cash and Investments	58,985	31,862	90,847	-
Accounts Receivable	1,440	-	1,440	-
Total Assets	60,425	31,862	92,287	-
LIABILITIES				
Accrued Liabilities:				
Due to Schools	60,425	30,422	90,847	-
Total Liabilities	60,425	30,422	90,847	-
Grand Total Fiduciary Assets	\$ 5,795,495	\$ 1,992,988	\$ 3,873,444	\$ 3,915,039
Grand Total Fiduciary Liabilities	\$ 5,795,495	\$ 2,051,904	\$ 3,932,360	\$ 3,915,039

## 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, 2014

(With Comparative Actual Information for the Year Ended June 30, 2013)

	2014			Variance with Budget	2013 Actual
	Adopted Budget	Amended Budget	Actual		
ADDITIONS					
Contributions	\$ 56,000	\$ 56,000	\$ 58,800	\$ 2,800	\$ 59,000
Total Additions	56,000	56,000	58,800	2,800	59,000
DEDUCTIONS					
Grants and Scholarships	80,000	80,000	77,000	3,000	59,000
Total Deductions	80,000	80,000	77,000	3,000	59,000
CHANGE IN NET POSITION	<u>\$ (24,000)</u>	<u>\$ (24,000)</u>	(18,200)	<u>\$ 5,800</u>	-
NET POSITION, Beginning			63,866		63,866
NET POSITION, Ending			<u>\$ 45,666</u>		<u>\$ 63,866</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units  
 Combining Statement of Net Position  
 June 30, 2014

	American Academy	American Academy Foundation	American Academy Building Corporation	Academy Charter School	Academy Castle Rock Lifelong Learning Center
<b>ASSETS</b>					
Cash and Investments	\$ 1,832,331	\$ 87,327	\$ -	\$ 2,495,491	\$ 34,664
Accounts Receivable	47,312	8,353	-	-	-
Inventories	-	-	-	-	-
Prepaid Costs & Other Assets	404,736	-	152,000	1,260	-
Deposits	-	-	-	-	-
Restricted Cash and Investments	-	1,772,560	1,111,618	-	796,452
Internal Balances	-	-	-	-	-
Capital Assets, Not Being Depreciated	-	1,833,333	-	-	1,354,756
Capital Assets, Net of Accumulated Depreciation	67,859	13,787,889	16,378,358	49,156	5,037,835
Total Assets	<u>2,352,238</u>	<u>17,489,462</u>	<u>17,641,976</u>	<u>2,545,907</u>	<u>7,223,707</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on Debt Refunding	-	-	-	-	554,756
<b>LIABILITIES</b>					
Accounts Payable	163,503	19,227	-	254,177	-
Accrued Liabilities	-	-	-	-	-
Accrued Compensation	393,540	-	-	-	-
Accrued Interest Payable	-	101,707	47,500	-	-
Unearned Revenues	241,454	-	-	9,525	-
Non-Current Liabilities:					
Due within One Year	102,428	195,000	-	-	170,000
Due in More Than One Year	141,674	16,036,035	20,000,000	-	6,787,545
Total Liabilities	<u>1,042,599</u>	<u>16,351,969</u>	<u>20,047,500</u>	<u>263,702</u>	<u>6,957,545</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	67,859	(629,040)	(3,621,642)	49,156	(10,198)
Restricted for:					
Emergencies	375,000	-	-	142,000	-
Debt Service, Repairs	-	1,550,698	1,064,118	-	630,969
Capital Projects	-	120,155	-	-	165,483
Unrestricted	866,780	95,680	152,000	2,091,049	34,664
Total Net Position	<u>\$ 1,309,639</u>	<u>\$ 1,137,493</u>	<u>\$ (2,405,524)</u>	<u>\$ 2,282,205</u>	<u>\$ 820,918</u>

## DOUGLAS COUNTY SCHOOL DISTRICT REI

Non-Major Discretely Presented Component Units (Continued)  
Combining Statement of Net Position  
June 30, 2014

	Aspen View Academy	Aspen View Foundation	Ben Franklin Academy	Challenge to Excellence (C2E)	Challenge to Excellence Corporation
<b>ASSETS</b>					
Cash and Investments	\$ 804,246	\$ 60,793	\$ 2,303,120	\$ 1,571,837	\$ -
Accounts Receivable	79,335	-	3,751	-	-
Inventories	-	-	-	-	-
Prepaid Costs & Other Assets	3,264	-	-	-	-
Deposits	-	-	-	-	-
Restricted Cash and Investments	-	-	-	379,758	664,080
Internal Balances	-	-	-	-	-
Capital Assets, Not Being Depreciated	2,000,000	-	-	-	1,010,419
Capital Assets, Net of Accumulated Depreciation	14,183,229	-	39,024	895,855	3,228,335
Total Assets	<u>17,070,074</u>	<u>60,793</u>	<u>2,345,895</u>	<u>2,847,450</u>	<u>4,902,834</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on Debt Refunding	-	-	-	-	273,258
<b>LIABILITIES</b>					
Accounts Payable	66,249	-	19,184	19,850	-
Accrued Liabilities	-	-	71,565	3,153	-
Accrued Compensation	184,903	-	440,944	134,441	-
Accrued Interest Payable	-	-	-	-	27,238
Unearned Revenues	145,936	-	-	-	-
Non-Current Liabilities:					
Due within One Year	117,500	-	300	123,790	165,000
Due in More Than One Year	14,367,500	-	2,300	139,582	6,451,099
Total Liabilities	<u>14,882,088</u>	<u>-</u>	<u>534,293</u>	<u>420,816</u>	<u>6,643,337</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	1,698,229	-	39,024	632,483	(2,104,087)
Restricted for:					
Emergencies	143,000	-	210,000	112,000	-
Debt Service, Repairs	-	-	-	379,758	506,842
Capital Projects	-	-	-	-	130,000
Unrestricted	346,757	60,793	1,562,578	1,302,393	-
Total Net Position	<u>\$ 2,187,986</u>	<u>\$ 60,793</u>	<u>\$ 1,811,602</u>	<u>\$ 2,426,634</u>	<u>\$ (1,467,245)</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)  
Combining Statement of Net Position  
June 30, 2014

	Parker Core Knowledge Charter School (CKCS)	CKCS Building Corporation	Hope Online Learning Academy Co-Op	Montessori Charter School	Montessori Foundation
<b>ASSETS</b>					
Cash and Investments	\$ 1,780,721	\$ 101,736	\$ 648,714	\$ 903,629	\$ 115,883
Accounts Receivable	-	-	219,041	2,590	1,858
Inventories	-	-	-	-	30,803
Prepaid Costs & Other Assets	1,276	-	172,013	-	1,616
Deposits	14,488	-	86,671	-	-
Restricted Cash and Investments	-	694,005	566,272	-	1,211,636
Internal Balances	-	-	-	-	-
Capital Assets, Not Being Depreciated	-	235,020	-	-	508,415
Capital Assets, Net of Accumulated Depreciation	11,064	5,192,044	1,703,009	32,522	6,354,450
Total Assets	<u>1,807,549</u>	<u>6,222,805</u>	<u>3,395,720</u>	<u>938,741</u>	<u>8,224,661</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on Debt Refunding	-	522,227	-	-	501,381
<b>LIABILITIES</b>					
Accounts Payable	78,853	-	965,238	3,564	1,052
Accrued Liabilities	155,225	-	1,478,032	-	-
Accrued Compensation	-	-	-	128,788	-
Accrued Interest Payable	-	57,614	-	-	178,824
Unearned Revenues	-	-	58,724	68,618	-
Non-Current Liabilities:					
Due within One Year	6,000	110,000	-	-	210,000
Due in More Than One Year	15,403	6,387,873	-	-	9,004,341
Total Liabilities	<u>255,481</u>	<u>6,555,487</u>	<u>2,501,994</u>	<u>200,970</u>	<u>9,394,217</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	11,064	(548,582)	860,804	32,522	(1,850,095)
Restricted for:					
Emergencies	148,000	-	633,149	124,000	-
Debt Service, Repairs	-	541,384	-	-	880,471
Capital Projects	-	95,007	-	-	152,341
Unrestricted	<u>1,393,004</u>	<u>101,736</u>	<u>(600,227)</u>	<u>581,249</u>	<u>149,108</u>
Total Net Position	<u>\$ 1,552,068</u>	<u>\$ 189,545</u>	<u>\$ 893,726</u>	<u>\$ 737,771</u>	<u>\$ (668,175)</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)  
 Combining Statement of Net Position  
 June 30, 2014

	North Star Academy	North Star Building Corporation	North Star Academy Foundation	Platte River Academy	Platte River Building Corporation
<b>ASSETS</b>					
Cash and Investments	\$ 1,799,103	\$ -	\$ 10,000	\$ 2,227,673	\$ -
Accounts Receivable	-	-	-	15,093	-
Inventories	-	-	-	-	-
Prepaid Costs & Other Assets	31,438	-	-	-	-
Deposits	-	-	-	-	-
Restricted Cash and Investments	-	1,289,759	-	-	823,751
Internal Balances	-	-	-	-	-
Capital Assets, Not Being Depreciated	-	465,000	-	-	553,332
Capital Assets, Net of Accumulated Depreciation	-	7,291,580	-	-	4,108,681
Total Assets	<u>1,830,541</u>	<u>9,046,339</u>	<u>10,000</u>	<u>2,242,766</u>	<u>5,485,764</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on Debt Refunding	-	-	-	-	1,044,587
<b>LIABILITIES</b>					
Accounts Payable	11,317	-	-	28,986	-
Accrued Liabilities	-	-	-	7,591	-
Accrued Compensation	195,394	-	-	244,409	-
Accrued Interest Payable	-	145,475	-	-	97,330
Unearned Revenues	-	-	-	7,395	-
Non-Current Liabilities:					
Due within One Year	-	125,000	-	3,000	205,000
Due in More Than One Year	-	10,455,000	-	9,704	6,090,804
Total Liabilities	<u>206,711</u>	<u>10,725,475</u>	<u>-</u>	<u>301,085</u>	<u>6,393,134</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	-	(2,823,420)	-	-	(589,204)
Restricted for:					
Emergencies	146,306	-	-	122,000	-
Debt Service, Repairs	-	1,087,833	-	-	661,356
Capital Projects	-	56,451	-	231,551	65,065
Unrestricted	1,477,524	-	10,000	1,588,130	-
Total Net Position	<u>\$ 1,623,830</u>	<u>\$ (1,679,136)</u>	<u>\$ 10,000</u>	<u>\$ 1,941,681</u>	<u>\$ 137,217</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)  
 Combining Statement of Net Position  
 June 30, 2014

