

**ELIZABETH SCHOOL DISTRICT C-1
ELIZABETH, COLORADO**

FINANCIAL STATEMENTS

June 30, 2015

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Board of Education
Elizabeth School District C-1
Elizabeth, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Elizabeth School District C-1 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Elizabeth School District 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Elizabeth School District C-1 as of June 30, 2015, 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

As discussed in Note 11 to the financial statements, in the year ended June 30, 2015, the Elizabeth School District C-1 adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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 Elizabeth School District C-1's basic financial statements. The supplementary information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, on our consideration of the Elizabeth School District C-1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Elizabeth School District C-1's internal control over financial reporting and compliance.



December 14, 2015

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
as of and for the fiscal year ended June 30, 2015

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, 2015. 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 increased by \$705,822, resulting in an ending balance of \$5,876,357.
- The District's liabilities and deferred inflows of resources for governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by (\$14,659,197) (net position).
- The District's total net position for the governmental activities increased \$1,234,194 or 7.8% in fiscal year 2015.
- Governmental activities has (\$26,120,599) in unrestricted net position.
- The ending fund balance within the General Fund, as a percentage of expenditures, stood at 19.93%.

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 1-25 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, deferred outflows of resources and liabilities and deferred inflows of resources. The difference between them 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.

The government-wide financial statements include functions of the District that are supported from taxes and intergovernmental revenues (governmental activities). Governmental activities consolidate governmental funds including the General Fund, Debt Service Fund and Special Revenue Funds.

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, a proprietary fund 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 five different governmental funds. The major funds are the General Fund and Bond Redemption Fund, while the nonmajor funds are the Food Services Fund, Grants Fund and the Athletics Fund.

The basic governmental fund financial statements can be found on pages 3-6 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 27-28, to demonstrate compliance with the adopted budget.

The District maintains one type of proprietary fund.

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 7-9 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 11-25 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. A significant portion of the current assets is the result of the property tax collection process; the District receives 94% of the annual property tax assessment in March, May 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, unearned 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 liabilities and deferred inflows of resources of the primary government exceeded assets and deferred outflows of resources by (\$14,659,197), with an unrestricted net position balance of (\$26,120,599).

The negative balance is due primarily to the adoption of GASB Statement No. 68, resulting in a net pension liability of \$31,017,078, representing the District's proportionate share of the Public Employees Retirement Association (PERA) of Colorado plan's net pension liability. FY14 financial information has not been restated because comparable information is not available.

A net investment of \$16,267,441 in buildings, equipment, and vehicles to provide the services to the District's 2,545 public school students represents 67% of the District's assets. Net position of \$2,178,604 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 \$1,688,988 of accrued salaries and benefits as of June 30 are payables associated with teacher and other employee contracts for the 2015 school year requiring resources from fiscal year 2016 to liquidate.

Elizabeth School District No. C-1
Net position (In thousands)
As of June 30, 2015

	Government- Wide	
	<u>2015</u>	<u>2014</u>
Assets:		
Current Assets	\$ 9,195	\$ 8,362
Capital Assets	16,267	16,741
Total Assets	25,462	25,103
Deferred Outflows of Resources	2,021	292
Liabilities:		
Current Liabilities	1,930	2,022
Noncurrent Liabilities	38,904	9,296
Total Liabilities	40,834	11,318
Deferred Inflows of Resources	1,308	-
Net position:		
Net investment in capital assets	8,687	7,810
Restricted	2,775	2,715
Unrestricted	(26,121)	3,552
Total Net position	(14,659)	14,077

Government-wide Activities

Governmental activities increased the net position of the District by \$1,234,194.

Elizabeth School District No. C-1
Changes in Net position (In thousands)
For the year ended June 30, 2015

	Government- Wide	
	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues	\$ 3,155	\$ 3,063
General revenues	19,156	18,568
Total Revenues	22,311	21,631
Expenses:		
Governmental activities		
Instruction	11,769	11,364
Supporting services	8,232	8,012
Food services	727	698
Interest on long-term debt	349	402
Total Expenses	21,077	20,476
Changes in net position	1,234	1,155
Net position at beginning of fiscal year	(15,893)	12,922
Net position at end of fiscal year	(14,659)	14,077

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

- General Fund revenues exceeded expenditures and transfers by \$680,774. This increase to the ending fund balance was a large component that contributed to the addition in the District's net position.
- The payment of \$1,360,000 of bond principal reduced long-term liabilities, which had the net effect of increasing net position.

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 \$5,876,357, an increase of \$705,822 in comparison with the prior year.

The General Fund is the chief operating fund of the District. The fund has \$3,663,424 in ending fund balance, of which \$596,000 is restricted for the constitutionally mandated TABOR reserve.

The Bond Redemption Fund has more than adequate reserves accumulated to make the December 2015 principal and interest payments. The mill levy to accumulate resources for the June and December 2016 principal and interest payments will be certified in December 2015.

Financial Analysis of the Proprietary Fund

Proprietary Fund. The District’s proprietary fund, an internal service fund, is included in governmental activities in the government-wide financial statements.

Self-Insurance Fund – The District is self-insured for purposes of providing health, dental and vision coverage for its 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. An example is 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 revenues exceeded expenditures and transfers by \$680,774 thereby, increasing the ending fund balance of the fund on a percentage basis by 23%.

Capital Assets and Debt Administration

Capital Assets. The District’s investment in capital assets for its governmental activities as of June 30, 2015 amounts to \$16,267,441 (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 \$473,254, a 2.8% decrease, as a result of current year depreciation.

