

**ELBERT COUNTY SCHOOL DISTRICT NO. C-1  
ELIZABETH, COLORADO**

**FINANCIAL STATEMENTS**

**June 30, 2013**

## TABLE OF CONTENTS

	<u>PAGE</u>
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	
Management's Discussion and Analysis	i - vii
<b>Basic Financial Statements</b>	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Net Position - Proprietary Funds	6
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	7
Statement of Cash Flows - Proprietary Funds	8
Statement of Fiduciary Assets and Liabilities - Agency Fund	9
Notes to Financial Statements	10 - 20
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	21 - 22
Notes to Required Supplementary Information	23
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	24
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	25
Budgetary Comparison Schedule - Grants Fund	26

**TABLE OF CONTENTS**  
(Continued)

**PAGE**

**FINANCIAL SECTION (Continued)**

**Combining and Individual Fund Financial Statements and Schedules (Continued)**

Budgetary Comparison Schedule - Athletics Fund	27
Budgetary Comparison Schedule - Bond Redemption Fund	28
Budgetary Comparison Schedule - Food Services Fund	29
Budgetary Comparison Schedule - Insurance Reserve Fund	30
Statement of Changes in Assets and Liabilities - Agency Fund	31

**COMPLIANCE SECTION**

**State Compliance**

Auditors Integrity Report	32
---------------------------	----

**FINANCIAL SECTION**



Board of Education  
Elbert County School District No. C-1  
Elizabeth, Colorado

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Elbert County School District No. C-1, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Elbert County School District No. C-1, as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Elbert County School District No. C-1 as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

The report of the Legacy Academy, a discretely presented component unit, indicated that the financial statements were prepared assuming that the Legacy Academy would continue as a going concern. However, the Legacy Academy has suffered losses from operations and has projected future revenue reductions that raise substantial doubt about its ability to continue as a going concern.

**Other Matters (Required Supplementary Information)**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 Matters (Other Information)**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elbert County School District No. C-1's basic financial statements. The combining and individual fund financial statements and schedules and the auditors integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Swanburn & Company LLC*

December 2, 2013

**ELIZABETH SCHOOL DISTRICT NUMBER C-1  
ELBERT COUNTY, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
as of and for the fiscal year ended June 30, 2013

As management of the Elizabeth School District No. C-1, Elbert County, Colorado (the District), we offer readers of the District's Audited Financial Statements this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

**Financial Highlights**

- Fund balance of the District's governmental funds decreased by \$955,285, resulting in an ending balance of \$4,891,139.
- The District's assets for governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$12,932,855 (net position).
- The District's total net position for the governmental activities decreased \$212,193 or 1.4% in fiscal year 2013.
- Governmental activities have \$3,072,787 in unrestricted net position. The accounting treatment in the governmental funds of compensated absences payable reduces this number.
- Business-type activities ended the year with ending net position of \$103,397.
- The ending fund balance within the General Fund, as a percentage of expenditures, stood at 14.7%.

**Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 1-20 are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader of the District's audited financial statements a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents information about all of the District's assets and liabilities. The difference between assets and liabilities is reported as net position. Over time, changes 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 net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities) and other functions that are intended to recover all or most of their costs from user fees and charges (business-type activities). Governmental activities consolidate governmental funds including the General Fund, Debt Service Fund and Special Revenue Funds. The District has one business-type activity fund, the Food Service Fund.

The government-wide financial statements also include information on component units that are legally separate from the District (known as the primary government). At the close of the current fiscal year, the District has included information for one component unit, the Legacy Academy Charter School. Financial information for the charter school is presented separately from the primary government because the charter school has a separate governing board.

The government-wide financial statements can be found on pages 1-2 of this report.

## **Fund Financial Statements**

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements for the District include three fund types. The fund types presented here are governmental funds, proprietary funds and a fiduciary fund.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains four different governmental funds. The major funds are the General Fund and Bond Redemption Fund, while the nonmajor funds are the Grants Fund and the Athletics Fund.

The basic governmental fund financial statements can be found on pages 3-5 of this report.

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the District's General Fund is included under required supplementary information on pages 21-22, to demonstrate compliance with the adopted budget.

The District maintains two types of proprietary funds. The Enterprise Fund is used to present the same functions as the business-type activities presented in the government-wide financial statements. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements.

The District's Enterprise Fund (Food Service Fund) is listed individually, but is not considered a major fund. The District also adopts an annual appropriated budget for the Enterprise Fund. The Enterprise Fund budgetary comparison is reported as other supplementary information.

The Internal Service Fund is used to account for the District's self-insurance activity. The premiums paid by employees and the District are presented as revenues, while claims and administrative fees paid are listed as expenses. The fund activity is included in governmental activities within the government-wide financial statements.

The proprietary fund financial statements are presented on pages 6-8 of this report.



## **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 10-20 of this report.

### **Government-wide Financial Analysis**

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives almost 74% of the annual property tax assessment in March and June.

Capital assets are used in the operations of the District. These assets are buildings, equipment, fixtures and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, deferred revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available early in the subsequent fiscal year. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available later.

The assets of the primary government exceed liabilities by \$13,036,252, with an unrestricted net position of \$3,144,544.

A net investment of \$17,323,715 in buildings, equipment, and vehicles to provide the services to the District's 2,704 public school students represents 66% of the District's assets. Net position of \$2,114,268 accumulated due to voter approved bonded debt mill levy assessments have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments. The legally required TABOR reserve has also been restricted.

The \$1,829,234 of accrued salaries and benefits as of June 30 are payables associated with teacher and other employee contracts for the 2013 school year requiring resources from fiscal 2014 to liquidate.