	Sky View Academy	SkyView Academy Building Corporation	SkyView Academy Foundation	STEM High Charter School	STEM Building Fund
<b>ASSETS</b>					
Cash and Investments	\$ 1,213,259	\$ 5,689	\$ 190,101	\$ 1,359,093	\$ -
Accounts Receivable	24,522	-	-	-	-
Inventories	-	-	-	-	-
Prepaid Costs & Other Assets	9,720	-	-	-	-
Deposits	-	-	-	-	-
Restricted Cash and Investments	-	1,786,517	-	-	1,269,338
Internal Balances	-	-	-	-	-
Capital Assets, Not Being Depreciated	-	3,534,756	-	-	2,370,970
Capital Assets, Net of Accumulated Depreciation	97,860	19,822,643	19,248	18,867	8,512,228
Total Assets	<u>1,345,361</u>	<u>25,149,605</u>	<u>209,349</u>	<u>1,377,960</u>	<u>12,152,536</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on Debt Refunding	-	-	-	-	-
<b>LIABILITIES</b>					
Accounts Payable	60,782	-	-	41,650	161,679
Accrued Liabilities	-	-	-	-	-
Accrued Compensation	324,629	-	-	-	-
Accrued Interest Payable	-	718,200	-	297,546	32,638
Unearned Revenues	8,200	-	-	-	-
Non-Current Liabilities:					
Due within One Year	-	-	-	-	205,000
Due in More Than One Year	-	25,650,000	-	-	13,455,000
Total Liabilities	<u>393,611</u>	<u>26,368,200</u>	<u>-</u>	<u>339,196</u>	<u>13,854,317</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	97,860	(2,292,601)	19,248	18,867	(2,259,746)
Restricted for:					
Emergencies	254,000	-	-	163,000	-
Debt Service, Repairs	-	1,068,317	-	-	557,965
Capital Projects	-	-	-	-	-
Unrestricted	599,890	5,689	190,101	856,897	-
Total Net Position	<u>\$ 951,750</u>	<u>\$ (1,218,595)</u>	<u>\$ 209,349</u>	<u>\$ 1,038,764</u>	<u>\$ (1,701,781)</u>



## DOUGLAS COUNTY SCHOOL DISTRICT RE1

Non-Major Discretely Presented Component Units (Continued)  
 Combining Statement of Net Position  
 June 30, 2014

	STEM Academy	Totals
<b>ASSETS</b>		
Cash and Investments	\$ 14,433	\$ 19,559,843
Accounts Receivable	-	401,855
Inventories	-	30,803
Prepaid Costs & Other Assets	-	777,323
Deposits	-	101,159
Restricted Cash and Investments	-	12,365,746
Internal Balances	-	-
Capital Assets, Not Being Depreciated	-	13,866,001
Capital Assets, Net of Accumulated Depreciation	58,928	106,890,664
Total Assets	<u>73,361</u>	<u>153,993,394</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on Debt Refunding	-	2,896,209
<b>LIABILITIES</b>		
Accounts Payable	-	1,895,311
Accrued Liabilities	-	1,715,566
Accrued Compensation	-	2,344,594
Accrued Interest Payable	-	1,406,526
Unearned Revenues	-	539,852
Non-Current Liabilities:		
Due within One Year	-	1,738,018
Due in More Than One Year	-	134,993,860
Total Liabilities	<u>-</u>	<u>144,633,727</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	58,928	(13,142,571)
Restricted for:		
Emergencies	-	2,572,455
Debt Service, Repairs	-	8,929,711
Capital Projects	-	1,016,053
Unrestricted	14,433	12,880,228
Total Net Position	<u>\$ 73,361</u>	<u>\$ 12,255,876</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Discretely Presented Component Units  
Combining Statement of Activities  
For Fiscal Year Ended June 30, 2014

Functions/Programs	American Academy	American Academy Foundation	American Academy Building Corporation	Academy Charter School
<b>EXPENSES</b>				
Instruction	\$ 6,793,408	\$ -	\$ -	\$ 2,937,690
Supporting Services	3,918,906	1,647,340	944,910	1,048,306
Interest on Long-Term Debt	-	-	902,500	-
Total Expenses	<u>10,712,314</u>	<u>1,647,340</u>	<u>1,847,410</u>	<u>3,985,996</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	2,175,410	-	-	245,061
Capital Grants and Contributions	-	-	60,630	-
Operating Grants and Contributions	<u>9,083</u>	<u>-</u>	<u>-</u>	<u>2,906</u>
Total Program Revenues	<u>2,184,493</u>	<u>-</u>	<u>60,630</u>	<u>247,967</u>
Net Program Expenses	<u>(8,527,821)</u>	<u>(1,647,340)</u>	<u>(1,786,780)</u>	<u>(3,738,029)</u>
<b>GENERAL REVENUES</b>				
Per Pupil Operating Revenue	9,252,785	-	-	4,078,177
Mill Levy	816,405	-	-	359,320
Capital Construction	138,358	-	-	60,776
Investment Earnings	6,527	2,622	4,378	7,901
Contributions and Grants	246,355	-	-	28,814
Other	114,525	-	-	13,171
TRANSFERS	<u>(1,477,703)</u>	<u>1,477,703</u>	<u>-</u>	<u>(497,069)</u>
Total General Revenues and Transfers	<u>9,097,252</u>	<u>1,480,325</u>	<u>4,378</u>	<u>4,051,090</u>
CHANGE IN NET POSITION	569,431	(167,015)	(1,782,402)	313,061
NET POSITION, Beginning	<u>740,208</u>	<u>1,304,508</u>	<u>(623,122)</u>	<u>1,969,144</u>
NET POSITION, Ending	<u>\$ 1,309,639</u>	<u>\$ 1,137,493</u>	<u>\$ (2,405,524)</u>	<u>\$ 2,282,205</u>

## DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Non-Major Discretely Presented Component Units (Continued)  
Combining Statement of Activities  
For Fiscal Year Ended June 30, 2014

Functions/Programs	Academy Castle Rock Lifelong Learning Center	Aspen View	Aspen View Foundation	Ben Franklin Academy
<b>EXPENSES</b>				
Instruction	\$ -	\$ 2,522,813	\$ -	\$ 3,005,453
Supporting Services	563,552	1,968,731	42,223	2,901,211
Interest on Long-Term Debt	-	425,041	-	-
Total Expenses	<u>563,552</u>	<u>4,916,585</u>	<u>42,223</u>	<u>5,906,664</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	-	512,495	-	804,131
Capital Grants and Contributions	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Total Program Revenues	<u>-</u>	<u>512,495</u>	<u>-</u>	<u>804,131</u>
Net Program Expenses	<u>(563,552)</u>	<u>(4,404,090)</u>	<u>(42,223)</u>	<u>(5,102,533)</u>
<b>GENERAL REVENUES</b>				
Per Pupil Operating Revenue	-	3,828,674	-	5,182,613
Mill Levy	-	336,367	-	457,368
Capital Construction	-	57,084	-	77,374
Investment Earnings	308	-	-	669
Contributions and Grants	-	382,018	96,183	32,960
Other	671	23,700	-	7,505
TRANSFERS	<u>497,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>498,048</u>	<u>4,627,843</u>	<u>96,183</u>	<u>5,758,489</u>
CHANGE IN NET POSITION	(65,504)	223,753	53,960	655,956
NET POSITION, Beginning	<u>886,422</u>	<u>1,964,233</u>	<u>6,833</u>	<u>1,155,646</u>
NET POSITION, Ending	<u>\$ 820,918</u>	<u>\$ 2,187,986</u>	<u>\$ 60,793</u>	<u>\$ 1,811,602</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, 2014

Functions/Programs	Challenge to Excellence	C2E Building Corporation	Parker Core Knowledge Charter School	CKCS Building Corporation
<b>EXPENSES</b>				
Instruction	\$ 2,535,253	\$ -	\$ 2,827,214	\$ -
Supporting Services	768,895	497,854	1,477,525	508,200
Interest on Long-Term Debt	11,577	-	-	-
Total Expenses	<u>3,315,725</u>	<u>497,854</u>	<u>4,304,739</u>	<u>508,200</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	383,973	-	832,597	-
Capital Grants and Contributions	-	-	-	-
Operating Grants and Contributions	7,267	-	3,270	-
Total Program Revenues	<u>391,240</u>	<u>-</u>	<u>835,867</u>	<u>-</u>
Net Program Expenses	<u>(2,924,485)</u>	<u>(497,854)</u>	<u>(3,468,872)</u>	<u>(508,200)</u>
<b>GENERAL REVENUES</b>				
Per Pupil Operating Revenue	3,007,959	-	3,627,374	-
Mill Levy	265,523	-	321,065	-
Capital Construction	44,784	-	54,322	-
Investment Earnings	1,359	80	1,678	16
Contributions and Grants	-	-	75,649	-
Other	23,280	-	8,304	-
TRANSFERS	(482,169)	482,169	(450,284)	450,284
Total General Revenues and Transfers	<u>2,860,736</u>	<u>482,249</u>	<u>3,638,108</u>	<u>450,300</u>
CHANGE IN NET POSITION	(63,749)	(15,605)	169,236	(57,900)
NET POSITION, Beginning	<u>2,490,383</u>	<u>(1,451,640)</u>	<u>1,382,832</u>	<u>247,445</u>
NET POSITION, Ending	<u>\$ 2,426,634</u>	<u>\$ (1,467,245)</u>	<u>\$ 1,552,068</u>	<u>\$ 189,545</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, 2014