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

- A 14 passenger bus
- Two small district vehicles
- A water heater at Singing Hills Elementary

Elizabeth District No. C-1
Capital Assets (net of accumulated depreciation, in Thousands)

	Total Primary Government	
	2015	2014
Land	\$298	\$298
Buildings	\$24,725	\$24,636
Equipment, vehicles, & fixtures	\$990	\$976
Transportation equipment	\$2,564	\$2,474
Less: Accumulated Depreciation	(\$12,310)	(\$11,643)
Total capital assets	\$16,267	\$16,741

Additional information on the District’s capital assets can be found in Note 3 on pages 17 and 18.

Long-term Debt. At June 30, 2015 the District had total bonded debt outstanding of \$7,620,000 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 \$68,365 outstanding at the end of the current fiscal year.

Elizabeth School District No. C-1
General Obligation Bonds and Compensated Absences
June 30, 2015

Government-Wide

General obligation bonds	\$ 7,620,000	
Compensated Absences	<u>68,365</u>	
 Total	 <u>\$ 7,688,365</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 pages 18 and 19 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 2015-2016 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%.
- The actual funded student enrollment taken on the official count day of October 1, reported that the number of students was 74 less than in fiscal year 2014. The District anticipates there will still be slight reductions in students for the next three years and then become static.
- 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, 2014-2015, the District added to the ending fund balance of the General Fund by \$680,774. The 2015-2016 Budget also reflects an increase in the ending fund balance, and the District is anticipating increases in future funding which will mitigate further reductions of the fund balance. However, the District is anticipating large losses in student enrollment over the next five years, which will have a very large negative impact on providing services in the classroom.

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

ELIZABETH SCHOOL DISTRICT C-1

STATEMENT OF NET POSITION

June 30, 2015

	PRIMARY GOVERNMENT <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	COMPONENT UNIT <u>LEGACY</u> <u>ACADEMY</u>
ASSETS		
Cash and Investments	\$ 8,455,165	\$ 531,070
Restricted Cash and Investments	-	805,639
Accounts Receivable	154,332	5,765
Grants Receivable	145,187	-
Taxes Receivable	402,683	-
Inventories	38,019	-
Prepaid Expenses	-	26,641
Capital Assets, Not Being Depreciated	298,022	347,000
Capital Assets, Net of Accumulated Depreciation	<u>15,969,419</u>	<u>4,443,969</u>
TOTAL ASSETS	<u>25,462,827</u>	<u>6,160,084</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net of Accumulated Amortization	238,321	-
Pensions, Net of Accumulated Amortization	<u>1,782,697</u>	<u>245,976</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,021,018</u>	<u>245,976</u>
LIABILITIES		
Accounts Payable	41,083	40,904
Accrued Salaries and Benefits	1,688,988	117,506
Unearned Revenues	-	34,760
Accrued Interest Payable	26,515	129,356
Insurance Claims Payable	173,827	-
Noncurrent Liabilities		
Due Within One Year	1,460,590	163,487
Due in More Than One Year	6,426,739	5,259,444
Net Pension Liability	<u>31,017,078</u>	<u>4,584,706</u>
TOTAL LIABILITIES	<u>40,834,820</u>	<u>10,330,163</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	<u>1,308,222</u>	<u>31,835</u>
NET POSITION		
Net Investment in Capital Assets	8,686,798	(466,402)
Restricted for Debt Service	2,178,604	551,279
Restricted for Repairs and Replacement	-	125,004
Restricted for Emergencies	596,000	85,000
Unrestricted	<u>(26,120,599)</u>	<u>(4,250,819)</u>
TOTAL NET POSITION	<u>\$ (14,659,197)</u>	<u>\$ (3,955,938)</u>

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

ELIZABETH SCHOOL DISTRICT C-1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT			
Governmental Activities			
Instruction	\$ 11,768,827	\$ 669,202	\$ 1,400,162
Supporting Services	8,231,648	101,760	302,902
Food Services	727,667	428,110	253,018
Interest on Long-Term Debt	348,920	-	-
Total Governmental Activities	\$ <u>21,077,062</u>	\$ <u>1,199,072</u>	\$ <u>1,956,082</u>
COMPONENT UNIT			
Legacy Academy	\$ <u>3,207,363</u>	\$ <u>119,050</u>	\$ <u>91,030</u>

GENERAL REVENUES

Local Property Taxes
 Specific Ownership Taxes
 State Equalization
 Per Pupil Revenue
 School Improvements Fees
 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

<u>PRIMARY</u> <u>GOVERNMENT</u> <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>COMPONENT</u> <u>UNIT</u> <u>LEGACY</u> <u>ACADEMY</u>
\$ (9,699,463)	\$ -
(7,826,986)	-
(46,539)	-
<u>(348,920)</u>	<u>-</u>
(17,921,908)	-
<u>-</u>	<u>(2,997,283)</u>
5,804,208	-
974,673	-
12,163,692	-
-	2,579,826
62,084	-
-	103,406
7,789	21,604
<u>143,656</u>	<u>35,518</u>
<u>19,156,102</u>	<u>2,740,354</u>
1,234,194	(256,929)
<u>(15,893,391)</u>	<u>(3,699,009)</u>
\$ <u><u>(14,659,197)</u></u>	\$ <u><u>(3,955,938)</u></u>

ELIZABETH SCHOOL DISTRICT C-1

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2015

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
ASSETS				
Cash and Investments	\$ 4,916,691	\$ 2,084,899	\$ 144,530	\$ 7,146,120
Accounts Receivable	154,332	-	-	154,332
Grants Receivable	145,187	-	-	145,187
Taxes Receivable	282,463	120,220	-	402,683
Inventories	-	-	38,019	38,019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>5,498,673</u>	\$ <u>2,205,119</u>	\$ <u>182,549</u>	\$ <u>7,886,341</u>
LIABILITIES				
Accounts Payable	\$ 41,047	\$ -	\$ 36	\$ 41,083
Accrued Salaries and Benefits	1,597,856	-	91,132	1,688,988
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>1,638,903</u>	<u>-</u>	<u>91,168</u>	<u>1,730,071</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	<u>196,346</u>	<u>83,567</u>	<u>-</u>	<u>279,913</u>
FUND BALANCES				
Nonspendable Inventories	-	-	38,019	38,019
Restricted for Debt Service	-	2,121,552	-	2,121,552
Restricted for Emergencies	596,000	-	-	596,000
Assigned to Athletics Programs	-	-	75,925	75,925
Unassigned	<u>3,067,424</u>	<u>-</u>	<u>(22,563)</u>	<u>3,044,861</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>3,663,424</u>	<u>2,121,552</u>	<u>91,381</u>	<u>5,876,357</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ <u>5,498,673</u>	\$ <u>2,205,119</u>	\$ <u>182,549</u>	\$ <u>7,886,341</u>