Elizabeth School District No. C-1						
Net position (In thousands)						
As of June 30, 2013						
Government-wide Total Assets as compared to Total Liabilities and Total Net position:						
	Governmental Activities		Business-type Activities		Government- Wide	
	2013	2012	2013	2012	2013	2012
Assets:						
Current Assets	\$ 7,931	\$ 8,852	\$ 125	\$ 193	\$ 8,056	\$ 9,045
Other Assets	114	131			114	131
Capital Assets	17,292	17,877	32	6	17,324	17,883
Total Assets	25,337	26,860	157	199	25,494	27,059
Liabilities:						
Current Liabilities	2,105	2,103	54	56	2,159	2,159
Noncurrent Liabilities	10,299	11,612			10,299	11,612
Total Liabilities	12,404	13,715	54	56	12,458	13,771
Net position:						
Invested in capital assets, net investment in capital assets	7,181	6,478	31	6	7,212	6,484
Restricted	2,679	2,850	0	0	2,679	2,850
Unrestricted	3,073	3,817	72	137	3,145	3,954
Total Net position	12,933	13,145	103	143	13,036	13,288

#### Government-wide Activities

Governmental activities decreased the net position of the District by \$212,193, which accounts for nearly all of the total reduction in the net position of the District.

Elizabeth School District No. C-1						
Changes in Net position (In thousands)						
As of June 30, 2013						
	Governmental Activities		Business-type Activities		Government- Wide	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues	\$ 2,248	\$ 2,144	\$ 644	\$ 738	\$ 2,892	\$ 2,882
General revenues	18,057	18,616	0	0	18,057	18,616
Total Revenues	20,305	20,760	644	738	20,949	21,498
Expenses:						
Governmental activities						
Instruction	12,163	12,566			12,163	12,566
Supporting services	7,904	7,882			7,904	7,882
Interest on long-term debt	450	501			450	501
Business-type activities						
Food service operations			684	746	684	746
Total Expenses	20,517	20,949	684	746	21,201	21,695
Changes in net position	(212)	(190)	(40)	(8)	(252)	(198)
Net position at beginning of fiscal year	13,145	13,335	143	151	13,288	13,486
Net position at end of fiscal year	12,933	13,145	103	143	13,036	13,288

Key elements of the decrease in net position for governmental activities are as follows:

- General Fund expenditures and transfers to other funds exceeded revenues by \$766,541. This decrease to the ending fund balance was a large component that contributed to the reduction in the District's net position.
- The payment of \$1,315,000 of bond principal reduced long-term liabilities, which had the net effect of increasing net position.

Business-type activities decreased the District's net position by \$39,876, accounting for a 4 percent reduction in the District's net position. Key elements of this decrease are as follows:

- The expenses for the food service program decreased by \$62,283, while their revenue from charges for services decreased by \$69,969. The program also saw a decrease in revenues of \$24,063 from state and federal sources over the previous fiscal year.
- The charter school notified the District in mid-summer that they would no longer be utilizing district resources to provide lunches to their students. Since the District was fully staffed in anticipation of serving lunch at Legacy Charter School, this very late notification caused an operating inefficiency with the food service program. Which in turn produced a larger than anticipated use of reserves within the Food Service Fund.

### **Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$4,891,139, a decrease of \$955,285 in comparison with the prior year.

The General Fund is the chief operating fund of the District. The fund has \$2,746,851 in the ending fund balance, of which \$565,000 is restricted for the constitutionally mandated TABOR reserve.

The Bond Redemption Fund has more than adequate reserves accumulated to make the December 2013 principal and interest payments. The mill levy to accumulate resources for the June and December 2015 principal and interest payments will be certified in December 2014.

### **Financial Analysis of the Proprietary Funds**

Proprietary Funds. The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. However, the Internal Service Fund is included in governmental activities in the government-wide financial statements.

Factors concerning the finances of the enterprise fund has already been addressed in the discussion of the District's business-type activities.

Self-Insurance Fund. The School District is self-insured for purposes of providing health, dental and vision coverage for their employees. The District pays up to \$115,000 per claim, then stop-loss limit coverage provided by Anthem covers the balance of the claim.

## General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was due to better information for both revenues and expenditures. For example are salaries, when the original budget was created there were numerous positions that were not filled so budgeted salaries were based on reasonable estimates, while the revised budget was able to utilize amounts that were much closer to the actual salary and benefit numbers.

General Fund expenditures and transfers exceeded revenues by \$766,541, thereby reducing the ending fund balance of the fund on a percentage basis by 22%.

## Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$17,323,715 (net of accumulated depreciation). This investment in capital assets includes buildings, equipment, vehicles, fixtures and land. The total decrease in the District's investment in capital assets for the current fiscal year was \$559,276, or a 3.1% decrease.

Major capital asset purchases during the current fiscal year included the following:

- Security cameras, a transportation vehicle, and new steamers for food service.

Elizabeth District No. C-1						
Capital Assets (net of accumulated depreciation, in Thousands)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$298	\$298	\$0	\$0	\$298	\$298
Buildings	\$24,512	\$24,489	\$0	\$0	\$24,512	\$24,489
Equipment, vehicles, & fixtures	\$734	\$680	\$242	\$211	\$734	\$891
Transportation equipment	\$2,596	\$2,571	\$0	\$0	\$2,596	\$2,571
Less: Accumulated Depreciation	(\$10,848)	(\$10,161)	(\$210)	(\$205)	(\$11,058)	(\$10,366)
Total capital assets	\$17,292	\$17,877	\$32	\$6	\$17,324	\$17,883

Additional information on the District's capital assets can be found in Note 3 on page 16.

Long-term Debt. At June 30, 2013 the District had total bonded debt outstanding of \$10,285,000 backed by the full faith and credit of the District. Additionally, the District has long-term debt obligations for compensated absences in the amount of \$74,311 still outstanding at the end of the current fiscal year.

Elizabeth School District No. C-1			
General Obligation Bonds, Capital Leases, and Compensated Absences			
June 30, 2013			
	Governmental	Business-type	Government-
	Activities	Activities	Wide
General obligation bonds	\$ 10,285,000	-	\$ 10,285,000
Compensated Absences	<u>74,311</u>	<u>-</u>	<u>74,311</u>
Total	<u>\$ 10,359,311</u>	<u>\$ -</u>	<u>\$ 10,359,311</u>

Total long-term debt for the District decreased during the current fiscal year according to the normal schedule of payments.

Additional information on the District's long-term obligations can be found in Note 4 on page 17 of this report.