Functions/Programs	Hope Online Learning Academy Co-Op	DCS Montessori Charter School	Montessori Foundation	North Star Academy
<b>EXPENSES</b>				
Instruction	\$ 17,284,422	\$ 2,443,830	\$ -	\$ 2,730,425
Supporting Services	3,905,661	892,906	886,375	1,018,608
Interest on Long-Term Debt	-	-	-	-
Total Expenses	<u>21,190,083</u>	<u>3,336,736</u>	<u>886,375</u>	<u>3,749,033</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	-	1,397,308	-	301,863
Capital Grants and Contributions	-	-	-	-
Operating Grants and Contributions	<u>1,736,434</u>	<u>2,907</u>	<u>-</u>	<u>5,087</u>
Total Program Revenues	<u>1,736,434</u>	<u>1,400,215</u>	<u>-</u>	<u>306,950</u>
Net Program Expenses	<u>(19,453,649)</u>	<u>(1,936,521)</u>	<u>(886,375)</u>	<u>(3,442,083)</u>
<b>GENERAL REVENUES</b>				
Per Pupil Operating Revenue	19,098,078	2,405,916	-	4,020,699
Mill Levy	-	211,398	-	356,203
Capital Construction	-	35,883	-	60,244
Investment Earnings	7,552	7,030	556	-
Contributions and Grants	-	11,148	372,740	77,416
Other	-	7,131	-	53,338
TRANSFERS	<u>-</u>	<u>(1,439,335)</u>	<u>1,439,335</u>	<u>(1,017,679)</u>
Total General Revenues and Transfers	<u>19,105,630</u>	<u>1,239,171</u>	<u>1,812,631</u>	<u>3,550,221</u>
CHANGE IN NET POSITION	(348,019)	(697,350)	926,256	108,138
NET POSITION, Beginning	<u>1,241,745</u>	<u>1,435,121</u>	<u>(1,594,431)</u>	<u>1,515,692</u>
NET POSITION, Ending	<u>\$ 893,726</u>	<u>\$ 737,771</u>	<u>\$ (668,175)</u>	<u>\$ 1,623,830</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, 2014

Functions/Programs	North Star Building Corporation	North Star Academy Foundation	Platte River Academy	Platte River Building Corporation
<b>EXPENSES</b>				
Instruction	\$ -	\$ -	\$ 2,646,556	\$ -
Supporting Services	1,200,382	96,894	884,490	480,781
Interest on Long-Term Debt	-	-	-	-
Total Expenses	<u>1,200,382</u>	<u>96,894</u>	<u>3,531,046</u>	<u>480,781</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	-	-	387,532	-
Capital Grants and Contributions	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Total Program Revenues	<u>-</u>	<u>-</u>	<u>387,532</u>	<u>-</u>
Net Program Expenses	<u>(1,200,382)</u>	<u>(96,894)</u>	<u>(3,143,514)</u>	<u>(480,781)</u>
<b>GENERAL REVENUES</b>				
Per Pupil Operating Revenue	-	-	3,255,904	-
Mill Levy	-	-	288,760	-
Capital Construction	-	-	48,761	-
Investment Earnings	-	-	22,434	84
Contributions and Grants	-	96,894	59,947	-
Other	-	-	16,325	-
TRANSFERS	<u>1,017,679</u>	<u>-</u>	<u>(498,610)</u>	<u>498,610</u>
Total General Revenues and Transfers	<u>1,017,679</u>	<u>96,894</u>	<u>3,193,521</u>	<u>498,694</u>
CHANGE IN NET POSITION	(182,703)	-	50,007	17,913
NET POSITION, Beginning	<u>(1,496,433)</u>	<u>10,000</u>	<u>1,891,674</u>	<u>119,304</u>
NET POSITION, Ending	<u>\$ (1,679,136)</u>	<u>\$ 10,000</u>	<u>\$ 1,941,681</u>	<u>\$ 137,217</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, 2014

Functions/Programs	SkyView Academy	SkyView Academy Building Corporation	SkyView Academy Foundation	STEM High Charter School
<b>EXPENSES</b>				
Instruction	\$ 4,599,478	\$ -	\$ -	\$ 2,577,722
Supporting Services	2,352,364	2,016,457	228,748	2,047,922
Interest on Long-Term Debt	-	-	-	-
Total Expenses	<u>6,951,842</u>	<u>2,016,457</u>	<u>228,748</u>	<u>4,625,644</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	1,208,691	-	-	151,960
Capital Grants and Contributions	-	-	-	6,776
Operating Grants and Contributions	-	-	-	-
Total Program Revenues	<u>1,208,691</u>	<u>-</u>	<u>-</u>	<u>158,736</u>
Net Program Expenses	<u>(5,743,151)</u>	<u>(2,016,457)</u>	<u>(228,748)</u>	<u>(4,466,908)</u>
<b>GENERAL REVENUES</b>				
Per Pupil Operating Revenue	6,315,189	-	-	4,720,872
Mill Levy	557,683	-	-	420,530
Capital Construction	94,134	-	-	70,418
Investment Earnings	64,872	64,150	-	1,188
Contributions and Grants	166,439	261	222,474	35,937
Other	-	-	-	9,153
<b>TRANSFERS</b>	<u>(1,349,317)</u>	<u>1,349,317</u>	<u>-</u>	<u>(615,371)</u>
Total General Revenues and Transfers	<u>5,849,000</u>	<u>1,413,728</u>	<u>222,474</u>	<u>4,642,727</u>
<b>CHANGE IN NET POSITION</b>	105,849	(602,729)	(6,274)	175,819
<b>NET POSITION, Beginning</b>	<u>845,901</u>	<u>(615,866)</u>	<u>215,623</u>	<u>862,945</u>
<b>NET POSITION, Ending</b>	<u>\$ 951,750</u>	<u>\$ (1,218,595)</u>	<u>\$ 209,349</u>	<u>\$ 1,038,764</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, 2014

Functions/Programs	STEM Building Fund	STEM Academy	Totals
<b>EXPENSES</b>			
Instruction	\$ -	\$ -	\$ 52,904,264
Supporting Services	1,261,571	123,455	33,684,267
Interest on Long-Term Debt	-	-	1,339,118
Total Expenses	<u>1,261,571</u>	<u>123,455</u>	<u>87,927,649</u>
<b>PROGRAM REVENUES</b>			
Charges for Services	-	-	8,401,021
Capital Grants and Contributions	-	-	67,406
Operating Grants and Contributions	-	-	1,766,954
Total Program Revenues	<u>-</u>	<u>-</u>	<u>10,235,381</u>
Net Program Expenses	<u>(1,261,571)</u>	<u>(123,455)</u>	<u>(77,692,268)</u>
<b>GENERAL REVENUES</b>			
Per Pupil Operating Revenue	-	-	68,794,240
Mill Levy	-	-	4,390,622
Capital Construction	-	-	742,138
Investment Earnings	304	-	193,708
Contributions and Grants	-	119,469	2,024,704
Other	-	-	277,103
TRANSFERS	<u>615,371</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>615,675</u>	<u>119,469</u>	<u>76,422,515</u>
CHANGE IN NET POSITION	(645,896)	(3,986)	(1,269,753)
NET POSITION, Beginning	<u>(1,055,885)</u>	<u>77,347</u>	<u>13,525,629</u>
NET POSITION, Ending	<u>\$ (1,701,781)</u>	<u>\$ 73,361</u>	<u>\$ 12,255,876</u>



***STATISTICAL  
SECTION***



**Douglas County** School District  
*Learn today. Lead tomorrow.*

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DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Listing of Statistical Information

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

**Financial Trends Data ..... 130-137**

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 ..... 138-143**

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..... 144-151**

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 ..... 152-153**

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

- Demographic and Economic Statistics
- Principal Employers

**Operating Information ..... 154-158**

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

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

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

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

	2014	2013	2012
<b>General activities:</b>			
Net Investment in Capital Assets	\$ 195,973,287	\$ 174,072,099	\$ 125,537,753
Restricted	95,722,952	74,749,578	92,237,379
Unrestricted	45,382,747	72,738,537	67,437,692
<b>Total governmental activities net position</b>	<b>\$ 337,078,986</b>	<b>\$ 321,560,214</b>	<b>\$ 285,212,824</b>
<b>Business-type activities</b>			
Invested in Capital Assets	\$ 3,528,490	\$ 3,290,033	\$ 3,721,875
Restricted	-	-	-
Unrestricted	4,526,262	839,446	181,336
<b>Total business-type activities net position</b>	<b>\$ 8,054,752</b>	<b>\$ 4,129,479</b>	<b>\$ 3,903,211</b>
<b>Primary government</b>			
Invested in Capital Assets	\$ 199,501,777	\$ 177,362,132	\$ 129,259,628
Restricted	95,722,952	74,749,578	92,237,379
Unrestricted	49,909,009	73,577,983	67,619,028
<b>Total primary government net position</b>	<b>\$ 345,133,738</b>	<b>\$ 325,689,693</b>	<b>\$ 289,116,035</b>

