

cPa DIXON, WALLER & CO., INC.

CROWLEY COUNTY SCHOOL DISTRICT

NUMBER RE-1-J

FINANCIAL STATEMENTS

JUNE 30, 2016



RECEIVED

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DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS
JUNE 30, 2016

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CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
ROSTER OF SCHOOL OFFICIALS
June 30, 2016

BOARD OF EDUCATION

William Gray	President
Tyler Karney	Vice-President
Daryl Geringer	Secretary
Leif Berg	Treasurer
Matthew Buhr	Member
Chris Tuma	Member

SCHOOL OFFICIALS

Scott Cuckow	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education
Crowley County School District Number RE-1-J
Ordway, Colorado 81063

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crowley County School District Number RE-1-J, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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 remaining fund information of the Crowley County School District Number RE-1-J as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension trend data on pages i through ix and 34 through 39 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Crowley County School District Number RE-1-J's basic financial statements. The other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules and state required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the other schedules and state required schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



November 29, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Management of Crowley County School District RE 1-J offers readers the basic financial statements. This narrative is an overview and analysis of the financial activities of the District for the year ended June 30, 2016. The focus of the information is on the primary government (general) fund. Most of the expenditures and revenue for the district reside in the general fund.

The District has adopted the financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments, the District is not required to restate prior periods for the purposes of providing comparative information. A comparative analysis of the government wide information is presented.

Financial Highlights

- In governmental activities, The District's liabilities exceeded its assets at the close of the fiscal year by \$587,748. This is due to the new Governmental Accounting Standard Board (GASB) Statement No. 67 and 68 which affects the financial statements of all Colorado Public Employee Retirement Association (PERA)-affiliated employers. In these statements PERA-affiliated employers are required to state their employee's retirement liability which was \$7,466,484 for the District as of June 30, 2016. Without the PERA liability our assets would have exceeded its liabilities by \$6,878,736.
- At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$1.4 million which was a decrease of \$235,905 from the previous year. Much of this decrease came from capital projects, district-wide math textbook purchase, a roof issue at our Elementary building and specialized attorney fees.
- The long term debt obligation of the District has increased in the last fiscal years. Several obligations were paid off but the District has added a new lease of \$85,485 to purchase a new bus. A lease for computer equipment purchases was paid off in 2015, the lease for the HVAC upgrade matures in 2018 and the note for the matching portion of the Building Excellent Schools Today (BEST) grant will mature in 2024. The total annual principal and interest payment for all three current debt obligations is approximately \$128,000.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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 normally provided in this document. This is the tenth presentation of management's discussion and analysis comparison data. Crowley County School District's basic financial statements are comprised of three components: 1) district 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.

District-Wide Financial Statements

The District wide statements report information about the District as a whole using accounting methods similar to those used by the private sector. The statement of net assets includes all of the Districts assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or expended.

The two District-wide statements report the District's net assets and how they have changed. Net assets, the difference between the district's assets and liabilities are one way to measure the district's financial health or position. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the district is improving or declining.

The District-wide statements are divided into two categories: Governmental activities and Business type activities.

Governmental activities:

Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. The School Finance Act of 1994, as amended, made up of property taxes and state equalization, finances most of these activities. This information is comprised of all of the following designated purpose grant funds, capital reserve, and insurance reserve and debt services funds.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Fund Financial Statements

The fund financial statements provide detailed information about the District's funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund financial statements are designed to demonstrate compliance with finance related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Crowley County School District uses fund accounting to ensure and demonstrate compliance.

All of the funds of the district can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Most of the District's basic services are reported in governmental funds, which generally focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds: The District is the agent, or fiduciary, for assets that belong to others. The district is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district wide financial statements because it cannot use these assets to finance its operation. The District uses fiduciary funds to account for its pupil activity fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

In addition to the financial statements and accompanying notes, this report also contains other supplementary information concerning the District's non-major governmental funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

Financial Analysis of the District as a Whole

The District had total net assets on June 30, 2016 of (\$587,748). The negative net asset is again due the new GASB 68 rules. Of the District's \$7,253,519 in assets over 71 percent (or \$5,134,258) were reflected as investments in capital assets (including land, sites, buildings, vehicles, infrastructure, and machinery/equipment).