### **Economic Factors and Next Year's Budget**

The District is committed to an ongoing review of its programs and services for both effectiveness and efficiency. To accomplish this, the District examines how to best provide essential services on a cost-effective basis and to re-direct resources to the schools. The following factors will have a direct impact on the 2013-2014 fiscal year budget and future budgeting decisions:

- The most recent financial economic report from the State indicates that there will be a slight increase in per pupil funding for the upcoming fiscal year.
- The Public Employees Retirement Association (PERA) of Colorado, the pension plan that covers all district employees made several changes to address its unfunded liabilities. These legislative changes will obligate the District to increase its contribution every year through calendar year 2018. By the end of 2018 the District's contribution to PERA per employee will be 20.15%.
- Actual funded counts of student enrollment finally reversed a multi-year trend and increased from the prior fiscal year. The official count for the 2013-2014 school year, taken on the October 1 official count day, reported that the number of students was less than in fiscal year 2013.
- Cost savings measures implemented in prior years will need to remain due to the continuing economic conditions, both at the local and national levels.

For the fiscal year that just ended, 2012-2013, the District reduced the ending fund balance of the General Fund by \$766,541. Beginning in 2005 and ending in 2011, the District strategically added \$5,103,663 to the General Fund's reserves in preparation for a possible downturn in operating revenues. This planned increase in reserves has significantly reduced the number of budget reductions that would have negatively impacted the classroom. The 2013-2014 Budget also reflects a reduction in the ending fund balance, but the District is anticipating increases in future funding which will mitigate further reductions of the fund balance.

### **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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Elizabeth School District Number C-1  
Attention: Business Office  
633 Dale Ct. PO Box 610  
Elizabeth, CO 80107

## **BASIC FINANCIAL STATEMENTS**

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

STATEMENT OF NET POSITION

June 30, 2013

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	UNIT
	ACTIVITIES	ACTIVITIES		CHARTER SCHOOL
<b>ASSETS</b>				
Cash and Investments	\$ 7,497,563	\$ 55,711	\$ 7,553,274	\$ 609,526
Restricted Cash and Investments	-	-	-	807,092
Accounts Receivable	61,205	18,347	79,552	62,387
Taxes Receivable	372,268	-	372,268	-
Inventories	-	51,988	51,988	-
Prepaid Expenses	-	-	-	704
Lease Deposit	-	-	-	57,243
Debt Issuance Costs, Net of Accumulated Amortization	113,746	-	113,746	148,939
Capital Assets, Not Being Depreciated	298,022	-	298,022	347,000
Capital Assets, Net of Accumulated Depreciation	16,994,053	31,640	17,025,693	4,715,002
<b>TOTAL ASSETS</b>	<b>25,336,857</b>	<b>157,686</b>	<b>25,494,543</b>	<b>6,747,893</b>
<b>LIABILITIES</b>				
Accounts Payable	94,623	1,005	95,628	42,771
Accrued Salaries and Benefits	1,775,950	53,284	1,829,234	107,227
Deferred Revenues	-	-	-	27,868
Accrued Interest Payable	35,481	-	35,481	142,457
Insurance Claims Payable	198,616	-	198,616	-
Noncurrent Liabilities				
Due Within One Year	1,359,990	-	1,359,990	340,705
Due in More Than One Year	8,939,342	-	8,939,342	5,406,009
<b>TOTAL LIABILITIES</b>	<b>12,404,002</b>	<b>54,289</b>	<b>12,458,291</b>	<b>6,067,037</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	7,180,800	31,640	7,212,440	(319,948)
Restricted for Debt Service	2,114,268	-	2,114,268	547,942
Restricted for Repairs and Replacements	-	-	-	125,003
Restricted for Emergencies	565,000	-	565,000	92,000
Unrestricted	3,072,787	71,757	3,144,544	235,859
<b>TOTAL NET POSITION</b>	<b>\$ 12,932,855</b>	<b>\$ 103,397</b>	<b>\$ 13,036,252</b>	<b>\$ 680,856</b>

The accompanying notes are an integral part of the financial statements.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT</b>			
<b>Governmental Activities</b>			
Instruction	\$ 12,163,231	\$ 749,847	\$ 1,050,836
Supporting Services	7,904,151	117,336	329,669
Interest on Long-Term Debt	449,631	-	-
Total Governmental Activities	<u>20,517,013</u>	<u>867,183</u>	<u>1,380,505</u>
<b>Business-Type Activities</b>			
Food Services	<u>684,046</u>	<u>436,877</u>	<u>207,293</u>
Total Business-Type Activities	<u>684,046</u>	<u>436,877</u>	<u>207,293</u>
TOTAL PRIMARY GOVERNMENT	\$ <u>21,201,059</u>	\$ <u>1,304,060</u>	\$ <u>1,587,798</u>
<b>COMPONENT UNIT</b>			
Legacy Academy	\$ <u>2,821,145</u>	\$ <u>122,578</u>	\$ <u>98,253</u>
<b>GENERAL REVENUES</b>			
Local Property Taxes			
Specific Ownership Taxes			
State Equalization			
Per Pupil Revenue			
Grants and Contributions not Restricted to Specific Programs			
Investment Income			
Other			
TOTAL GENERAL REVENUES			
CHANGE IN NET POSITION			
NET POSITION, Beginning			
NET POSITION, Ending			

The accompanying notes are an integral part of the financial statements.



NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION

PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
\$ (10,362,548)	\$ -	\$ (10,362,548)	\$ -
(7,457,146)	-	(7,457,146)	-
(449,631)	-	(449,631)	-
(18,269,325)	-	(18,269,325)	-
-	(39,876)	(39,876)	-
-	(39,876)	(39,876)	-
(18,269,325)	(39,876)	(18,309,201)	-
-	-	-	(2,600,314)
5,800,027	-	5,800,027	-
833,288	-	833,288	-
11,286,486	-	11,286,486	-
-	-	-	2,712,421
3,008	-	3,008	78,440
10,833	-	10,833	21,525
123,490	-	123,490	18,211
18,057,132	-	18,057,132	2,830,597
(212,193)	(39,876)	(252,069)	230,283
13,145,048	143,273	13,288,321	450,573
\$ <u>12,932,855</u>	\$ <u>103,397</u>	\$ <u>13,036,252</u>	\$ <u>680,856</u>