Table 1

Restated 2011	2010	2009	2008	2007	2006	2005
\$ 95,943,480	\$ 37,510,363	\$ 42,172,382	\$ 27,281,732	\$ 42,795,199	\$ 27,400,729	\$ 28,463,470
100,536,282	97,561,208	141,671,418	204,803,878	230,580,780	47,339,851	38,211,478
40,060,467	6,722,286	(72,687,504)	(150,796,048)	(157,426,046)	34,217,591	29,532,320
<b>\$ 236,540,229</b>	<b>\$ 141,793,857</b>	<b>\$ 111,156,296</b>	<b>\$ 81,289,562</b>	<b>\$ 115,949,933</b>	<b>\$ 108,958,171</b>	<b>\$ 96,207,268</b>
\$ 4,090,512	\$ 4,332,085	\$ 2,730,010	\$ 2,505,690	\$ 1,414,170	\$ 2,201,834	\$ 2,459,217
-	-	-	-	-	60,115	446,916
(1,568,281)	(1,371,707)	659,110	5,122,236	7,770,595	7,591,959	5,721,828
<b>\$ 2,522,231</b>	<b>\$ 2,960,378</b>	<b>\$ 3,389,120</b>	<b>\$ 7,627,926</b>	<b>\$ 9,184,765</b>	<b>\$ 9,853,908</b>	<b>\$ 8,627,961</b>
\$ 100,033,992	\$ 41,842,448	\$ 44,902,392	\$ 29,787,422	\$ 44,209,369	\$ 29,602,563	\$ 30,922,687
100,536,282	97,561,208	141,671,418	204,803,878	230,580,780	47,399,966	38,658,394
38,492,186	5,350,579	(72,028,394)	(145,673,812)	(149,655,451)	41,809,550	35,254,148
<b>\$ 239,062,460</b>	<b>\$ 144,754,235</b>	<b>\$ 114,545,416</b>	<b>\$ 88,917,488</b>	<b>\$ 125,134,698</b>	<b>\$ 118,812,079</b>	<b>\$ 104,835,229</b>

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

	2014	2013	2012
<b>EXPENSES</b>			
Governmental activities:			
Instruction	\$ 274,095,304	\$ 270,892,918	\$ 266,574,362
Supporting services	192,408,770	171,113,103	149,913,182
Payment to Component Units <sup>(1)</sup>	73,281,995	59,994,588	54,244,208
Interest on long-term debt	28,911,330	30,187,963	28,148,114
Total governmental activities expenses	<u>568,697,399</u>	<u>532,188,572</u>	<u>498,879,866</u>
Business-type activities:			
Nutrition services	14,628,994	14,470,523	14,163,053
Non-Major Enterprise Funds	9,938,248	9,457,490	8,945,976
Total business-type activities expenses	<u>24,567,242</u>	<u>23,928,013</u>	<u>23,109,029</u>
<b>PROGRAM REVENUES</b>			
Governmental activities:			
Charges for Services	28,530,827	27,874,860	26,326,938
Operating grants and contributions	30,342,355	28,777,165	23,774,694
Capital grants and contributions	-	-	-
Total governmental activities	<u>58,873,182</u>	<u>56,652,025</u>	<u>50,101,632</u>
Business-type activities:			
Charges for services - nutrition services	12,179,758	10,941,844	10,624,082
Operating grants and contributions	3,091,358	3,602,925	3,576,019
Charges for services - non-major enterprise funds	10,490,492	9,664,554	9,139,908
Total business-type activities	<u>25,761,608</u>	<u>24,209,323</u>	<u>23,340,009</u>
Total primary government program revenues	<u>\$ 84,634,790</u>	<u>\$ 80,861,348</u>	<u>\$ 73,441,641</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
Governmental activities:			
Property taxes	\$ 224,180,235	\$ 225,526,250	\$ 213,087,082
Specific ownership taxes	19,916,387	17,961,028	16,186,615
State equalization	270,410,414	255,686,365	246,289,764
Capital construction funding	-	-	-
COP Charter School Repayment	-	-	12,364,050
Investment earnings	144,848	247,485	174,758
Grants and Contributions not Specific to Programs	-	-	159,476
Other	13,296,105	12,407,767	10,339,083
Transfers	(2,605,000)	55,042	(1,150,000)
Loss on disposal of capital assets	-	-	-
Total governmental activities	<u>525,342,989</u>	<u>511,883,937</u>	<u>497,450,828</u>
Business-type activities:			
Investment earnings	-	-	-
Other	125,907	-	-
Capital contributions	-	-	-
Extraordinary item (w/o assets <\$5k)	-	-	-
Transfers	2,605,000	(55,042)	1,150,000
	<u>2,730,907</u>	<u>(55,042)</u>	<u>1,150,000</u>
Total primary government general revenues	<u>\$ 528,073,896</u>	<u>\$ 511,828,895</u>	<u>\$ 498,600,828</u>
<b>CHANGE IN NET POSITION</b>			
Governmental activities	\$ 15,518,772	\$ 36,347,390	\$ 48,672,594
Business-type activities	3,925,273	226,268	1,380,980
	<u>\$ 19,444,045</u>	<u>\$ 36,573,658</u>	<u>\$ 50,053,574</u>

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

Table 2

2011	2010	2009	2008	2007	2006	2005
\$ 255,901,180	\$ 305,026,427	\$ 280,588,259	\$ 330,050,883	\$ 262,994,204	\$ 233,882,864	\$ 187,821,090
142,363,827	182,308,594	197,239,443	153,020,191	138,132,132	128,319,312	135,530,533
46,384,715	-	-	-	-	-	-
35,322,746	31,755,542	31,732,601	32,362,410	31,977,580	27,443,334	24,756,529
479,972,468	519,090,563	509,560,303	515,433,484	433,103,916	389,645,510	348,108,152
14,396,183	15,301,521	16,488,675	13,958,595	11,369,440	10,018,401	9,611,357
8,560,831	8,857,027	9,464,830	7,596,573	6,740,000	6,017,367	5,285,843
22,957,014	24,158,548	25,953,505	21,555,168	18,109,440	16,035,768	14,897,200
24,594,662	17,634,758	18,493,995	13,907,195	5,902,190	9,523,795	5,064,605
28,805,131	26,849,162	24,380,125	19,776,495	35,835,862	20,063,968	15,478,462
-	63,492	-	-	-	-	-
53,399,793	44,547,412	42,874,120	33,683,690	41,738,052	29,587,763	20,543,067
10,850,000	11,621,798	9,851,990	9,412,258	9,437,965	8,982,460	8,414,646
3,726,239	2,917,705	2,803,292	2,346,509	1,685,307	1,540,352	1,299,615
8,905,075	9,122,383	9,158,931	8,223,883	6,903,660	6,379,827	5,716,911
23,481,314	23,661,886	21,814,213	19,982,650	18,026,932	16,902,639	15,431,172
\$ 76,881,107	\$ 68,209,298	\$ 64,688,333	\$ 53,666,340	\$ 59,764,984	\$ 46,490,402	\$ 35,974,239
\$ 232,462,054	\$ 227,029,556	\$ 224,686,214	\$ 210,261,080	\$ 187,833,547	\$ 181,523,863	\$ 164,416,802
15,522,850	15,949,421	17,932,981	19,748,994	18,554,862	17,903,441	17,457,338
244,359,000	249,467,855	234,872,441	191,877,073	161,027,430	158,044,093	144,582,516
-	-	-	-	-	-	-
-	-	-	-	-	-	-
442,416	1,331,324	5,157,300	11,510,006	10,879,889	4,674,447	3,021,191
1,572,533	-	-	-	-	-	-
9,160,063	11,402,556	13,786,604	13,692,270	20,061,898	10,662,806	11,445,244
-	-	117,377	-	-	-	(269,836)
-	-	-	-	-	-	-
503,518,916	505,180,712	496,552,917	447,089,423	398,357,626	372,808,650	340,653,255
-	-	-	5	200,428	116,376	65,213
9,308	67,920	17,863	15,674	17,567	242,700	69,114
-	-	-	-	-	-	-
-	-	-	-	(804,630)	-	-
-	-	(117,377)	-	-	-	269,836
9,308	67,920	(99,514)	15,679	(586,635)	359,076	404,163
\$ 503,528,224	\$ 505,248,632	\$ 496,453,403	\$ 447,105,102	\$ 397,770,991	\$ 373,167,726	\$ 341,057,418
\$ 76,946,241	\$ 30,637,561	\$ 29,866,734	\$ (34,660,371)	\$ 6,991,762	\$ 12,750,903	\$ 13,088,170
533,608	(428,742)	(4,238,806)	(1,556,839)	(669,143)	1,225,947	938,135
\$ 77,479,849	\$ 30,208,819	\$ 25,627,928	\$ (36,217,210)	\$ 6,322,619	\$ 13,976,850	\$ 14,026,305