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

ELIZABETH SCHOOL DISTRICT C-1

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2015

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

Total Fund Balances of Governmental Funds	\$ 5,876,357
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	16,267,441
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.	279,913
Long-term liabilities and related items, including long-term debt (\$7,887,329), loss on debt refunding \$238,321, accrued interest payable (\$26,515), net pension liability (\$31,017,078), pension-related deferred outflows of resources \$1,782,697, and pension-related deferred inflows of resources (\$1,308,222), are not due and payable in the current year and, therefore, are not reported in governmental funds.	(38,218,126)
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>1,135,218</u>
Total Net Position of Governmental Activities	\$ <u>(14,659,197)</u>

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

ELIZABETH SCHOOL DISTRICT C-1

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
REVENUES				
Local Sources	\$ 5,870,868	\$ 1,743,715	\$ 551,555	\$ 8,166,138
County Sources	62,084	-	-	62,084
State Sources	13,145,745	-	77,002	13,222,747
Federal Sources	443,478	-	453,549	897,027
	<u>19,522,175</u>	<u>1,743,715</u>	<u>1,082,106</u>	<u>22,347,996</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Instruction	10,967,563	-	641,240	11,608,803
Supporting Services	7,410,754	-	202,522	7,613,276
Food Services	-	-	717,570	717,570
Debt Service				
Principal	-	1,360,000	-	1,360,000
Interest and Fiscal Charges	-	342,525	-	342,525
	<u>18,378,317</u>	<u>1,702,525</u>	<u>1,561,332</u>	<u>21,642,174</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,143,858</u>	<u>41,190</u>	<u>(479,226)</u>	<u>705,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	463,084	463,084
Transfers Out	(463,084)	-	-	(463,084)
	<u>(463,084)</u>	<u>-</u>	<u>463,084</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	680,774	41,190	(16,142)	705,822
FUND BALANCES, Beginning	<u>2,982,650</u>	<u>2,080,362</u>	<u>107,523</u>	<u>5,170,535</u>
FUND BALANCES, Ending	<u>\$ 3,663,424</u>	<u>\$ 2,121,552</u>	<u>\$ 91,381</u>	<u>\$ 5,876,357</u>

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

ELIZABETH SCHOOL DISTRICT 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, 2015

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

Net Change in Fund Balances of Governmental Funds	\$	705,822
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 (\$695,294) exceeded capital outlay \$222,040 in the current year.		(473,254)
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.		(36,740)
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.		1,360,000
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 \$3,916, amortization of bond premiums \$43,337, amortization of loss on debt refunding (\$53,648), change in compensated absences \$5,587, and the change in net pension liability (\$37,545), pension-related deferred outflows of resources \$773,798, and pension-related deferred inflows of resources (\$1,308,222) in the current year.		(572,777)
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>251,143</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,234,194</u></u>

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

ELIZABETH SCHOOL DISTRICT C-1

STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2015

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE</u>
ASSETS	
Current Assets	
Cash and Investments	\$ <u>1,309,045</u>
TOTAL ASSETS	<u>1,309,045</u>
LIABILITIES	
Current Liabilities	
Insurance Claims Payable	<u>173,827</u>
TOTAL LIABILITIES	<u>173,827</u>
NET POSITION	
Unrestricted	<u>1,135,218</u>
TOTAL NET POSITION	<u>\$ <u>1,135,218</u></u>

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

ELIZABETH SCHOOL DISTRICT C-1

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
 Year Ended June 30, 2015

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE</u>
OPERATING REVENUES	
Charges for Services	\$ <u>1,513,503</u>
TOTAL OPERATING REVENUES	<u>1,513,503</u>
OPERATING EXPENSES	
Insurance Claims	<u>1,262,360</u>
TOTAL OPERATING EXPENSES	<u>1,262,360</u>
CHANGE IN NET POSITION	251,143
NET POSITION, Beginning	<u>884,075</u>
NET POSITION, Ending	\$ <u><u>1,135,218</u></u>

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

ELIZABETH SCHOOL DISTRICT C-1

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

Increase (Decrease) in Cash and Cash Equivalents
Year Ended June 30, 2015

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE</u>
Cash Flows From Operating Activities	
Cash Received from Other Funds	\$ 1,513,503
Cash Paid to Suppliers	<u>(1,250,609)</u>
Net Cash Provided by Operating Activities	262,894
CASH AND CASH EQUIVALENTS, Beginning	<u>1,046,151</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,309,045</u>
 RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in Net Position	\$ 251,143
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities	
Insurance Claims Payable	<u>11,751</u>
Net Cash Provided by Operating Activities	<u>\$ 262,894</u>

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

ELIZABETH SCHOOL DISTRICT C-1

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

June 30, 2015

	<u>STUDENT ACTIVITY</u>
ASSETS	
Cash and Investments	\$ 212,317
Accounts Receivable	<u>4,539</u>
TOTAL ASSETS	<u>\$ 216,856</u>
LIABILITIES	
Accrued Liabilities	
Due to Student Groups	<u>\$ 216,856</u>
TOTAL LIABILITIES	<u>\$ 216,856</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Elizabeth School District 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 District’s 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 has the potential to provide benefits to, or impose financial burdens on, the District.