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2013

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and Investments	\$ 4,386,087	\$ 2,047,091	\$ 166,654	\$ 6,599,832
Accounts Receivable	61,205	-	-	61,205
Taxes Receivable	269,610	102,658	-	372,268
<b>TOTAL ASSETS</b>	<u>\$ 4,716,902</u>	<u>\$ 2,149,749</u>	<u>\$ 166,654</u>	<u>\$ 7,033,305</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 59,599	\$ -	\$ 35,024	\$ 94,623
Accrued Salaries and Benefits	1,713,755	-	62,195	1,775,950
Deferred Revenues	196,697	74,896	-	271,593
<b>TOTAL LIABILITIES</b>	<u>1,970,051</u>	<u>74,896</u>	<u>97,219</u>	<u>2,142,166</u>
<b>FUND BALANCES</b>				
Restricted for Debt Service	-	2,074,853	-	2,074,853
Restricted for Emergencies	565,000	-	-	565,000
Assigned to Athletics Programs	-	-	69,435	69,435
Unassigned	2,181,851	-	-	2,181,851
<b>TOTAL FUND BALANCES</b>	<u>2,746,851</u>	<u>2,074,853</u>	<u>69,435</u>	<u>4,891,139</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,716,902</u>	<u>\$ 2,149,749</u>	<u>\$ 166,654</u>	<u>\$ 7,033,305</u>

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 4,891,139
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	17,292,075
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.	271,593
Long-term liabilities and related items, including long-term debt (\$10,299,332), accrued interest payable (\$35,481) and debt issuance costs \$113,746, are not due and payable in the current year and, therefore, are not reported in governmental funds.	(10,221,067)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.	<u>699,115</u>
<b>Total Net Position of Governmental Activities</b>	<u>\$ 12,932,855</u>

The accompanying notes are an integral part of the financial statements.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2013

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
REVENUES				
Local Sources	\$ 5,863,083	\$ 1,586,947	\$ 112,188	\$ 7,562,218
County Sources	3,008	-	-	3,008
State Sources	12,041,087	-	24,880	12,065,967
Federal Sources	447,887	-	153,137	601,024
 TOTAL REVENUES	 <u>18,355,065</u>	 <u>1,586,947</u>	 <u>290,205</u>	 <u>20,232,217</u>
EXPENDITURES				
Current				
Instruction	11,490,888	-	635,984	12,126,872
Supporting Services	7,172,428	-	131,420	7,303,848
Debt Service				
Principal	-	1,315,000	-	1,315,000
Interest and Fiscal Charges	-	441,782	-	441,782
 TOTAL EXPENDITURES	 <u>18,663,316</u>	 <u>1,756,782</u>	 <u>767,404</u>	 <u>21,187,502</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(308,251)</u>	 <u>(169,835)</u>	 <u>(477,199)</u>	 <u>(955,285)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	458,290	458,290
Transfers Out	(458,290)	-	-	(458,290)
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(458,290)</u>	 <u>-</u>	 <u>458,290</u>	 <u>-</u>
 NET CHANGE IN FUND BALANCES	 (766,541)	 (169,835)	 (18,909)	 (955,285)
FUND BALANCES, Beginning	<u>3,513,392</u>	<u>2,244,688</u>	<u>88,344</u>	<u>5,846,424</u>
FUND BALANCES, Ending	<u>\$ 2,746,851</u>	<u>\$ 2,074,853</u>	<u>\$ 69,435</u>	<u>\$ 4,891,139</u>

The accompanying notes are an integral part of the financial statements.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$	(955,285)
Capital outlay to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense (\$696,641) and loss on disposal (\$17,630) exceeded capital outlay \$129,358 in the current year.		(584,913)
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.		72,603
Repayments of bond principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		1,315,000
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. This amount represents the change in accrued interest payable \$2,462, amortization of debt issuance costs (\$16,951), amortization of bond premiums \$43,337, amortization of losses on refundings (\$53,648) and the change in compensated absences \$7,843.		(16,957)
An internal service fund is used by management to charge the costs of insurance to individual funds. The activities of the internal service fund are reported with governmental activities in the statement of activities.		<u>(42,641)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(212,193)</u></u>

The accompanying notes are an integral part of the financial statements.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 55,711	\$ 897,731
Accounts Receivable	18,347	-
Inventories	51,988	-
	<hr/>	<hr/>
Total Current Assets	126,046	897,731
Noncurrent Assets		
Capital Assets, Net of Accumulated Depreciation	31,640	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>157,686</b>	<b>897,731</b>
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	1,005	-
Accrued Salaries and Benefits	53,284	-
Insurance Claims Payable	-	198,616
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>54,289</b>	<b>198,616</b>
	<hr/>	<hr/>
<b>NET POSITION</b>		
Net Investment in Capital Assets	31,640	-
Unrestricted	71,757	699,115
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 103,397</b>	<b>\$ 699,115</b>
	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
 Year Ended June 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
OPERATING REVENUES		
Charges for Services	\$ 436,877	\$ 1,581,596
 TOTAL OPERATING REVENUES	 <u>436,877</u>	 <u>1,581,596</u>
OPERATING EXPENSES		
Salaries	259,656	-
Benefits	88,151	-
Purchased Services	21,424	-
Commodities	10,295	-
Supplies and Materials	293,540	-
Property	6,465	-
Depreciation	4,515	-
Insurance Claims	-	1,624,237
 TOTAL OPERATING EXPENSES	 <u>684,046</u>	 <u>1,624,237</u>
 OPERATING INCOME (LOSS)	 <u>(247,169)</u>	 <u>(42,641)</u>
NONOPERATING REVENUES		
Federal Sources		
National School Lunch and Breakfast Programs	186,877	-
Donated Commodities	10,295	-
State Sources	10,121	-
 TOTAL NONOPERATING REVENUES	 <u>207,293</u>	 <u>-</u>
 CHANGE IN NET POSITION	 (39,876)	 (42,641)
NET POSITION, Beginning	<u>143,273</u>	<u>741,756</u>
NET POSITION, Ending	<u>\$ 103,397</u>	<u>\$ 699,115</u>