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

	2014	2013	2012	Restated <sup>(1)</sup> 2011
<b>Combined General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	1,027,061	675,286	696,648	727,782
Restricted - TABOR Emergency Reserve	15,132,000	14,043,000	12,790,000	11,745,301
Assigned:				
4% Board Reserves	20,200,000	18,724,000	-	-
School Discretionary Funds-\$105/stdt	-	5,475,675	6,400,000	-
School Innovation and HS Student Rqst	2,100,000	2,100,000	-	-
Average Pay Increases- 3%	-	9,000,000	-	-
Extended Service Severance	1,734,705	3,672,407	6,000,000	-
2013 PERA Increase	-	-	2,200,000	-
Pay for Performance Carryover	3,500,000	2,900,000	-	-
School and Department Carryover	19,546,877	19,530,498	19,121,379	16,831,076
Energy Performance Lease	2,003,702	-	-	-
Cash in Lieu of Land	2,319,770	-	-	-
Sub-fund Carryover	11,417,806	24,714,053	26,255,236	19,635,787
Buses/Phone System/Classroom Technology	8,757,127	1,360,000	-	-
Early Separation Agreement	-	1,551,191	3,159,164	4,759,164
One Time Retention Pay - 2%	-	-	5,600,000	-
Unassigned	486,854	537,143	18,052,019	26,815,727
<b>Total Combined General Fund</b>	<b>\$ 88,225,902</b>	<b>\$ 104,283,253</b>	<b>\$ 100,274,446</b>	<b>\$ 80,514,837</b>
<b>All other governmental funds</b>				
Non Spendable	\$ -	\$ 30,000	\$ -	\$ -
Reserved for Emergencies	-	-	-	-
Reserved:				
Special Revenue Funds	-	-	-	-
Restricted:				
Building	14,536,321	14,342,407	18,002,255	15,338,607
Aspen View Charter	450,072	-	-	-
Debt Service/Lease Payment Funds	64,595,606	59,785,966	60,333,964	59,340,736
Grants	185,120	185,120	185,120	185,120
Student Athletics Activities Fund	823,833	735,492	926,040	1,076,248
<b>Total all other governmental funds</b>	<b>\$ 80,590,952</b>	<b>\$ 75,078,985</b>	<b>\$ 79,447,379</b>	<b>\$ 75,940,711</b>
<b>Governmental Funds</b>				
Reserved/Assigned	\$ 168,330,000	\$ 178,825,095	\$ 161,669,806	\$ 129,639,821
Unreserved	486,854	537,143	18,052,019	26,815,727
<b>Total governmental funds</b>	<b>\$ 168,816,854</b>	<b>\$ 179,362,238</b>	<b>\$ 179,721,825</b>	<b>\$ 156,455,548</b>

(1) In fiscal year 2011 the District adopted GASB 54, Fund Balance Reporting and Fund Type Definitions, changing the titles and classifications of fund balance. The District has retroactively applied this statement for the purposes of providing a comparative reference.



Table 3

	2010	2009	2008	2007	2006	2005
\$	-	\$ 2,065,105	\$ 1,213,125	\$ 1,183,606	\$ 1,088,263	\$ 1,042,739
	750,463	-	-	-	-	-
	12,313,022	12,414,008	11,750,000	10,377,000	9,236,009	8,741,175
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	11,541,117	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	4,904,985	-	-	-	-	-
	-	-	-	-	-	-
	6,386,525	-	-	-	-	-
	-	-	-	-	-	-
	10,197,615	6,141,834	7,224,933	24,065,111	24,561,408	19,962,669
\$	46,093,727	\$ 20,620,947	\$ 20,188,058	\$ 35,625,717	\$ 34,885,680	\$ 29,746,583
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	741,728	474,440
	10,422,477	5,649,724	5,837,202	11,764,401	9,778,315	9,953,667
	30,123,296	81,761,934	152,572,604	185,916,546	64,480,360	92,169,492
	-	-	-	-	-	-
	55,124,890	45,430,371	40,481,274	34,287,234	32,441,936	25,227,192
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	95,670,663	\$ 132,842,029	\$ 198,891,080	\$ 231,968,181	\$ 107,442,339	\$ 127,824,791
\$	131,566,775	\$ 147,321,142	\$ 211,854,205	\$ 243,528,787	\$ 117,766,611	\$ 137,608,705
	10,197,615	6,141,834	7,224,933	24,065,111	24,561,408	19,962,669
\$	141,764,390	\$ 153,462,976	\$ 219,079,138	\$ 267,593,898	\$ 142,328,019	\$ 157,571,374

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

	2014	2013	2012	Restated 2011
<b>REVENUES</b>				
Taxes	\$ 247,142,354	\$ 237,365,348	\$ 236,258,181	\$ 244,884,158
Payment in Lieu of Taxes	-	-	-	92,000
Intergovernmental	300,752,769	284,463,530	270,223,934	274,736,664
Charges for services	28,530,827	27,874,860	26,326,938	24,594,662
Investment Earnings	132,902	276,635	160,793	423,889
Other	13,932,610	12,211,910	10,188,833	8,908,432
<b>Total Revenues</b>	<b>590,491,462</b>	<b>562,192,283</b>	<b>543,158,679</b>	<b>553,639,805</b>
<b>EXPENDITURES</b>				
Current operating:				
Instruction	276,669,387	274,167,817	247,204,042	246,797,488
Supporting Services	180,116,275	160,186,452	143,195,462	138,836,902
Other charges	-	-	-	-
Capital Outlay	12,945,707	18,620,893	19,743,061	30,882,869
Payment to Component Unit	73,281,995	59,994,588	54,244,208	46,384,715
Debt Service:				
Debt issuance costs	172,052	483,024	489,201	542,871
Principal	41,851,380	43,289,338	40,960,449	38,179,739
Interest and fiscal charges	32,193,583	29,603,277	29,153,263	30,532,096
<b>Total Expenditures</b>	<b>617,230,379</b>	<b>586,345,389</b>	<b>534,989,686</b>	<b>532,156,680</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	31,020,000	71,095,000	86,405,000
Premium on Bonds	-	3,925,547	14,185,059	17,247,133
Payments to Refunded Bond Escrow	-	(34,353,871)	(84,800,060)	(103,113,364)
Issuance of COP	15,000,000	15,500,000	-	-
COP Charter School Repayment	-	-	12,364,049	-
Issuance of Capital Lease	3,530,800	7,636,963	3,478,130	-
Other Sources (Uses)	122,719	100,000	-	-
Transfers In	10,063,087	6,715,311	5,377,499	19,227,111
Transfers Out	(12,668,087)	(6,715,311)	(6,527,499)	(23,043,821)
<b>Total other financing sources (uses)</b>	<b>16,048,519</b>	<b>23,828,639</b>	<b>15,172,178</b>	<b>(3,277,941)</b>
<b>Net change in fund balances</b>	<b>\$ (10,690,398)</b>	<b>\$ (324,467)</b>	<b>\$ 23,341,172</b>	<b>\$ 18,205,185</b>
Debt service as a percentage of non-capital expenditures <sup>(1)</sup>	12.5%	13.3%	13.6%	13.5%

(1) Percentage was calculated for current year and prior years using capital outlay number from the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Table 4

	2010	2009	2008	2007	2006	2005
\$	244,581,528	\$ 235,594,106	\$ 230,010,074	\$ 206,388,408	\$ 196,724,413	\$ 178,446,237
	123,192	71,114	661,285	1,153,540	1,552,643	1,218,030
	276,380,509	259,252,566	211,653,568	196,863,292	178,108,061	160,060,978
	17,634,758	18,493,995	13,907,195	5,902,190	4,804,824	-
	1,084,491	4,937,959	11,379,892	10,619,817	4,345,063	2,868,584
	11,279,364	13,715,490	13,030,985	18,908,358	15,381,777	16,509,849
	<b>551,083,842</b>	<b>532,065,230</b>	<b>480,642,999</b>	<b>439,835,605</b>	<b>400,916,781</b>	<b>359,103,678</b>
	285,889,484	287,206,411	258,791,779	238,315,149	214,099,665	175,538,326
	154,940,755	161,978,101	154,749,135	130,719,659	114,712,396	124,214,296
	-	-	-	-	3,075	1,808,147
	72,549,474	85,360,848	121,340,086	83,770,734	44,142,400	57,856,295
	867,667	-	-	-	-	-
	832,407	-	-	-	-	1,684,217
	30,823,505	28,945,000	22,300,000	15,963,132	15,508,721	16,287,203
	31,755,542	31,732,601	32,362,410	31,977,580	28,693,879	27,161,053
	<b>577,658,834</b>	<b>595,222,961</b>	<b>589,543,410</b>	<b>500,746,254</b>	<b>417,160,136</b>	<b>404,549,537</b>
	101,770,000	-	63,944,949	207,944,942	-	205,819,956
	13,504,761	-	12,260,702	24,533,628	-	21,702,100
	(100,398,355)	-	(14,260,000)	(47,675,872)	-	(185,336,816)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	21,136,366	24,358,656	22,240,125	14,793,293	14,013,267	8,255,828
	(21,136,366)	(26,817,087)	(23,800,125)	(14,793,293)	(13,013,267)	(8,255,828)
	<b>14,876,406</b>	<b>(2,458,431)</b>	<b>60,385,651</b>	<b>184,802,698</b>	<b>1,000,000</b>	<b>42,185,240</b>
<b>\$</b>	<b>(11,698,586)</b>	<b>\$ (65,616,162)</b>	<b>\$ (48,514,760)</b>	<b>\$ 123,892,049</b>	<b>\$ (15,243,355)</b>	<b>\$ (3,260,619)</b>
	12.4%	11.8%	10.2%	11.2%	11.3%	12.7%

