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November 18, 2021

Members of the Board of Education  
 1829 Denver West Drive, Building 27  
 Golden, CO 80401-3120

**Board Members:**

Attached is the First Quarter Financial Report for fiscal year (FY) 2021/2022 covering the period from July 1, 2021 to September 30, 2021. Overall, the first quarter ended with somewhat better than expected results. The majority of funds have expenditures below the benchmark, and show the potential for some savings. On the revenue side, the funds that were most affected by remote learning last year are showing signs of improvement this year due to in-person learning. The analyses below the chart are grouped by fund type to identify how each area has performed thus far.

This report includes cash management, investment and comparative analysis schedules for the General Fund, as well as narrative and comparative schedules for all other district funds. The appendices include staffing reports, performance indicators and a guide to understanding the content within the General Fund expense descriptions.

Following are the first quarter-end (unaudited) financial results by fund:

Jefferson County Public School  
 Top Level Summary by Fund  
 Quarter End – September 30, 2021

	Revenue	2020/2021 Y-T-D % of Budget for Revenue	Total Expenses	2020/2021 Y-T-D % of Revised Budget for Expenses	Net Income	Fund Balance
General Fund	\$92,597,627	11.08%	\$193,622,224	22.73%	(101,024,597)	\$111,485,506
Debt Service	130,677	.19%	1,300	0.00%	129,377	67,366,944
Capital Reserve	6,123,071	23.53%	1,038,590	15.18%	5,084,481	68,991,823
Building Fund 2018	2,780	2.78%	27,477,323	74.44%	(27,474,543)	25,054,126
Building Fund 2020A	84,443	28.15%	32,192,037	17.41%	(32,107,594)	250,851,735
Grants Fund	11,188,789	9.40%	9,559,013	8.03%	1,629,776	13,739,265
Food Services Fund	5,999,104	22.85%	5,745,249	20.36%	253,855	5,297,378
Campus Activity Fund	6,676,735	24.33%	3,740,340	13.65%	2,936,395	15,202,509
Transportation	6,285,630	21.74%	5,692,117	19.69%	593,513	1,303,159
Child Care Fund	4,136,442	24.29%	3,655,353	20.74%	481,089	4,137,748
Property Management Fund	394,324	15.08%	388,008	15.77%	6,316	5,672,937
Central Services Fund	753,171	22.15%	651,554	18.78%	101,617	1,497,060
Employee Benefits Fund	1,495,994	22.03%	1,978,804	26.64%	(482,810)	10,545,984
Insurance Reserve Fund	2,540,996	24.92%	2,817,201	23.74%	(276,235)	2,135,938
Technology Fund	8,748,240	28.36%	7,253,683	21.41%	1,494,557	12,258,112
Charter Schools	22,816,140	24.06%	23,516,533	24.07%	(700,393)	39,717,809

Cash Management (pages 1–3):

- Cash balances ended the quarter at \$363.4 million; this was \$400,000 more than prior year balance.
- Cash receipts were lower than the prior year due to decreases in delinquent tax collections, the timing of ECEA funding and grant receipts. These decreases are partially offset by increases in Food Service revenues and school based fees with the return of students.
- Cash disbursements for payroll were up over prior year due to wage increases for staff. Capital reserve projects were down for the same quarter compared to prior year with the focus over the summer on bond projects. Other non-compensatory operating expenses are up with the return of students and services such as increased meals served and transportation.

General Fund (pages 4–12):

- General Fund revenues ended the quarter at 11 percent of budget, which is low largely due to timing issues.
- General Fund expenditures are trending slightly below expectation at 22.7 percent of the year's budget with transfers included.
- The General Fund Balance ended the quarter at \$111.5 million. This amount is better than the prior year's first quarter.

Debt Service Fund/Capital Reserve Fund (pages 13–16):

- Minimal activity occurs in the first quarter for this fund since property tax is collected in the spring. The next payment for principal and interest on the general obligation debt will be in December 2021.
- Capital Reserve Fund expenditures are below the budgeted benchmark at 15%. This percentage will change in the 2<sup>nd</sup> quarter when the principal and interest payment on the COP's is made. The fund ended the quarter with strong reserves of almost \$69 million.
- Building Fund/Capital Projects Fund 2018 was created with the issuance of \$376 million from 2018 Series GO bond proceeds; \$50 million of that was premium. Current year interest revenues continue to run well below plan. Expenditures ended the quarter tracking at over 74 percent of plan with a spenddown in fund balance of \$27.5 million.
- Building Fund/Capital Projects Fund 2020A was created with the issuance of \$308.8 million from 2020A Series GO bond proceeds; \$68.3 million of that is premium. For the 1<sup>st</sup> quarter 17.4% of budget was used totaling \$32.1 million spent on projects.

Grants Fund/Campus Activity Fund/Transportation Fund (pages 17–21):

- Activity in the Grants Fund changes from year to year with grants ending, new grants received and changes in awards. The fund ended the quarter with net income of \$9.6 million which is down over the prior year due to the prior year's CARES funding. Expenditures and revenues are trending below plan because the district will not submit its ESSER III grant application until December.