The accompanying notes are an integral part of the financial statements.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents  
Year Ended June 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 436,877	\$ 1,581,596
Cash Paid to Suppliers	(315,650)	(1,627,032)
Cash Paid to Employees	(350,082)	-
Net Cash Provided (Used) by Operating Activities	<u>(228,855)</u>	<u>(45,436)</u>
Cash Flows From Noncapital Financing Activities		
Cash Received from Federal Programs	168,784	-
Cash Received from State Programs	9,867	-
Net Cash Provided by Noncapital Financing Activities	<u>178,651</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Purchases of Capital Assets	(30,152)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(80,356)	(45,436)
CASH AND CASH EQUIVALENTS, Beginning	<u>136,067</u>	<u>943,167</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 55,711</u>	<u>\$ 897,731</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (247,169)	\$ (42,641)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	4,515	-
Donated Commodities	10,295	-
Changes in Assets and Liabilities		
Inventories	5,171	-
Accounts Payable	608	-
Accrued Salaries and Benefits	(2,275)	-
Insurance Claims Payable	-	(2,795)
Net Cash Provided (Used) by Operating Activities	<u>\$ (228,855)</u>	<u>\$ (45,436)</u>
SCHEDULE OF NON-CASH TRANSACTIONS		
Commodities Received	<u>\$ 10,295</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

June 30, 2013

	<u>STUDENT ACTIVITY</u>
ASSETS	
Cash and Investments	\$ 220,462
Accounts Receivable	<u>144</u>
TOTAL ASSETS	<u>\$ 220,606</u>
LIABILITIES	
Accrued Liabilities	
Due to Student Groups	\$ <u>220,606</u>
TOTAL LIABILITIES	<u>\$ 220,606</u>

The accompanying notes are an integral part of the financial statements.



NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

The accounting policies of the Elbert County School District No. C-1 (the “District”) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

**Reporting Entity**

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens, on the District.

The District includes the Legacy Academy Charter School (the “School”) within its reporting entity because the School is fiscally dependent on the District. Since the School has a separately elected board, the School is discretely presented in the financial statements. Separate financial statements for the School may be obtained by contacting the School at 1975 Legacy Circle, Elizabeth, Colorado 80107.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonable equivalent to the services provided. *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 the legally separate *component unit* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are 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*.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

In the fund financial statements, the District reports the following major governmental funds:

The *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 *Bond Redemption Fund* accounts for property taxes restricted for the payment of general obligation debt issued by the District.

Additionally, the District reports the following fund types:

The *Food Services Enterprise Fund* accounts for the financial activities associated with the District's school breakfast and lunch programs.

The *Insurance Reserve Internal Service Fund* accounts for the resources accumulated for the District's employee health and dental claims.

The *Agency Fund* is used to account for resources used to support each school's student activities. The District holds all resources in a purely custodial capacity.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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. The agency fund financial statements are reported using the accrual basis of accounting.

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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues 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. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Operating expenses for proprietary 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Assets, Liabilities and Fund Balances/Net Position**

*Cash and Investments* - The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District. Investments are reported at fair value.

For purposes of the statement of cash flows, the District considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

*Receivables* - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

*Inventories* - Food Services Fund inventories are recorded as an asset when individual items are purchased and as an expense when consumed. Inventories are stated at average cost, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued based upon the cost furnished by the federal government.

*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 and the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual 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 lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Fund Balances/Net Position (Continued)**

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	25 - 50 years
Equipment	10 years
Transportation Vehicles	8 years

*Accrued Salaries and Benefits* - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

*Deferred Revenues* - Property taxes earned but not available as current financial resources are reported as deferred revenues in the governmental fund financial statements.

*Long-Term Debt* - In the government-wide financial statements, and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

*Compensated Absences* - Employees are allowed to accumulate unused vacation time for one year from the anniversary date at which it was granted. Accrued vacation time is paid to those eligible employees upon termination of employment.

These compensated absences are recognized as current salary costs when earned in the proprietary funds and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed.

In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent the authority to assign fund balances to be used for specific purposes. In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Fund Balances/Net Position (Continued)**

District policy sets a financial goal to maintain a total fund balance in the General Fund of 2% of total operating revenues, in addition to any amounts required by State statutes.

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2013, the District had the following cash and investments:

Deposits	\$ 3,974,037
Investments	<u>3,799,699</u>
Total	<u><b>\$ 7,773,736</b></u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 7,553,274
Fiduciary Fund Cash and Investments	<u>220,462</u>
Total	<u><b>\$ 7,773,736</b></u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2013, the District had bank deposits of \$3,994,148 collateralized with securities held by the financial institutions' agents but not in the District's name.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**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 the following. State statutes do not address custodial risk.

- 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

*Interest Rate Risk* - State statutes generally limit investments 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 money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs). At June 30, 2013, the District had \$1,954,300 invested in a money market fund that was rated AAAM by Standard and Poor's.

*Local Government Investment Pool* - At June 30, 2013, the District had \$1,845,399 invested in the Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013, is summarized below:

	<u>Balances</u> 6/30/12	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 6/30/13
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 298,022	\$ -	\$ -	\$ 298,022
Total Capital Assets, Not Being Depreciated	<u>298,022</u>	<u>-</u>	<u>-</u>	<u>298,022</u>
Capital Assets, Being Depreciated				
Buildings	24,488,501	23,196	-	24,511,697
Equipment	680,374	82,069	27,983	734,460
Transportation Vehicles	2,571,485	24,093	-	2,595,578
Total Capital Assets, Being Depreciated	<u>27,740,360</u>	<u>129,358</u>	<u>27,983</u>	<u>27,841,735</u>
Less Accumulated Depreciation				
Buildings	(7,387,889)	(567,458)	-	(7,955,347)
Equipment	(442,111)	(42,760)	(10,353)	(474,518)
Transportation Vehicles	(2,331,394)	(86,423)	-	(2,417,817)
Total Accumulated Depreciation	<u>(10,161,394)</u>	<u>(696,641)</u>	<u>(10,353)</u>	<u>(10,847,682)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,578,966</u>	<u>(567,283)</u>	<u>17,630</u>	<u>16,994,053</u>
Governmental Activities Capital Assets, Net	<u><b>\$ 17,876,988</b></u>	<u><b>\$ (567,283)</b></u>	<u><b>\$ 17,630</b></u>	<u><b>\$ 17,292,075</b></u>
<b>Business-Type Activities</b>				
Capital Assets, Being Depreciated				
Equipment	\$ 211,466	\$ 30,152	\$ -	\$ 241,618
Less Accumulated Depreciation				
Equipment	(205,463)	(4,515)	-	(209,978)
Business-Type Activities Capital Assets, Net	<u><b>\$ 6,003</b></u>	<u><b>\$ 25,637</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 31,640</b></u>

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

Instruction	\$ 1,561
Supporting Services	<u>695,080</u>
Total	<u><b>\$ 696,641</b></u>

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 4: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the year ended June 30, 2013.