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

**Residential Property**

**Other Property Classes**

Tax Year	Collection Year	Assessed Value	Actual Value	Vacant Land	Commercial	Industrial	Agricultural
2013	2014	\$ 2,700,797,330	\$ 33,929,614,698	\$ 212,708,100	\$ 1,409,372,620	\$ 113,493,760	\$ 17,339,320
2012	2013	2,633,649,430	33,086,048,116	230,484,200	1,352,916,980	107,361,790	16,897,990
2011	2012	2,605,060,140	32,726,886,181	237,907,000	1,352,671,890	106,996,720	16,967,090
2010	2011	2,835,278,200	35,619,072,864	328,390,830	1,461,043,520	114,075,070	18,733,120
2009	2010	2,804,614,750	35,233,853,643	338,451,120	1,465,556,170	98,981,380	17,633,480
2008	2009	2,712,177,010	34,072,575,503	352,466,660	1,398,061,420	51,894,240	19,303,880
2007	2008	2,630,673,430	33,048,661,181	334,701,420	1,334,996,740	57,097,880	18,486,600
2006	2007	2,356,476,840	29,603,980,402	266,327,340	1,220,874,170	49,165,040	14,281,410
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

(1) Source: Douglas County Assessor

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

(2) Source Douglas County Assessors - 2013 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 <sup>(2)</sup> Tax Rate
\$ 422,900	\$ 235,325,500	\$ 1,988,662,200	\$ 6,857,455,862	\$ 4,689,459,530	\$ 40,787,070,561	48.277
435,290	209,659,400	1,917,755,650	6,612,950,517	4,551,405,080	39,698,998,633	48.727
425,920	184,707,000	1,899,675,620	6,550,605,586	4,504,735,760	39,277,491,767	48.788
343,730	158,980,100	2,081,566,370	7,177,815,069	4,916,844,570	42,796,887,933	46.890
219,050	154,083,000	2,074,924,200	7,154,911,034	4,879,538,950	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

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

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Douglas County School District

Assessment Year	Collection Year	General Fund	Debt		Douglas County <sup>(2)</sup>	Total
			Service Fund	Total		
2013	2014	32.935	15.34	48.277	24.27	72.55
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

## 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

	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Park Meadows Mall LLC	\$ 69,119,490	1	1.47%	\$ 44,900,630	1	1.30%
Intermountain Rural Elec Assn.	63,148,700	2	1.35%	23,401,800	4	0.68%
Public Service Co. of Colo	55,901,900	3	1.19%	22,680,100	5	0.66%
HCA HealthOne LLC	50,141,360	4	1.07%	24,201,490	3	0.70%
Century Link (was Qwest Corporation)	42,138,340	5	0.90%	36,500,100	2	1.06%
Qwest Communications	21,403,600	6	0.46%	-		
Plaza Drive Properties LLC	16,968,240	7	0.36%	18,850,000	7	0.55%
Target Corporation	15,888,290	8	0.34%	-		
Kaiser Foundation Hospitals	15,159,480	9	0.32%	-		
Wells Reit II South Jamica St LLC	11,785,520	10	0.25%	-		
TGS Realty Inc.	-		-	20,299,880	6	0.59%
Visa USA Inc.	-		-	17,100,930	8	0.50%
BTM Capital Corporation	-		-	12,768,810	9	0.37%
Echostar Real Estate Corporation IV	-		-	12,473,670	10	0.36%
<b>Total Principal Taxpayers</b>	<b>\$ 361,654,920</b>		<b>7.71%</b>	<b>\$233,177,410</b>		<b>6.77%</b>

Source: 2013 Douglas County CAFR.

<http://www.douglas.co.us/finance/documents/2013-comprehensive-financial-report.pdf>



**Douglas County** School District  
*Learn today. Lead tomorrow.*

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

Assessment Year	Collection Year	Total Tax Levy <sup>(1)</sup>	Collected within the Fiscal Year of the Levy			Total Tax Collections	Percent of Total Tax Collections to Levy
			Current Tax Collections	Percent of Levy Collected	Collection in Subsequent Years		
2013	2014	\$ 227,593,608	\$ 227,223,163	99.84%	\$ 5,095	\$ 227,228,258	99.84%
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%

(1) CDE Website: FY 13-14 Mill Levies and Overrides  
<http://www.cde.state.co.us/cdefinance/sfmilllevy>

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

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**Governmental Activities**

Year Ended June 30	General Obligation Bonds	Certificates of Participation	Accreted Interest	Bond Premiums	Capital Leases	Total
2014	\$ 432,426,936	\$ 52,200,000	\$ 15,722,043	\$ 49,067,791	\$ 10,174,165	\$ 559,590,935
2013	470,743,316	40,735,000	19,695,769	53,252,046	7,364,704	591,790,835
2012	509,211,093	26,505,000	18,532,441	63,924,242	1,159,302	619,332,078
2011	543,221,501	27,540,000			-	570,761,501
2010	580,366,240	28,575,000			-	608,941,240
2009	608,924,744	16,920,000			-	625,844,744
2008	637,134,744	17,655,000			-	654,789,744
2007	609,424,795	17,980,000			-	627,404,795
2006	477,537,985	4,465,000			-	482,002,985
2005	492,736,706	4,775,000			-	497,511,706
2004	474,089,030	5,075,000			-	479,164,030

(1) Douglas County Government

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

(2) 2013 Douglas County CAFR, Demographic and Economic Statistics

<http://www.douglas.co.us/finance/documents/2013-comprehensive-financial-report.pdf>

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

2013 and prior numbers have not been revised to match the County's updated data .

Table 9

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Assessed Value <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Population <sup>(2)</sup>	Percentage of Personal Income	Total Debt Per Capita
\$ 4,689,459,530	\$22,858,414	302,464	4.08%	\$ 1,850
4,551,405,080	21,954,925	295,689	3.71%	2,001
4,504,735,760	18,081,970	291,083	2.92%	2,128
4,916,844,570	17,514,402	288,430	3.07%	1,979
4,879,538,950	17,108,472	290,059	2.81%	2,099
4,678,187,640	16,969,723	286,780	2.71%	2,182
4,513,520,560	14,706,467	281,418	2.25%	2,327
4,022,845,950	12,993,222	268,506	2.07%	2,337
3,824,694,533	11,347,684	252,988	2.35%	1,905
3,421,062,410	9,657,842	236,524	1.94%	2,103
3,244,520,170	8,702,221	224,023	1.82%	2,139

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

Year Ended June 30	General Obligation Bonds	Debt Service Funds Available	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita	Actual Value	Assessed Value <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Population <sup>(2)</sup>
2014	\$497,216,770	\$ 52,380,634	\$444,836,136	1.31%	1,471	\$ 33,929,614,698	\$ 4,689,459,530	\$22,858,414	302,464
2013	543,691,131	46,691,379	496,999,752	1.50%	1,681	33,086,048,116	4,551,405,080	21,954,925	295,689
2012	591,667,776	40,687,776	550,980,000	1.68%	1,893	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

(1) Douglas County Government

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

(2) 2013 Douglas County CAFR

<http://www.douglas.co.us/finance/documents/2013-comprehensive-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.

2013 and prior numbers have not been updated to match the County's updated data .

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

In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the District. The following table sets forth the estimated overlapping general obligation debt attributable to property owners within the District as of June 30, 2014. Additional taxing entities may overlap with the District in the future.

**Estimated Overlapping General Obligation Debt**

	2013 Assessed Valuation <sup>(2)</sup>	Entity's G.O. Debt Outstanding	Outstanding G.O. Debt Attributable to the District <sup>(4)</sup>	
			Percent	Amount
<b>Direct G.O. Debt</b>				
Douglas Count School District RE-1	\$ 4,689,459,530	\$ 432,426,936	100%	\$ 432,426,936
<b>Total Direct G.O. Debt</b>				<u>\$ 432,426,936</u>
<b>Overlapping G.O. Debt <sup>(1)</sup></b>				
Name of Overlapping Entity	Valuation <sup>(3)</sup>	G.O. Debt	Percent	Amount
Antelope Heights Metropolitan District	\$ 12,574,581.00	\$9,525,000.00	100%	\$ 9,525,000.00
Arapahoe County Water & Wastewater P.I.D.	5,042,920	151,202,016	0.22	332,644
City of Aurora	7,205,014	6,630,000	0.17	11,271
Canterberry Crossing Metropolitan District	23,815,582	10,725,000	100	10,725,000
Canterberry Crossing Metropolitan District II	19,852,302	12,290,000	100	12,090,000
Castle Oaks Metropolitan District	11,112,455	17,025,000	100	17,025,000
Castle Pines Metropolitan District	124,702,921	3,020,000	100	3,020,000
Castle Pines North Metropolitan District	133,803,323	11,355,000	100	11,355,000
Castlewood Ranch Metropolitan District	25,019,205	20,605,000	100	20,605,000
Chatfield South Water District	4,850,314	131,691	100	131,691
Cherokee Ridge Estates Metropolitan District	2,715,151	1,110,000	100	1,110,000
Cherry Creek South Metropolitan District No. 1	35,175,368	4,470,000	100	4,470,000
Compark Business Campus Metropolitan District <sup>(5)</sup>	32,066,920	51,110,000	100	51,110,000
Concord Metropolitan District	19,110,481	54,350,000	100	5,435,000
Consolidated Bell Mountain Ranch Metro. District	13,829,910	13,540,000	100	13,540,000
Cottonwood Water and Sanitation District <sup>(6)</sup>	76,036,532	20,077,378	100	20,077,378
Crystal Crossing Metropolitan District	4,258,040	7,348,816	100	7,348,816
Crystal Valley Metropolitan District No. 1	991	27,153,823	100	27,153,823
Elkhorn Ranch Metropolitan District No. 1	6,078,400	8,160,000	100	8,160,000
Heritage Hills Metropolitan District	37,283,391	835,000	100	835,000
Highlands Ranch Metropolitan District	1,196,798,991	55,965,000	100	55,965,000
Horse Creek Metropolitan District	11,300,889	4,530,000	100	4,530,000
Horseshoe Ridge Metropolitan District No. 1-3 <sup>(7)</sup>	7,092,950	3,850,000	100	3,850,000
Hunting Hill Metropolitan District	2,089,860	4,000,000	100	4,000,000
Inverness Metropolitan Improvement District	93,826,813	5,185,000	34.27	1,776,900
Inverness Water and Sanitation District	93,826,813	18,405,000	35.37	6,509,849
Jordan Crossing Metropolitan District	2,388,060	1,350,000	100	1,350,000
Larkspur Fire Protection District	121,615,316	2,705,000	100	2,705,000
Lincoln Creek Metropolitan District <sup>(8)</sup>	1,033,228	4,130,000	100	4,130,000
Lincoln Meadows Metropolitan District	7,964,938	7,295,000	100	7,295,000
Lincoln Park Metropolitan District	29,766,647	41,517,620	100	41,517,620
Lincoln Station Metropolitan District	23,256,726	7,455,000	100	7,455,000