The District includes the Legacy Academy Charter School (the “School”) within its reporting entity because the School’s charter is authorized by the District and the majority of the School’s revenues are provided by the District. The School has a separately elected board, and 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 financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column. 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 the governmental funds, proprietary fund, and fiduciary fund, even though the latter is 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, 2015

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 *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, 2015

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 a specific 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 expenditure 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 governmental activities column in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined 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 assets or materially extend asset lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 Inflows of Resources - Deferred inflows of resources in the governmental fund financial statements include property taxes not available as current financial resources.

Long-Term Debt - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

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

These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

Pensions - The District participates in 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 net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, 2015, the District had the following cash and investments:

Deposits	\$ 6,028,243
Investments	<u>2,639,239</u>
Total	<u>\$ 8,667,482</u>

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

Cash and Investments	\$ 8,455,165
Fiduciary Fund Cash and Investments	<u>212,317</u>
Total	<u>\$ 8,667,482</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 2: CASH AND INVESTMENTS (Continued)

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, 2015, the District had bank deposits of \$5,981,060 collateralized with securities held by the financial institutions' agents but not in the District's name.

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, 2015, the District had \$1,992,108 invested in a money market fund that was rated AAAM by Standard and Poor's.

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in one issuer of investment securities, except for corporate securities.

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pool - At June 30, 2015, the District had \$647,131 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.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, is summarized below. Beginning balances have been reclassified for capital assets previously reported in an enterprise fund.

	Balances <u>6/30/14</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>6/30/15</u>
Governmental Activities				
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	24,635,826	89,179	-	24,725,005
Equipment	976,078	42,228	27,983	990,323
Transportation Vehicles	<u>2,473,938</u>	<u>90,633</u>	<u>-</u>	<u>2,564,571</u>
Total Capital Assets, Being Depreciated	<u>28,085,842</u>	<u>222,040</u>	<u>27,983</u>	<u>28,279,899</u>
Less Accumulated Depreciation				
Buildings	(8,549,416)	(598,339)	-	(9,147,755)
Equipment	(731,771)	(51,832)	(27,983)	(755,620)
Transportation Vehicles	<u>(2,361,982)</u>	<u>(45,123)</u>	<u>-</u>	<u>(2,407,105)</u>
Total Accumulated Depreciation	<u>(11,643,169)</u>	<u>(695,294)</u>	<u>(27,983)</u>	<u>(12,310,480)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,442,673</u>	<u>(473,254)</u>	<u>-</u>	<u>15,969,419</u>
Governmental Activities Capital Assets, Net	<u>\$16,740,695</u>	<u>\$ (473,254)</u>	<u>\$ -</u>	<u>\$16,267,441</u>

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 3: CAPITAL ASSETS (Continued)

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

Instruction	\$ 2,174
Supporting Services	688,605
Food Services	<u>4,515</u>
 Total	 <u><u>\$ 695,294</u></u>

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2015.

	Balances <u>6/30/14</u>	<u>Additions</u>	<u>Payments</u>	Balances <u>6/30/15</u>	Due Within <u>One Year</u>
Governmental Activities					
2005 GO Bonds	\$ 7,520,000	\$ -	\$ 1,200,000	\$ 6,320,000	\$ 1,250,000
2005 Bond Premium	194,978	-	35,450	159,528	-
2012 GO Bonds	1,460,000	-	160,000	1,300,000	160,000
2012 Bond Premium	47,323	-	7,887	39,436	-
Compensated Absences	<u>73,952</u>	<u>72,408</u>	<u>77,995</u>	<u>68,365</u>	<u>50,590</u>
 Total	 <u><u>\$ 9,296,253</u></u>	 <u><u>\$ 72,408</u></u>	 <u><u>\$ 1,481,332</u></u>	 <u><u>\$ 7,887,329</u></u>	 <u><u>\$ 1,460,590</u></u>

Compensated absences 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 3.625% 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.

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 4: LONG-TERM DEBT (Continued)

Bond payments to maturity are as follows.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,585,000	102,025	1,687,025
2020	<u>1,655,000</u>	<u>32,435</u>	<u>1,687,435</u>
Total	<u>\$ 7,620,000</u>	<u>\$ 837,985</u>	<u>\$ 8,457,985</u>

NOTE 5: INTERFUND TRANSACTIONS

During the year ended June 30, 2015, the General Fund subsidized the vocational education program in the Grants Fund and the athletic activities in the Athletics Fund through interfund transfers of \$4,084 and \$459,000, respectively.

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 Reserve 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 \$1,755,360 for the year ended June 30, 2015.

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.

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6: RISK MANAGEMENT (Continued)

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

Claims Payable, June 30, 2013	\$ 198,616
Claims Incurred and Adjustments	1,405,255
Payments	<u>(1,441,795)</u>
Claims Payable, June 30, 2014	162,076
Claims Incurred and Adjustments	1,262,360
Payments	<u>(1,250,609)</u>
Claims Payable, June 30, 2015	<u><u>\$ 173,827</u></u>

NOTE 7: DEFINED BENEFIT PENSION PLAN

General Information

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). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the SDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary or the amount allowed by applicable federal regulations.

Retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) as established by State statutes. Retirees who began employment before January 1, 2007, receive an annual increase of 2%, unless the plan has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average consumer price index for the prior calendar year. Retirees that began employment after January 1, 2007, receive an annual increase of the lesser of 2% or the average consumer price index for the prior calendar year, with certain limitations.

Disability benefits are available for plan participants once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information (Continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Contributions - The District and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees is 8% of covered salaries. The District's contribution rate for calendar years 2014 and 2015 was 17.45% and 18.35%, respectively. However, 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 year ended June 30, 2015, were \$1,730,823, equal to the required contributions.