	Balances 6/30/12	Additions	Payments	Balances 6/30/13	Due Within One Year
<b>Governmental Activities</b>					
2005 GO Bonds	\$ 8,855,000	\$ -	\$ 185,000	\$ 8,670,000	\$ 1,150,000
2005 Bond Premium	265,878	-	35,450	230,428	-
2005 Loss on Refunding	(337,881)	-	(44,879)	(293,002)	-
2012 GO Bonds	2,745,000	-	1,130,000	1,615,000	155,000
2012 Bond Premium	63,097	-	7,887	55,210	-
2012 Loss on Refunding	(61,384)	-	(8,769)	(52,615)	-
Compensated Absences	82,154	73,661	81,504	74,311	54,990
Total	<u>\$11,611,864</u>	<u>\$ 73,661</u>	<u>\$ 1,386,193</u>	<u>\$10,299,332</u>	<u>\$ 1,359,990</u>

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

**General Obligation Bonds**

\$9,030,000 General Obligation Refunding Bonds, Series 2005, were issued to refund certain existing bond obligations. Principal payments are due annually on December 1, through 2019. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 3.63% to 5% per annum. Additionally, \$295,000 detachable registered coupons were issued, which were due on December 1, in the years 2005 through 2010.

\$2,745,000 General Obligation Refunding Bonds, Series 2012, were issued to refund certain existing bond obligations originally issued to construct and equip a new high school building. Principal payments are due annually on December 1, through 2019. Interest accrues at rates ranging from 2% to 2.25% per annum, and is payable semi-annually on June 1 and December 1.

Bond payments to maturity are as follows.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,305,000	\$ 395,475	\$ 1,700,475
2015	1,360,000	341,675	1,701,675
2016	1,410,000	291,575	1,701,575
2017	1,460,000	237,425	1,697,425
2018	1,510,000	174,525	1,684,525
2019 - 2020	3,240,000	134,460	3,374,460
Total	<u>\$ 10,285,000</u>	<u>\$ 1,575,135</u>	<u>\$ 11,860,135</u>



NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 5: INTERFUND TRANSACTIONS**

Interfund transfers for the year ended June 30, 2013, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Grants Fund	General Fund	\$ 38,290
Athletics Fund	General Fund	<u>420,000</u>
Total		<u><u>\$ 458,290</u></u>

The General Fund routinely subsidizes the programs of the Grants and Athletics Funds through interfund transfers.

**NOTE 6: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; natural disasters; and health and dental claims of its employees. The District accounts for and finances its risk activities in the General and Insurance Internal Service Funds.

The District purchases commercial insurance for property, liability, and workers compensation risks of loss. Under the District's employee health and dental plan, the District provides coverage for up to a maximum of \$115,000 per employee for each calendar year. The aggregate stop-loss limit for the District is 120% of expected claims, or \$1,752,678 for the year ended June 30, 2013.

Claims liabilities are reported in the government-wide financial statements and the internal service fund if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Other than current amounts, the District does not believe the estimated claims liability is fully measurable, and the District could incur additional costs related to incurred but not reported claims.

Changes in claims payable for the employee health and dental plan were as follows:

Claims Payable, June 30, 2011	\$ 198,020
Claims Incurred and Adjustments	1,637,088
Payments	<u>(1,633,697)</u>
Claims Payable, June 30, 2012	201,411
Claims Incurred and Adjustments	1,624,237
Payments	<u>(1,627,032)</u>
Claims Payable, June 30, 2013	<u><u>\$ 198,616</u></u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 7: 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, 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 annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained 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 contribution requirements of members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8% of covered salaries. The District contribution rate for calendar years 2011, 2012 and 2013 was 14.75% 15.65% and 16.55% of covered salaries, respectively. A portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 8). The District's contributions to the SDTF for the years ended June 30, 2013, 2012 and 2011 were \$1,590,070, \$1,553,776 and \$1,501,647, respectively, equal to the required contributions for each year.

**NOTE 8: POSTEMPLOYMENT HEALTHCARE BENEFITS**

*Plan Description* - The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the 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 annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by contacting PERA as described previously.

*Funding Policy* - The District is required to contribute at a rate of 1.02% of covered salaries 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 contributions to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The District's apportionment to the HCTF for the years ended June 30, 2013, 2012 and 2011 was \$98,830, \$102,245 and \$105,157, respectively, equal to the required amounts for each year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

**Claims and Judgments**

The District participates in a number of federal, state, and local 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 other grantor government. At June 30, 2013, significant amounts of grant expenditures have not been audited 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.

**Tabor Amendment**

In November 1992, Colorado voters passed Article X, Section 20 (the "Amendment") to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

In November, 1996, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2013, the District's emergency reserve, of \$565,000, was reported as restricted fund balance in the General Fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2013