- The Food Services Fund ended the quarter with higher revenues and expenditures than prior year driven mostly by an increase in meals served and an increase in ala carte items sold. The USDA extended their program allowing all children to eat at no charge through the end of the school year. The fund ended the quarter with a net income of \$253,855 compared to prior

year net loss of \$1,736,866. This fund will continue to be monitored for adequate reserve coverage.

- Campus Activity Fund revenues are higher than previous year due to increased fee collections with the return of students to the classroom and activities. Expenditures are trending lower in part due to summer school costs being paid out of ESSER funds. Timing of events, activities and fundraising impact the collection of revenues and related expenditures.
- Transportation Fund revenues and transfer ended the quarter higher than prior year same period at 22 percent of budget. This is due to the return of bus fees that were suspended in FY2021. Expenditures ended the quarter below budget primarily due to staff shortages.

Enterprise Funds (pages 22–24):

- The Child Care Fund had a net income of \$481,089 for the quarter compared to last year's net loss of \$104,438. Revenues were up over the prior year mostly due to increased enrollment in both Preschool and School Age Enrichment programs. These programs also had tuition increases for fiscal year 2022. Expenses are higher than last year due to the increased costs to support the higher enrollment into programs and compensation increases.
- The Property Management Fund ended the quarter with net income of \$6,316. This is better than prior year same quarter. Revenues and expenditures have both increased this year as usage of the facilities has increased significantly. Building use was limited last year same quarter due to COVID-19 restrictions.

Internal Service Funds (page 25–29):

- The Central Services Fund ended the quarter with a net income of \$101,617. With the return of staff and students to the classroom this year, the fund has seen an increase in both revenues and expenses with the return of pre Covid-19 copy utilization.
- The Employee Benefits Fund ended the quarter with a loss of \$482,810, better than prior year same quarter. Expenditures are above the budgeted benchmark as claims tend to trend higher in the summer months when staff is off for break.
- The Insurance Reserve Fund had a net loss of \$276,235 for the quarter. Both revenue and expenses are trending below the 25% benchmark. Expenses are higher than prior year same quarter due to increases in premium costs and general liability claims.
- The Technology Fund ended the quarter with a net income of about \$1.5 million. Overall, revenues are higher than budget and prior year due to receiving E-rate funds for the Geomax broadband connection which is an infrastructure rebate. Expenses are trending below plan as purchases for wireless access points will happen in the second quarter.

Charter Schools Fund (pages 30–32):

- The district has 16 charter schools.
- All charter schools have positive cash flow for the quarter.
- The Colorado Department of Education (CDE) approves Rocky Mountain Deaf School's daily tuition rate in December 2021; the school does not bill other districts the daily tuition rate for those students until this is approved, however, Jeffco students have been reimbursed based on the preliminary rate.

**ON THE RADAR**

In addition to the attached reports, following is an update on processes, system improvements and current issues in finance:

### Facilities Update

Continuing work on the addition to Alameda International Jr./Sr. High, scheduled for occupancy 3rd Quarter FY2022, the balance of work includes demolition and site reclamation to be complete in August 2022. Projects completed and occupied for the start of the 2021-22 school year include Warren Tech South, additions and renovations to Columbine HS, Jefferson Jr./Sr. HS, Bell MS, The Manning School, Wayne Carle MS, Parmalee ES and Lumberg ES. Foster ES renovation work was completed for the start of school but regulatory issues, supply chain, labor and material availability caused delay in opening the addition.

Construction is underway at two replacement elementary schools: Marshdale ES foundations underway, steel is expected in November, Prospect Valley ES foundations underway, steel expected in December/January 2022. Work continues on the additions to Pomona HS and D'Evelyn Jr./Sr. HS; the renovations completed prior to the start of school, the additions complete in 1<sup>st</sup> Quarter FY2023. Evergreen HS & MS renovations underway with completion scheduled for 3<sup>rd</sup> Quarter FY2023. Powderhorn ES addition started completion scheduled for 3<sup>rd</sup> Quarter FY2023. Artificial Turf and all-weather tracks at Alameda, Jefferson Jr./Sr., D'Evelyn Jr./Sr., and Wheat Ridge HSs will be complete 2nd Quarter FY2022.

Design contracts issued for 21 renovations, 6 playgrounds, 5 HVAC, 5 paving, 5 roofing, 14 flooring, and 15 LED projects; construction to be complete 2nd Quarter FY2023.

### 2021/2022 Budget Development

Planning for development of the 2022/2023 budget is currently underway. Conversations and planning with district leadership on Budgeting for Outcomes (BFO) and Student Based Budgeting (SBB) are currently taking place. Community input is key in the budget development process. District staff in partnership with the District Accountability Committee are in the beginning planning phase. Staff continues to follow proposed legislative changes as they relate to school finance and continues to network and engage in best practices for school budgeting through the Government Finance Officers Association's Alliance for Excellence in School Budgeting.

The district remains in sound financial condition and will continue to spend conservatively and diligently monitor economic variables. This will certify that the information contained herein is an accurate and fair representation of the district's financial status as of the date shown.

Brenna Copeland  
Chief Financial Officer