Below, is the first table which reflects the changes in the net position for the district.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities 2014-2015	Governmental Activities 2015-2016
Current and Other Assets	\$ 2,424,464	\$ 5,134,258
Capital Assets	4,531,901	2,119,261
Total Assets	<u>6,956,365</u>	<u>7,253,519</u>
Deferred Outflow of Resources	<u>323,696</u>	<u>923,040</u>
Current Liabilities	7,733,060	8,071,019
Long-Term Liabilities	1,019,710	365,081
Total Liabilities	<u>8,752,770</u>	<u>8,436,100</u>
Deferred Inflow of Resources	<u>328,207</u>	<u>237,502</u>
Net Investment in Capital Assets	2,643,378	5,134,258
<i>Restricted for:</i>		
Tabor Reserve	155,500	172,800
Multi Year Obligations	849,270	143,177
Capital Outlay	145,660	231,101
Unrestricted	(5,266,936)	(6,269,084)
Total Net Position	<u>\$ (1,473,128)</u>	<u>\$ (587,748)</u>

The changes in the net operations of the District are illustrated in this table above. The District made significant strides in trying to manage costs in the areas of instruction for students. The District has undergone major student enrollment declines over the past budget years. The following charts illustrate the impact on revenue and expenses during the two recent fiscal years.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

**Table 2
Condensed Statement of Activities**

	Governmental Activities 2014-2015	Governmental Activities 2015-2016
Program Revenues:		
Charges for Services	\$ 33,605	\$ 20,601
Operating Grants and Contributions	548,667	610,656
Capital Grants and Contributions	28,831	540,948
Total Program Revenues	<u>611,103</u>	<u>1,172,205</u>
General Revenues:		
Taxes	714,598	751,482
State Equalization	2,900,768	2,983,539
Earnings on Investments	7,213	4,488
Insurance Proceeds	-	304,419
Legal Settlement	-	940,974
Other Revenues	146,277	67,660
Total General Revenues	<u>3,768,856</u>	<u>5,052,562</u>
Total Revenues	<u>4,379,959</u>	<u>6,224,767</u>
Expenses:		
Instructional Staff	2,724,357	2,837,589
<i>Supporting Services:</i>		
Students	195,550	174,207
Instructional Staff	59,921	101,726
District Administration	535,694	312,026
School Administration	315,158	273,580
Business	64,752	58,837
Operations & Maintenance	1,318,697	656,430
Transportation	199,312	229,513
Central	117,465	141,936
Food Services	238,286	235,569
Interest on Long-Term Liabilities	28,762	16,019
Pension Amortization	39,438	301,955
Total Expenses	<u>5,837,392</u>	<u>5,339,387</u>
Change in Net Position	<u>(1,457,433)</u>	<u>885,380</u>
Beginning Net Position	<u>(15,695)</u>	<u>(1,473,128)</u>
Net Position - Ending	<u>\$ (1,473,128)</u>	<u>\$ (587,748)</u>

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Some of the more significant changes are illustrated as:

- The cost of all government activities this year was \$5,339,387 which is a decrease over the prior fiscal year. The cost for district administration, school administration, and operation and maintenance has increased over the last two fiscal years.
- Some of the costs of the District are financed by users of district facilities and programs and that amounted to \$20,6015 which decreased over the immediate prior fiscal year.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$610,656. All of the Title programs are funded from the federal level administered by the State.
- Most of the Districts costs however, are financed by the District and State taxpayers. This portion of governmental activities was financed with \$2,983,539 in State Equalization revenue from the School Finance Act (1994). The local share of funding was \$751,482.