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

**Estimated Overlapping General Obligation Debt**  
(Continued)

Name of Overlapping Entity	Valuation <sup>(3)</sup>	G.O. Debt	Percent	Amount
Maher Ranch Metropolitan District No. 4	23,973,280	20,045,000	100	20,045,000
Meadows Metropolitan Districts Nos. 1 - 7 <sup>(9)</sup>	127,639,310	107,357,232	100	107,357,232
Meridian Metropolitan District	144,616,280	70,000,000	100	70,000,000
Meridian Village Metropolitan District Nos. 1 & 2 <sup>(10)</sup>	17,827,288	35,185,000	100	35,185,000
Neu Towne Metropolitan District	3,076,615	4,955,000	100	4,955,000
North Meridian Metropolitan District	87,216	7,242,000	100	7,242,000
North Pines Metropolitan District	3,391,630	2,495,000	100	2,495,000
Olde Town Metropolitan District	2,793,209	910,000	100	910,000
Omnipark Metropolitan District	41,662,661	5,170,000	100	5,170,000
Parker Automotive Metropolitan District	4,307,283	14,480,000	100	14,480,000
Parker Water and Sanitation District	466,239,758	91,790,000	100	91,790,000
Pine Bluffs Metropolitan District	6,153,165	4,510,000	100	4,510,000
Pinery West Metropolitan District No. 2	32,004,230	17,825,000	100	17,825,000
Pinery West Metropolitan District No. 3	9,306,330	2,110,000	100	2,110,000
Plum Creek Metropolitan District	18,954,150	1,240,918	100	1,240,918
Ravenna Metropolitan District	6,147,746	13,670,062	100	13,670,062
Reata North Metropolitan District	14,997,557	9,765,000	100	9,765,000
Reata South Metropolitan District	14,280,955	19,350,000	100	19,350,000
Regency Metropolitan District	4,432,403	2,983,000	100	2,983,000
Robinson Ranch Metropolitan Ranch	1,183,360	644,000	100	644,000
RockingHorse Metropolitan District No. 2	7,192,357	30,724,468	100	30,724,468
Roxborough Village Metropolitan District	53,911,600	5,660,114	100	5,660,114
Roxborough Water and Sanitation District	94,941,230	6,432,500	72.63	4,671,925
Sedalia Water and Sanitation District	6,657,680	133,138	100	133,138
Solitude Metropolitan District	2,990	4,935,000	100	4,935,000
South Meridian Metropolitan District	12,566,436	10,539,000	100	10,539,000
South Suburban Park and Recreation District	505,125,718	18,465,000	18.14	3,349,551
Southeast Public Improvement Metro. District	624,213,391	3,515,000	33.45	1,175,768
Southpark Metropolitan District	56,026,180	500,000	4.06	20,300
Stone Canon Ranch Metropolitan District	1,609,650	454,173	100	454,173
Stonegate Village Metropolitan District	71,739,705	26,965,000	100	26,965,000
Tallman Gulch Metropolitan District	531,508	4,214,000	100	4,214,000
Villages at Castle Rock Metropolitan Dist. No. 4 and Founders Village Metropolitan District <sup>(11)</sup>	35,499,091	25,911,000	100	25,911,000
Villages at Castle Rock Metropolitan District No. 6	8,627,220	20,758,939	100	20,758,939
Villages at Castle Rock Metropolitan District No. 7	19,795,060	2,600,000	100	2,600,000
West Metro Fire Protection District	101,419,080	34,715,000	3.62	1,256,683
<b>Total Overlapping</b>				<u>\$ 940,241,263</u>
<b>Total Direct General Obligation Debt and Overlapping Debt</b>				<u><u>\$ 1,372,668,199</u></u>

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

**Estimated Overlapping General Obligation Debt**  
 (Continued)

- (1) Assumes the issuance of new Bonds and completion of the September 2014 G.O. Bond Refunding Project.
- (2) Assessed value per Douglas County Abstract of Assessment.
- (3) The 2013 assessed valuation figures certified by the County Assessors are for collection of ad valorem property taxes in 2014.
- (4) The percentage of each entity's outstanding debt attributable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.
- (5) 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.
- (6) 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.
- (7) Pursuant to a capital pledge agreement, Horseshoe Ridge Metropolitan Districts Nos. 2 and 3 (the "Financing Districts") pledge certain tax revenues to Horseshoe Ridge Metropolitan District No. 1 to pay obligations associated with the property tax supported revenue bonds issued by District No. 1. The Financing Districts pledge proceeds from a required mill levy of 35 mills which will be imposed upon all taxable property therein.
- (8) Lincoln Creek Metropolitan District has defaulted on its general obligation debt and, as of December 31, 2013, the outstanding principal balance is the original amount of \$4,130,000.
- (9) 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.
- (10) 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.
- (11) Pursuant to an agreement with Villages at Castle Rock Metropolitan District No. 4 ("Villages 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 but unpaid interest, and principal amounts due as of such date will be discharged. As of December 31, 2013, the amount of unpaid accrued interest is \$67,449,452.

Source: 2014 DCSD G.O. Refunding Bonds Offer Statement

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

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	2014	2013	2012	2011	2010
Debt limit	\$ 1,172,364,883	\$ 1,137,851,270	\$ 1,126,183,940	\$ 1,229,211,143	\$ 1,219,884,738
Total debt applicable to limit	432,426,936	543,691,131	509,211,093	543,221,541	580,366,240
Legal debt margin	739,937,947	594,160,139	616,972,847	685,989,602	639,518,498
Total debt applicable to the limit as a percentage of debt limit	36.89%	47.78%	45.2%	44.2%	47.6%



Table 12

2009	2008	2007	2006	2005
\$ 1,169,546,910	\$ 1,128,380,140	\$ 1,005,711,488	\$ 962,840,013	\$ 860,712,323
608,924,744	637,134,744	609,424,795	477,537,985	492,736,706
560,622,166	491,245,396	396,286,693	485,302,028	367,975,617
52.1%	56.5%	60.6%	49.6%	57.2%

Douglas County School District Re. 1  
Demographic and Economic Statistics <sup>(1)</sup>

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Year	Estimated Population	Per Capita Personal Income	Personal Income Total	Average Household Size	Median AGE	School Enrollment <sup>(2)</sup>	Unemployment Rate
2013	302,464	\$ 75,574	\$ 22,858,414	2.80	37.5	64,600	5.60%
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%

(1) 2013 Douglas County CAFR

<http://www.douglas.co.us/finance/documents/2013-comprehensive-financial-report.pdf>

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

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

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

2013 and prior numbers have not been updated to match the County's updated data in their most recent Annual Financial Report.

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

	2013			2004	
	Employees		% of Total County Employment	Employees	% of Total County Employment
Douglas County Schools	5,863	1	6.25%	5102	5.75%
CH2M Hill	1,980	2	2.11%	1200	1.28%
Echostar Communications	1,960	3	2.09%	1765	1.88%
HealthONE: Sky Ridge Medical	1,170	4	1.25%		
Western Union	1,140	5	1.22%		
Douglas County Government	1,061	6	1.13%	987	1.05%
Centura: Parker Adventist Hospital	980	7	1.05%		
The Trizetto Group	900	8	0.96%		
Information Handling Systems	810	9	0.86%	680	0.73%
AVAYA	650	10	0.69%	1500	1.60%
First Data Corporation				1700	1.81%
Teletec Holdings				970	1.03%
Time Warner				940	1.00%
Expanets				920	0.98%
Total for Principal Employers	16,514		17.61%	15764	17.11%
Total Average Employment in Douglas County	120,280			93,766	

2013 Douglas County CAFR

<http://www.douglas.co.us/finance/documents/2013-comprehensive-financial-report.pdf>

Douglas County School District Re. 1  
 Full-time Equivalent (FTE) District Employees by Function/Program <sup>(1)(2)</sup>  
 Last Ten Fiscal Years

	2014	2013	2012	2011
<b>Instructional Services:</b>				
Administrators Direct Educational Support	15	10	10	15
Principals and Assistant Principals	143	134	127	131
Admin. Intern, BRT, RTI Staff	79	64	59	91
Instructional Support Professionals	19	6	3	6
Classroom Teachers, Regular and Special Services	2,869	2,725	2,668	2752
Educational Assistants- Regular and Special Services	557	546	503	509
Pre School and Child Care	220	257	250	224
Food Services	158	128	128	134
Guidance Counselors	66	62	62	65
Student Support Professionals :	223	191	187	144
Speech Pathologist, Orthopedic and Physical Therapists				
Psychologists, Social Workers, Occupational Therapists				
Certified Librarians	14	14	25	13
Media Specialists	35	36	34	22
Nurses	25	28	21	19
Health Assistants	19	20	25	28
Athletic Trainers	8	9	9	9
Computer Resource Tech Support	34	30	36	51
Other				
<b>Operational Support Services:</b>				
Administrators	32	33	34	32
Technical Professionals	34	30	16	24
Business Services, Human Resources and Operational Professionals	43	43	49	34
Security Services; including Crossing Guards	47	35	35	31
Operations & Maintenance	252	255	260	277
Pupil Transportation and Bus Drivers	220	224	201	209
School Clerical, Business Office, Payroll and Benefits	358	345	352	371
	5,470	5,226	5,094	5,194

- (1) FTE is defined as the number of hours worked per day divided by 8 or by 7.5 for licensed staff. For example, 8 hours a day equals to one FTE. 4 hours a day equals 0.5 FTE.
- (2) Prior years have been updated to reflect this FTE definition.