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

At June 30, 2015, the District reported a net pension liability of \$31,017,078, representing its proportionate share of the net pension liability of the SDTF. The net pension liability was measured at December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2014, relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was 0.2288515898%, which was a decrease of 0.0140304069% from its proportion measured at December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$2,207,659. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,316
Net difference between projected and actual earnings on plan investments	713,292	-
Change in proportion	-	1,305,906
Contributions subsequent to the measurement date	<u>1,069,405</u>	<u>-</u>
Total	<u>\$ 1,782,697</u>	<u>\$ 1,308,222</u>

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

District contributions subsequent to the measurement date of \$1,069,405 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,

2016	\$ (306,204)
2017	(306,204)
2018	(160,844)
2019	<u>178,322</u>
Total	<u>\$ (594,930)</u>

Actuarial Assumptions - The actuarial valuation at December 31, 2013, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Price inflation	2.8%
Real wage growth	1.1%
Wage inflation	3.9%
Salary increases, including wage inflation	3.9% - 10.1%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.50%
Future post-retirement benefit increases:	
Hired prior to 1/1/07	2%
Hired after 12/31/06	ad hoc

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

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

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

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

The most recent analysis of the long-term expected rate of return was presented to the PERA governing board on November 15, 2013, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as follows:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	26.76%	5.00%
U.S. Equity - Small Cap	4.40%	5.19%
Non U.S. Equity - Developed	22.06%	5.29%
Non U.S. Equity - Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Government/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the employer contributions will be made at the rates specified in State statutes, which currently require annual increases, to a total of 20.15% of covered salaries for the year ended December 31, 2018. When the actuarially determined funding ratio reaches 103 percent, the employer contribution rate will decrease 1% each year, to a minimum of 10.15%. Based on those assumptions, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments to current participants. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. In addition, the discount rate did not change from the prior measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability	\$ 40,898,850	\$ 31,017,078	\$ 22,745,866

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Pension Plan Fiduciary Net Position - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

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 PERA. The HCTF provides a health care premium subsidy to PERA 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 as described previously.

Funding Policy - The District is required to contribute at a rate of 1.02% of covered salaries for all PERA participants. No employee 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, 2015, 2014 and 2013 was \$98,592, \$97,986 and \$98,830, respectively, equal to the required amounts for each year.

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 grantor government. At June 30, 2015, significant amounts of grant expenditures have not been audited but management 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.

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

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, 2015, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$596,000.

NOTE 10: RESTATEMENT

During the year ended June 30, 2015, revisions to Colorado Department of Education policies required the District to reclassify the Food Services Fund from an enterprise fund to a special revenue fund. Net position and fund balances at June 30, 2014, were restated to reflect this reclassification, as follows:

	<u>Food Services Fund</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
Balances, June 30, 2014, as Originally Stated	\$ 79,023	\$ 79,023	\$ 13,998,220
Reclassification	<u>(27,125)</u>	<u>(79,023)</u>	<u>79,023</u>
Balances, June 30, 2014, as Restated	<u>\$ 51,898</u>	<u>\$ -</u>	<u>\$ 14,077,243</u>

NOTE 11: CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2015, the District adopted the standards of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, net position of the governmental activities at June 30, 2014, was restated to reflect the cumulative effect of adopting the standards.

Certain balances of deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2014, were not available and have not been reported in the financial statements.

	<u>Governmental Activities</u>
Net Position, June 30, 2014, as Originally Stated	\$ 14,077,243
Deferred Outflows of Resources	1,008,899
Net Pension Liability	<u>(30,979,533)</u>
Net Position, June 30, 2014, as Restated	<u>\$(15,893,391)</u>

REQUIRED SUPPLEMENTARY INFORMATION

ELIZABETH SCHOOL DISTRICT C-1

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS

PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND

June 30, 2015

	<u>12/31/14</u>	<u>12/31/13</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY		
District's Proportion of the Net Pension Liability	0.2288515898%	0.2428819967%
District's Proportionate Share of the Net Pension Liability	\$ 31,017,078	\$ 30,979,533
District's Covered-Employee Payroll	\$ 9,587,231	\$ 9,791,336
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63%	64%
	<u>6/30/15</u>	<u>6/30/14</u>
DISTRICT CONTRIBUTIONS		
Statutorily Required Contribution	\$ 1,632,231	\$ 1,535,299
Contributions in Relation to the Statutorily Required Contribution	<u>(1,632,231)</u>	<u>(1,535,299)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>
District's Covered-Employee Payroll	9,665,927	9,606,475
Contributions as a Percentage of Covered-Employee Payroll	16.89%	15.98%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 4,168,075	\$ 4,045,496	\$ 4,097,379	\$ 51,883
Specific Ownership Taxes	840,000	840,000	974,673	134,673
Tuition and Fees	610,000	610,000	588,135	(21,865)
Investment Income	10,000	10,000	7,643	(2,357)
Rental Income	70,000	70,000	59,382	(10,618)
Other	40,000	40,000	143,656	103,656
Total Local Sources	<u>5,738,075</u>	<u>5,615,496</u>	<u>5,870,868</u>	<u>255,372</u>
County Sources				
School Improvements Fees	<u>25,000</u>	<u>30,000</u>	<u>62,084</u>	<u>32,084</u>
State Sources				
State Equalization	11,978,228	12,186,071	12,163,692	(22,379)
Vocational Education	48,000	30,000	33,944	3,944
Special Education	500,000	520,000	673,018	153,018
Transportation	242,000	228,000	232,711	4,711
READ Act	25,000	51,210	42,380	(8,330)
Total State Sources	<u>12,793,228</u>	<u>13,015,281</u>	<u>13,145,745</u>	<u>130,464</u>
Federal Sources				
Special Education	417,000	424,000	418,792	(5,208)
Medicaid	130,000	130,000	24,686	(105,314)
Total Federal Sources	<u>547,000</u>	<u>554,000</u>	<u>443,478</u>	<u>(110,522)</u>
TOTAL REVENUES	<u>19,103,303</u>	<u>19,214,777</u>	<u>19,522,175</u>	<u>307,398</u>
EXPENDITURES				
Instruction	<u>11,751,772</u>	<u>11,548,721</u>	<u>10,967,563</u>	<u>581,158</u>
Supporting Services				
Students	828,019	1,073,001	997,188	75,813
Instructional Staff	195,951	265,254	250,237	15,017
General Administration	435,180	360,720	368,149	(7,429)
School Administration	1,069,658	1,040,475	1,018,423	22,052
Business Services	456,039	475,446	461,082	14,364
Operations and Maintenance	1,967,200	2,161,974	2,081,293	80,681
Student Transportation	1,019,900	973,944	952,410	21,534
Central Support	667,768	960,915	917,987	42,928
Community Services	396,631	192,930	179,640	13,290
Facilities Acquisition	250,000	442,167	184,345	257,822
Total Supporting Services	<u>7,286,346</u>	<u>7,946,826</u>	<u>7,410,754</u>	<u>536,072</u>
TOTAL EXPENDITURES	<u>19,038,118</u>	<u>19,495,547</u>	<u>18,378,317</u>	<u>1,117,230</u>