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Property Taxes	\$ 4,055,623	\$ 4,120,623	\$ 4,140,640	\$ 20,017
Specific Ownership Taxes	825,000	825,000	833,288	8,288
Tuition and Fees	690,000	625,000	671,478	46,478
Investment Income	10,000	10,000	10,670	670
Rental Income	70,000	70,000	83,517	13,517
Other	100,000	100,000	123,490	23,490
Total Local Sources	<u>5,750,623</u>	<u>5,750,623</u>	<u>5,863,083</u>	<u>112,460</u>
County Sources				
Mineral Lease	-	-	3,008	3,008
State Sources				
State Equalization	11,293,189	11,252,443	11,286,486	34,043
Vocational Education	40,000	40,000	39,364	(636)
BOCES Special Education Reimbursement	414,706	446,836	466,378	19,542
Transportation	220,000	240,000	248,859	8,859
Total State Sources	<u>11,967,895</u>	<u>11,979,279</u>	<u>12,041,087</u>	<u>61,808</u>
Federal Sources				
BOCES Special Education Reimbursement	403,403	403,403	410,131	6,728
Medicaid	30,000	30,000	37,756	7,756
Total Federal Sources	<u>433,403</u>	<u>433,403</u>	<u>447,887</u>	<u>14,484</u>
<b>TOTAL REVENUES</b>	<u>18,151,921</u>	<u>18,163,305</u>	<u>18,355,065</u>	<u>191,760</u>
<b>EXPENDITURES</b>				
Instruction	<u>12,270,637</u>	<u>11,925,788</u>	<u>11,490,888</u>	<u>434,900</u>
Supporting Services				
Students	830,667	836,400	866,209	(29,809)
Instructional Staff	195,951	269,739	260,725	9,014
General Administration	435,180	412,480	423,688	(11,208)
School Administration	1,069,658	1,067,413	1,062,290	5,123
Business Services	456,039	453,408	428,782	24,626
Operations and Maintenance	1,967,200	2,135,265	2,031,727	103,538
Student Transportation	972,518	1,020,809	965,868	54,941
Central Support	667,768	659,500	659,401	99
Community Services	396,631	407,105	375,294	31,811
Facilities Acquisition	250,000	130,000	98,444	31,556
Total Supporting Services	<u>7,241,612</u>	<u>7,392,119</u>	<u>7,172,428</u>	<u>219,691</u>
<b>TOTAL EXPENDITURES</b>	<u>19,512,249</u>	<u>19,317,907</u>	<u>18,663,316</u>	<u>654,591</u>

(Continued)

See the accompanying Independent Auditors' Report.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
 Year Ended June 30, 2013

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,360,328)	(1,154,602)	(308,251)	846,351
OTHER FINANCING SOURCES (USES)				
Transfers Out	(485,000)	(485,000)	(458,290)	26,710
NET CHANGE IN FUND BALANCE	(1,845,328)	(1,639,602)	(766,541)	873,061
FUND BALANCE, Beginning	3,330,394	3,513,392	3,513,392	-
FUND BALANCE, Ending	\$ 1,485,066	\$ 1,873,790	\$ 2,746,851	\$ 873,061

See the accompanying Independent Auditors' Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

**NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles, except for the Food Services Fund, where the receipt or use of donated commodities is not budgeted. The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year end.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**



ELBERT COUNTY SCHOOL DISTRICT NO. C-1

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2013

	SPECIAL REVENUE		TOTAL
	GRANTS	ATHLETICS	
ASSETS			
Cash and Investments	\$ 36,647	\$ 130,007	\$ 166,654
TOTAL ASSETS	\$ 36,647	\$ 130,007	\$ 166,654
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,145	\$ 31,879	\$ 35,024
Accrued Salaries and Benefits	33,502	28,693	62,195
TOTAL LIABILITIES	36,647	60,572	97,219
FUND BALANCES			
Assigned to Athletics Programs	-	69,435	69,435
TOTAL FUND BALANCES	-	69,435	69,435
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,647	\$ 130,007	\$ 166,654

See the accompanying Independent Auditors' Report.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2013

	<u>SPECIAL REVENUE</u>		<u>TOTAL</u>
	<u>GRANTS</u>	<u>ATHLETICS</u>	
REVENUES			
Local Sources	\$ -	\$ 112,188	\$ 112,188
State Sources	24,880	-	24,880
Federal Sources	153,137	-	153,137
 TOTAL REVENUES	 <u>178,017</u>	 <u>112,188</u>	 <u>290,205</u>
EXPENDITURES			
Current			
Instruction	216,307	419,677	635,984
Supporting Services	-	131,420	131,420
 TOTAL EXPENDITURES	 <u>216,307</u>	 <u>551,097</u>	 <u>767,404</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (38,290)	 (438,909)	 (477,199)
OTHER FINANCING SOURCES			
Transfers In	38,290	420,000	458,290
 NET CHANGE IN FUND BALANCES	 -	 (18,909)	 (18,909)
FUND BALANCES, Beginning	-	88,344	88,344
FUND BALANCES, Ending	<u>\$ -</u>	<u>\$ 69,435</u>	<u>\$ 69,435</u>

See the accompanying Independent Auditors' Report.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2013

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
State Grants	\$ 19,000	\$ 19,000	\$ 24,880	\$ 5,880
Federal Grants	151,000	161,000	153,137	(7,863)
TOTAL REVENUES	170,000	180,000	178,017	(1,983)
EXPENDITURES				
Current				
Instruction	235,000	245,000	216,307	28,693
TOTAL EXPENDITURES	235,000	245,000	216,307	28,693
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(65,000)	(65,000)	(38,290)	26,710
OTHER FINANCING SOURCES				
Transfers In	65,000	65,000	38,290	(26,710)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

BUDGETARY COMPARISON SCHEDULE  
ATHLETICS FUND  
 Year Ended June 30, 2013

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES				
Local Sources				
Charges for Services	\$ 100,000	\$ 100,000	\$ 112,188	\$ 12,188
TOTAL REVENUES	100,000	100,000	112,188	12,188
EXPENDITURES				
Current				
Instruction	372,089	387,089	419,677	(32,588)
Supporting Services	172,911	172,911	131,420	41,491
TOTAL EXPENDITURES	545,000	560,000	551,097	8,903
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(445,000)	(460,000)	(438,909)	21,091
OTHER FINANCING SOURCES				
Transfers In	420,000	420,000	420,000	-
NET CHANGE IN FUND BALANCE	(25,000)	(40,000)	(18,909)	21,091
FUND BALANCE, Beginning	61,081	88,344	88,344	-
FUND BALANCE, Ending	\$ 36,081	\$ 48,344	\$ 69,435	\$ 21,091

See the accompanying Independent Auditors' Report.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