Table 15

2010	2009	2008	2007	2006	2005
16	16	13	11	10	15
158	160	163	146	132	132
72	79	63	72	69	62
7	12	11		7	2
2,900	2,973	2,968	2677	2,572	2,435
579	539	583	532	646	636
241	262	252	233	190	170
168	162	147	96	116	141
66	66	76		58	56
176	192	88	226	210	184
13	15	15	14	15	14
39	42.64	41.72	45	61	45
21	22	21	17	16	16
1	22	21	20	34	46
9	8	8	9	7	7
24	46	36	32	82	0
34	43	44	44	46	34
26	29	28	25	26	41
30	26	26	24	43	58
27	32	44	40	45	41
298	305	319	301	275	226
239	258	249	236	255	231
428	438	380	365	418	406
5,571	5,746	5,596	5,165	5,333	4,998

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

	2014	2013	2012	2011
School Enrollment <sup>(1)</sup>	66,230	64,657	63,114	61,465
Funded Pupil Count <sup>(1)</sup>	62,241	60,823	59,232	57,566
Average Student Teacher Ratio <sup>(2)</sup>	21.5	21.0	26.7	24.2
Expenses - Total Governmental Funds	\$ 568,199,827	\$ 532,188,572	\$ 534,989,686	\$ 532,156,679
Cost per FPC	\$ 9,129	\$ 8,750	\$ 8,975	\$ 9,244
Bus Miles Traveled	4,025,069	3,807,811	3,600,911	3,381,542
Preventive Maintenance Work Orders	19,287	20,438	16,861	22,428
Building Square Footage	6,661,633	6,661,633	6,660,845	6,617,016
Free & Reduced Student Count	8,023	7,321	6,867	6,502
% of Free & Reduced to Total School Enrollment <sup>(3)</sup>	12.5%	11.6%	10.9%	10.6%
Average Teacher Salary <sup>(4)</sup>	\$ 53,983	\$ 53,582	\$ 54,429	\$ 54,771

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

(2) Colorado Department of Education Website- 2013 Pupil FTE Ratio by School  
<http://www.cde.state.co.us/search/node/pupil%20FTE%20ratio>

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

(4) Average teacher salary reported here is for teachers working within the District's neighborhood schools so does not include teachers working at District charter schools.

Table 16

2010	2009	2008	2007	2006	2005
59,932	57,723	52,393	50,385	48,043	45,814
56,181	54,921	49,676	49,297	47,407	44,761
22.1	20.6	19.3	19.6	19.6	19.1
\$ 577,658,834	\$ 594,356,294	\$ 603,803,410	\$ 548,422,117	\$ 417,160,136	\$ 404,549,537
\$ 9,639	\$ 10,297	\$ 11,525	\$ 10,885	\$ 8,683	\$ 8,830
3,295,241	4,212,904	4,196,613	3,640,784	3,032,104	2,751,288
17,777	15,539	13,865	15,618	13,543	16,540
6,282,231	6,137,617	5,596,976	5,375,895	5,267,680	5,020,951
4,887	4,416	2,377	1,972	2,227	2,023
8.2%	7.7%	4.5%	3.9%	4.6%	4.4%
\$ 54,520	\$ 54,714	\$ 51,547	\$ 53,532	\$ 49,239	\$ 48,451

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Schools</b>										
Elementary Schools	47	47	47	47	46	46	44	41	41	41
Middle Schools	9	9	9	9	9	9	7	7	7	7
High Schools	9	9	9	9	9	9	9	9	8	7
Charter Schools <sup>(1)</sup>	13	13	11	9	8	8	7	6	6	5
Magnet Schools	2	2	2	2	2	2	2	1	1	1
Alternative High Schools	1	1	1	1	1	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
<b>Administration</b>										
Administration	2	2	2	2	2	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	3	2	2	2
Warehouse	2	2	2	2	2	1	1	1	1	1
Cantril	1	1	1	1	1	1	1	1	1	1

(1) 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, 2014 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 4, 2014. 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.

A handwritten signature in cursive script that reads "McGladrey LLP".

Denver, Colorado  
December 4, 2014



## Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

### 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, 2014. 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, 2014. 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, 2014.

### **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 4, 2014

**Douglas County School District RE.1**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Education</b>			
Passed Through State Department of Education:			
Title I, Part A	84.010	4010, 5010	\$ 942,027
Special Education (IDEA, Part B)	84.027	4027--5041	8,800,837
Preschool (Special Ed Preschool Grants)	84.173	4173--5049	110,145
Title V, Part B: Charter Schools Program	84.282	5282	296,353
Escape-AP Placement Exams	84.330	5330	2,250
Title III, Part A: English Language Acquisition Grants	84.365	4365--5024	176,736
Improving Teacher Quality	84.367	4367--5056	590,672
ARRA -Innovation (i3 Grant)	84.396	4396	2,907
Passed Through State Department of Human Services:			
Vocational Rehabilitation Grants	84.126	5126--5050	336,768
Passed Through State Board for Community College and Occupational Education, Career & Technical Education Grant	84.048	4048--5060	183,125
<b>Total Department of Education</b>			<u>11,441,820</u>
<b>U.S. Department of Health and Human Services</b>			
Passed Through State Department of Education,			
Childcare Development & Block Grant	93.575	7575	<u>93,271</u>
<b>U.S. Department of Agriculture</b>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	4553	57,906
National School Lunch Program	10.555	4555	2,202,842
Summer Food Program for Children	10.559	4559	20,137
			<u>2,280,885</u>
Passed Through State Department of Human Services, National School Lunch Program	10.555	4550	689,895
<b>Total Department of Agriculture</b>			<u>2,970,780</u>
<b>National Endowment for the Humanities</b>			
Passed through State Department of Education Library, Service Tech Grant (Formula Grant)			
	45.310	7,310	<u>70</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 14,505,941</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, 2014

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Douglas County School District RE.1 (the District) for the year ended June 30, 2014. 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. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, where in certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 3. Noncash Assistance**

The schedule includes federal awards in the form of noncash assistance (food commodities) received during the year in the amount of \$689,895 from the U.S. Department of Agriculture passed through the State Department of Education and the State Department of Human Services – CFDA No. 10.555. The commodities are recognized as expenditures when used by the schools.

#### **Note 4. Total Expenditures by Program**

The total expenditures for the National School Lunch Program, CFDA No. 10.555 is \$2,892,737.

**Douglas County School District RE.1**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2014**

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Number	Comment	Status	Corrective Action Plan or Other Explanation
None reported			



# Douglas County School District RE.1

## Schedule of Findings and Questioned Costs Year Ended June 30, 2014

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### 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
10.553, 10.555, 10.559	Child Nutrition Cluster
84.01	Title I, Part A
84.027, 84.173	Special Education Cluster (IDEA)
84.367	Improving Teacher Quality

Dollar threshold used to distinguish between type A and type B programs: \$435,178

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, 2014**

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**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, 2014**

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Current Finding Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
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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, 2014, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2014. 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 4, 2014



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District 0900—DOUGLAS COUNTY RE 1  
 Fiscal Year 2013-14  
 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	85,362,364	373,969,823	383,551,187	75,781,001
18 Risk Mgmt Sub-Fund of General Fund	2,194,873	3,654,644	4,088,458	1,761,059
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>87,557,237</b>	<b>377,624,467</b>	<b>387,639,644</b>	<b>77,542,060</b>
11 Charter School Fund	14,773,600	84,922,908	83,679,249	16,017,259
20,26-29 Special Revenue Fund	735,492	14,005,099	13,916,758	823,833
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	185,117	11,870,720	11,870,720	185,117
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	497,304	21,048,851	21,013,299	532,856
31 Bond Redemption Fund	59,535,070	72,230,760	68,927,170	62,838,660
39 Non-Voter Approved Debt Service Fund	250,896	6,601,188	5,095,139	1,756,945
41 Building Fund	14,372,408	13,626,583	13,012,598	14,986,393
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	16,373,731	16,250,315	22,473,061	10,150,985
<b>Totals</b>	<b>194,280,855</b>	<b>618,180,892</b>	<b>627,627,638</b>	<b>184,834,108</b>
<b>Proprietary</b>				
51 Food Service Fund	20,024	18,868,539	15,607,393	3,281,170
50 Other Enterprise Funds	142,724	12,405,921	14,188,085	-1,639,440
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	9,644,911	8,900,515	9,846,467	8,698,959
<b>Totals</b>	<b>9,807,659</b>	<b>40,174,974</b>	<b>39,641,945</b>	<b>10,340,689</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	63,865	58,800	77,000	45,665
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	1,880,456	1,992,988	3,873,444	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>1,944,321</b>	<b>2,051,788</b>	<b>3,950,444</b>	<b>45,665</b>

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.

12/23/14



**Douglas County School District** *Learn Today. Lead Tomorrow.*

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