(Continued)

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	65,185	(280,770)	1,143,858	1,424,628
OTHER FINANCING SOURCES (USES)				
Transfers Out	(485,000)	(466,000)	(463,084)	2,916
NET CHANGE IN FUND BALANCE	(419,815)	(746,770)	680,774	1,427,544
FUND BALANCE, Beginning	1,970,546	2,982,650	2,982,650	-
FUND BALANCE, Ending	\$ 1,550,731	\$ 2,235,880	\$ 3,663,424	\$ 1,427,544

See the accompanying Independent Auditors' Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

The Public Employees' Retirement Association of Colorado School Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The District's contributions and related ratios represent cash contributions and any related accruals that coincide with the District's fiscal year ending on June 30.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures in establishing the budgetary information 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.

SUPPLEMENTARY INFORMATION

ELIZABETH SCHOOL DISTRICT C-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015

	SPECIAL REVENUE			TOTAL
	FOOD SERVICES	GRANTS	ATHLETICS	
ASSETS				
Cash and Investments	\$ 27,219	\$ 20,085	\$ 97,226	\$ 144,530
Inventories	<u>38,019</u>	<u>-</u>	<u>-</u>	<u>38,019</u>
TOTAL ASSETS	<u>\$ 65,238</u>	<u>\$ 20,085</u>	<u>\$ 97,226</u>	<u>\$ 182,549</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 36	\$ -	\$ -	\$ 36
Accrued Salaries and Benefits	<u>49,746</u>	<u>20,085</u>	<u>21,301</u>	<u>91,132</u>
TOTAL LIABILITIES	<u>49,782</u>	<u>20,085</u>	<u>21,301</u>	<u>91,168</u>
FUND BALANCES				
Nonspendable Inventories	38,019	-	-	38,019
Assigned to Athletics Programs	-	-	75,925	75,925
Unassigned	<u>(22,563)</u>	<u>-</u>	<u>-</u>	<u>(22,563)</u>
TOTAL FUND BALANCES	<u>15,456</u>	<u>-</u>	<u>75,925</u>	<u>91,381</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 65,238</u>	<u>\$ 20,085</u>	<u>\$ 97,226</u>	<u>\$ 182,549</u>

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2015

	SPECIAL REVENUE			TOTAL
	<u>FOOD SERVICES</u>	<u>GRANTS</u>	<u>ATHLETICS</u>	
REVENUES				
Local Sources	\$ 428,110	\$ -	\$ 123,445	\$ 551,555
State Sources	9,532	67,470	-	77,002
Federal Sources	<u>243,486</u>	<u>210,063</u>	<u>-</u>	<u>453,549</u>
 TOTAL REVENUES	 <u>681,128</u>	 <u>277,533</u>	 <u>123,445</u>	 <u>1,082,106</u>
EXPENDITURES				
Current				
Instruction	-	230,124	411,116	641,240
Supporting Services	-	51,493	151,029	202,522
Food Services	<u>717,570</u>	<u>-</u>	<u>-</u>	<u>717,570</u>
 TOTAL EXPENDITURES	 <u>717,570</u>	 <u>281,617</u>	 <u>562,145</u>	 <u>1,561,332</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (36,442)	 (4,084)	 (438,700)	 (479,226)
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>4,084</u>	<u>459,000</u>	<u>463,084</u>
 NET CHANGE IN FUND BALANCES	 (36,442)	 -	 20,300	 (16,142)
FUND BALANCES, Beginning	<u>51,898</u>	<u>-</u>	<u>55,625</u>	<u>107,523</u>
FUND BALANCES, Ending	<u>\$ 15,456</u>	<u>\$ -</u>	<u>\$ 75,925</u>	<u>\$ 91,381</u>