BUDGETARY COMPARISON SCHEDULE  
BOND REDEMPTION FUND  
 Year Ended June 30, 2013

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 1,650,000	\$ 1,650,000	\$ 1,586,784	\$ (63,216)
Investment Income	-	-	163	163
TOTAL REVENUES	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,586,947</u>	<u>(63,053)</u>
EXPENDITURES				
Debt Service				
Principal	1,315,000	1,315,000	1,315,000	-
Interest and Fiscal Charges	443,655	443,655	441,782	1,873
Reserves	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL EXPENDITURES	<u>1,808,655</u>	<u>1,808,655</u>	<u>1,756,782</u>	<u>51,873</u>
NET CHANGE IN FUND BALANCE	(158,655)	(158,655)	(169,835)	(11,180)
FUND BALANCE, Beginning	<u>2,181,012</u>	<u>2,244,688</u>	<u>2,244,688</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 2,022,357</u>	<u>\$ 2,086,033</u>	<u>\$ 2,074,853</u>	<u>\$ (11,180)</u>

See the accompanying Independent Auditors' Report.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2013

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Charges for Services				
Student Meals	\$ 540,000	\$ 540,000	\$ 429,185	\$ (110,815)
Catering	25,000	25,000	7,692	(17,308)
Federal Sources				
National School Lunch and Breakfast Programs	164,000	164,000	186,877	22,877
State Sources				
Grants	4,500	4,500	10,121	5,621
<b>TOTAL REVENUES</b>	<u>733,500</u>	<u>733,500</u>	<u>633,875</u>	<u>(99,625)</u>
<b>EXPENSES</b>				
Salaries	280,000	265,315	259,656	5,659
Benefits	90,000	86,825	88,151	(1,326)
Purchased Services	29,000	40,000	21,424	18,576
Supplies and Materials	375,000	351,000	293,540	57,460
Property	-	-	6,465	(6,465)
Depreciation	1,500	1,500	4,515	(3,015)
Other	10,000	20,000	-	20,000
<b>TOTAL EXPENSES</b>	<u>785,500</u>	<u>764,640</u>	<u>673,751</u>	<u>90,889</u>
<b>CHANGE IN NET POSITION, Budgetary Basis</b>	\$ <u>(52,000)</u>	\$ <u>(31,140)</u>	(39,876)	\$ <u>(8,736)</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Donated Commodities Received			10,295	
Donated Commodities Used			<u>(10,295)</u>	
<b>CHANGE IN NET POSITION, GAAP Basis</b>			(39,876)	
<b>NET POSITION, Beginning</b>			<u>143,273</u>	
<b>NET POSITION, Ending</b>			\$ <u>103,397</u>	

See the accompanying Independent Auditors' Report.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

BUDGETARY COMPARISON SCHEDULE  
INSURANCE RESERVE FUND  
 Year Ended June 30, 2013

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Charges for Services	\$ 1,792,000	\$ 1,792,000	\$ 1,581,596	\$ (210,404)
Investment Income	50	50	-	(50)
TOTAL REVENUES	<u>1,792,050</u>	<u>1,792,050</u>	<u>1,581,596</u>	<u>(210,454)</u>
EXPENSES				
Insurance Claims	1,892,000	1,892,000	1,624,237	267,763
Reserves	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>
TOTAL EXPENSES	<u>1,942,000</u>	<u>1,942,000</u>	<u>1,624,237</u>	<u>317,763</u>
CHANGE IN NET POSITION	(149,950)	(149,950)	(42,641)	107,309
NET POSITION, Beginning	<u>824,345</u>	<u>741,756</u>	<u>741,756</u>	-
NET POSITION, Ending	<u>\$ 674,395</u>	<u>\$ 591,806</u>	<u>\$ 699,115</u>	<u>\$ 107,309</u>

See the accompanying Independent Auditors' Report.

ELBERT COUNTY SCHOOL DISTRICT NO. C-1

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended June 30, 2013

	<u>BALANCES</u> 6/30/12	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCES</u> 6/30/13
<b>Student Activity Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 224,730	\$ 557,281	\$ 561,549	\$ 220,462
Accounts Receivable	<u>          -</u>	<u>          144</u>	<u>          -</u>	<u>          144</u>
<b>TOTAL ASSETS</b>	<u>\$ 224,730</u>	<u>\$ 557,425</u>	<u>\$ 561,549</u>	<u>\$ 220,606</u>
<b>LIABILITIES</b>				
Accrued Liabilities				
Due to Student Groups	\$ 220,437	\$ 475,781	\$ 475,612	\$ 220,606
Due to Other Entities	<u>          4,293</u>	<u>          81,644</u>	<u>          85,937</u>	<u>          -</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 224,730</u>	<u>\$ 557,425</u>	<u>\$ 561,549</u>	<u>\$ 220,606</u>

See the accompanying Independent Auditors' Report.



**COMPLIANCE SECTION**

## **STATE COMPLIANCE**

**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0920 - ELIZABETH C-1  
 Fiscal Year 2012-13  
 Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001 -0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>						
10 General Fund	3,513,393		15,184,352	15,950,895		2,746,850
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub- Total</b>	<b>3,513,393</b>		<b>15,184,352</b>	<b>15,950,895</b>		<b>2,746,850</b>
11 Charter School Fund	903,040		3,551,243	3,549,291		904,992
20.26-29 Special Revenue Fund	0		0	0		0
21 Capital Reserve Spec Revenue Fund	0		0	0		0
22 Govt Designated-Purpose Grants Fund	0		216,308	216,308		0
23 Pupil Activity Special Revenue Fund	88,344		532,188	551,097		69,435
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	2,244,688		1,586,947	1,756,782		2,074,853
39 Non-Voter Approved Debt Service Fund	0		0	0		0
41 Building Fund	0		0	0		0
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
<b>Totals</b>	<b>6,749,464</b>		<b>21,071,038</b>	<b>22,024,373</b>		<b>5,796,130</b>
<b>Proprietary</b>						
51 Food Service Fund	143,273		644,171	684,046		103,398
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	741,756		1,581,596	1,624,237		699,115
60.65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>885,029</b>		<b>2,225,767</b>	<b>2,308,283</b>		<b>802,513</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	224,730		557,425	561,550		220,606
79 GASB 34:Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>224,730</b>		<b>557,425</b>	<b>561,550</b>		<b>220,606</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.