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Charges for Services				
Student Meals	\$ 550,000	\$ 500,000	\$ 421,527	\$ (78,473)
Catering	15,000	15,000	6,583	(8,417)
State Sources				
Grants	9,000	9,000	9,532	532
Federal Sources				
National School Lunch and Breakfast Programs	235,000	295,000	243,486	(51,514)
TOTAL REVENUES	<u>809,000</u>	<u>819,000</u>	<u>681,128</u>	<u>(137,872)</u>
EXPENDITURES				
Salaries	344,400	340,400	269,920	70,480
Benefits	137,350	137,350	98,317	39,033
Purchased Services	22,000	28,000	28,101	(101)
Supplies and Materials	326,000	325,500	318,121	7,379
Property	1,500	1,500	3,111	(1,611)
Reserves	10,000	10,000	-	10,000
TOTAL EXPENDITURES	<u>841,250</u>	<u>842,750</u>	<u>717,570</u>	<u>125,180</u>
NET CHANGE IN FUND BALANCE	(32,250)	(23,750)	(36,442)	(12,692)
FUND BALANCE, Beginning	<u>98,011</u>	<u>79,023</u>	<u>51,898</u>	<u>(27,125)</u>
FUND BALANCE, Ending	<u>\$ 65,761</u>	<u>\$ 55,273</u>	<u>\$ 15,456</u>	<u>\$ (39,817)</u>

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
State Grants	\$ 25,679	\$ 66,420	\$ 67,470	\$ 1,050
Federal Grants	209,152	215,894	210,063	(5,831)
TOTAL REVENUES	234,831	282,314	277,533	(4,781)
EXPENDITURES				
Salaries	194,831	162,199	130,176	32,023
Benefits	58,242	37,788	37,793	(5)
Purchased Services	31,640	53,986	35,161	18,825
Supplies and Materials	15,118	35,632	65,784	(30,152)
Other	-	12,709	12,703	6
TOTAL EXPENDITURES	299,831	302,314	281,617	20,697
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(65,000)	(20,000)	(4,084)	15,916
OTHER FINANCING SOURCES				
Transfers In	65,000	20,000	4,084	(15,916)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

BUDGETARY COMPARISON SCHEDULE

ATHLETICS FUND

Year Ended June 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Charges for Services	\$ 118,000	\$ 118,000	\$ 123,445	\$ 5,445
TOTAL REVENUES	118,000	118,000	123,445	5,445
EXPENDITURES				
Salaries	352,779	372,857	327,470	45,387
Benefits	84,694	66,815	91,028	(24,213)
Purchased Services	43,300	55,300	71,092	(15,792)
Supplies and Materials	20,949	21,798	19,246	2,552
Property	31,813	40,450	34,767	5,683
Other	16,465	18,780	18,542	238
TOTAL EXPENDITURES	550,000	576,000	562,145	13,855
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(432,000)	(458,000)	(438,700)	19,300
OTHER FINANCING SOURCES				
Transfers In	420,000	446,000	459,000	13,000
NET CHANGE IN FUND BALANCE	(12,000)	(12,000)	20,300	32,300
FUND BALANCE, Beginning	54,435	55,625	55,625	-
FUND BALANCE, Ending	\$ 42,435	\$ 43,625	\$ 75,925	\$ 32,300

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 1,704,675	\$ 1,704,675	\$ 1,743,569	\$ 38,894
Investment Income	-	-	146	146
TOTAL REVENUES	<u>1,704,675</u>	<u>1,704,675</u>	<u>1,743,715</u>	<u>39,040</u>
EXPENDITURES				
Debt Service				
Principal	1,360,000	1,360,000	1,360,000	-
Interest and Fiscal Charges	344,675	344,675	342,525	2,150
Reserves	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL EXPENDITURES	<u>1,754,675</u>	<u>1,754,675</u>	<u>1,702,525</u>	<u>52,150</u>
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	41,190	91,190
FUND BALANCE, Beginning	<u>1,976,853</u>	<u>2,080,362</u>	<u>2,080,362</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 1,926,853</u>	<u>\$ 2,030,362</u>	<u>\$ 2,121,552</u>	<u>\$ 91,190</u>

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

BUDGETARY COMPARISON SCHEDULE

INSURANCE RESERVE FUND

Year Ended June 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Charges for Services	\$ 2,047,000	\$ 2,047,000	\$ 1,513,503	\$ (533,497)
Investment Income	50	50	-	(50)
TOTAL REVENUES	<u>2,047,050</u>	<u>2,047,050</u>	<u>1,513,503</u>	<u>(533,547)</u>
EXPENSES				
Insurance Claims	2,047,000	2,047,000	1,262,360	784,640
Reserves	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>
TOTAL EXPENSES	<u>2,097,000</u>	<u>2,097,000</u>	<u>1,262,360</u>	<u>834,640</u>
CHANGE IN NET POSITION	(49,950)	(49,950)	251,143	301,093
NET POSITION, Beginning	<u>699,135</u>	<u>884,075</u>	<u>884,075</u>	-
NET POSITION, Ending	\$ <u><u>649,185</u></u>	\$ <u><u>834,125</u></u>	\$ <u><u>1,135,218</u></u>	\$ <u><u>301,093</u></u>

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended June 30, 2015

	<u>BALANCES</u> 6/30/14	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCES</u> 6/30/15
Student Activity Fund				
ASSETS				
Cash and Investments	\$ 231,140	\$ 497,930	\$ 516,753	\$ 212,317
Accounts Receivable	<u>144</u>	<u>4,395</u>	<u>-</u>	<u>4,539</u>
TOTAL ASSETS	<u>\$ 231,284</u>	<u>\$ 502,325</u>	<u>\$ 516,753</u>	<u>\$ 216,856</u>
LIABILITIES				
Accrued Liabilities				
Due to Student Groups	\$ 228,386	\$ 401,187	\$ 412,717	\$ 216,856
Due to Other Entities	<u>2,898</u>	<u>101,138</u>	<u>104,036</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 231,284</u>	<u>\$ 502,325</u>	<u>\$ 516,753</u>	<u>\$ 216,856</u>

See the accompanying Independent Auditors' Report.

COMPLIANCE SECTION

SINGLE AUDIT



Board of Education
Elizabeth School District C-1
Elizabeth, Colorado

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Elizabeth School District C-1 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Elizabeth School District C-1, and have issued our report thereon dated December 14, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Elizabeth School District C-1's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Elizabeth School District C-1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Elizabeth School District C-1's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Elizabeth School District C-1's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the Elizabeth School District C-1's internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Elizabeth School District C-1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Elizabeth School District C-1's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Elizabeth School District C-1's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



December 14, 2015



Board of Education
Elizabeth School District C-1
Elizabeth, Colorado

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

Report on Compliance for Each Major Federal Program

We have audited the Elizabeth School District C-1's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Elizabeth School District C-1's major federal programs for the year ended June 30, 2015. The Elizabeth School District C-1's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Elizabeth School District C-1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Elizabeth School District C-1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Elizabeth School District C-1's compliance.

Opinion on Each Major Federal Program

In our opinion, the Elizabeth School District C-1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

The Elizabeth School District C-1's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. The Elizabeth School District C-1's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Elizabeth School District C-1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Elizabeth School District C-1's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Elizabeth School District C-1's internal control over compliance.

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

Our consideration of the Elizabeth School District C-1's internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Elizabeth School District C-1 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Elizabeth School District C-1. We issued our report thereon dated December 14, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elizabeth School District C-1's basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ernst & Young LLP

December 14, 2015

ELIZABETH SCHOOL DISTRICT C-1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no

- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? _____ yes x no

- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditors' report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

 x yes _____ no

Identification of major federal programs:

- 84.027 Special Education
- 84.173 Special Education Preschool
- 10.553 School Breakfast Program
- 10.555 National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ yes x no

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

(Continued)

ELIZABETH SCHOOL DISTRICT C-1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Federal Awards Findings and Questioned Costs

2015-001 Procurement and Suspension and Debarment

U.S. Department of Agriculture
Passed through Colorado Department of Education
CFDA 10.553 School Breakfast Program
CFDA 10.555 National School Lunch Program

Criteria	Recipients of federal awards must follow federal laws and regulations applicable to procurement as outlined in the A-102 Common Rule. Specifically, entities are prohibited from contracting with outside parties for goods or services used in federally-funded programs that are suspended or debarred or whose principals are suspended or debarred.
Condition	The District paid one vendor in excess of \$25,000 for supplies used in its federally-funded food services program, but did not verify that this vendor was not suspended or debarred from receiving federal funding.
Questioned Costs	None. The vendor in question was not included on the General Services Administration's list of suspended or debarred entities.
Context	Our inquiries of District personnel revealed that they were not aware of the requirement to verify that vendors were not suspended or debarred from participating in federally-funded programs.
Effect	The District could have purchased supplies from an ineligible vendor, which increases the risk that substandard supplies could be purchased.
Cause	The District participates in a purchasing cooperative for the majority of its supplies and services, and relies on this cooperative for compliance with federal laws and regulations. However, certain food products were purchased directly from two vendors outside of the cooperative. One of those vendors was paid in excess of \$25,000. The District was not aware of the requirements related to procurement and suspension and debarment related to federal awards.
Recommendation	When the District enters into a contract that utilizes federal awards of \$25,000 or more, the District must verify that the vendor is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the System for Award Management (SAM) maintained by General Services Administration (GSA), collecting a certification from the vendor, or adding a clause or condition to the contract with that vendor. In addition, District personnel responsible for federal grant administration should receive ongoing training to understand the laws and regulations that apply to its federal grant awards.

Views of Responsible Officials and Planned Corrective Actions

See the accompanying Corrective Action Plan.

ELIZABETH SCHOOL DISTRICT C-1

CORRECTIVE ACTION PLAN

Year Ended June 30, 2015

2015-001 Procurement and Suspension and Debarment

Effective January 1, 2016, the District implemented a change in the purchasing policy procedure, whereby, when the District enters into a contract that utilizes federal awards of \$25,000 or more, the District will verify that the vendor is not suspended or debarred or otherwise excluded. This verification will be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration before a disbursement is made. The verification will be performed by the District staff member in charge of the award.

ELIZABETH SCHOOL DISTRICT C-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Disbursements
U.S. Department of Education			
Passed through Colorado Department of Education			
Title I	4010	84.010	\$ 156,148
Special Education	4027	84.027	400,288
Special Education Preschool	4173	84.173	18,504
Improving Teacher Quality	4367	84.367	41,455
Passed through Colorado Community College System			
Career and Technical Education		84.048	<u>16,544</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>632,939</u>
U.S. Department of Agriculture			
Passed through Colorado Department of Education			
School Breakfast Program	4553	10.553	24,926
National School Lunch Program	4555	10.555	175,832
Passed through Colorado Department of Human Services			
Food Commodities		10.555	<u>42,728</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>243,486</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 876,425</u>

See the accompanying Independent Auditors' Report.

ELIZABETH SCHOOL DISTRICT C-1

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 0920 - ELIZABETH C-1
 Fiscal Year 2014-15
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	2,982,649		16,479,266	15,798,490		3,663,425
18 Risk Mgmt-Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	2,982,649		16,479,266	15,798,490		3,663,425
11 Charter School Fund	487,607		3,615,804	3,605,045		498,366
20,26-29 Special Revenue Fund	0		0	0		0
21 Food Service Spec Revenue Fund	51,899		681,127	717,570		15,455
22 Govt Designated-Purpose Grants Fund	0		281,617	281,617		0
23 Pupil Activity Special Revenue Fund	55,625		582,444	562,144		75,925
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	2,080,362		1,743,714	1,702,525		2,121,551
39 Certificate of Participation (COP) 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
Totals	5,658,141		23,383,972	22,667,391		6,374,723
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	884,075		0	-251,144		1,135,219
6065-69 Other Internal Service Funds	0		0	0		0
Totals	884,075		0	-251,144		1,135,219
Fiduciary						
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	231,284		502,326	516,754		216,856
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	231,284		502,326	516,754		216,856
FINAL						

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