Financial Analysis of the District's Funds

The District's budget is prepared according to Colorado law and it's based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

- Significant cuts have continued to be made for this and the current school year in an attempt to make strides towards a balanced budget and reflecting the changing demographics of the school district. The cuts were made in areas of school personnel and trying to utilize our staff in a more efficient matter and allow for little duplication of services to our students yet providing a quality, academically enriched atmosphere for them.
- The District must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2016 the districts tabor reserve was set at \$172,800 an increase of \$17,300 from the previous year.
- Starting in the 2008-2009 school year and beyond the district has embarked on a series of positive facility upgrades and improvements. Chief among these are: 1) New windows for the high school and elementary windows that were at least twenty-five to fifty years old; 2) ongoing efforts to renovate the interior lighting for all classrooms in the district; 3) an ambitious asbestos removal project to insure that our facilities are safe for staff and students; 4) district-wide security enhancements; 5) addition of lighting and concession/restroom facilities to the Crowley County Baseball fields in cooperation with Crowley County; 6) a re-roof project over the Elementary and High School.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Capital Assets and Debt Administration

The Districts investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$3,333,378

Table 3

Governmental Activities	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Assets Not Being Depreciated:				
Land and Sites	\$ 222,797	\$ -	\$ -	\$ 222,797
Total Assets Not Being Depreciated	<u>222,797</u>	<u>-</u>	<u>-</u>	<u>222,797</u>
Assets Being Depreciated:				
Buildings and Site Improvements	8,272,989	778,995	48,497	9,003,487
Equipment and Vehicles	1,104,659	126,023	-	1,230,682
Food Service Equipment	87,021	-	-	87,021
Construction In Progress	-	-	-	-
Total Assets Being Depreciated	<u>9,464,669</u>	<u>905,018</u>	<u>48,497</u>	<u>10,321,190</u>
Accumulated Depreciation:				
Buildings and Site Improvements	4,112,048	250,873	48,497	4,314,424
Equipment and Vehicles	958,813	50,363	-	1,009,176
Food Service Equipment	84,704	1,425	-	86,129
Total Accumulated Depreciation	<u>5,155,565</u>	<u>302,661</u>	<u>48,497</u>	<u>5,409,729</u>
Net Capital Assets	<u>4,531,901</u>	<u>602,357</u>	<u>-</u>	<u>5,134,258</u>

Long Term Debt

At the end of the fiscal year (June 30, 2016) the District had the following schedule in long term obligations:

	Matures	Balance June 30, 2016
Unused Sick Leave		\$ 77,606
2007 HVAC Lease (2012 Re-Finance)	2018	248,718
2013 Capital Projects Note	2023	143,177
2015 Bus Lease	2020	85,485
Total Long Term Debt Obligations		<u>\$ 554,986</u>

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Economic Factors Bearing on the District's Future

The factors that will affect next year's budget are the same items that have impacted Crowley County School District for the past fiscal years: special education costs, declining student enrollment, aging buildings, increased transportation costs and increased state and federal mandates.

The largest impact to the school district remains declining student enrollment. This is a problem that impacts all surrounding school districts and is not indigenous to Crowley County alone. In 1996 Crowley County School District had a fall student count of 642 students, in 2007 the fall count was 500.5 and in 2015 the fall count was 445. The years have seen a steady decline in the number of students. This can be attributed to several factors; however, chief among them would be the stagnant economy and the issue to non completers. Many of our fixed costs remain the same or escalate and with the declining student enrollment and resulting decline in state equalization dollars it makes budgeting and allocations even more challenging.

One item that affects the district is the rising number of special education students. We have had an increase in therapeutic foster homes in the county. Many of these placements require specialized assistance from the district with no resulting funds that follow those requirements. Several of these placements need services for emotionally disturbed youth and require intense one on one service. We have been able to handle the special transportation and rearrange our busing schedules to accommodate this.

The cost of transporting our students is economically straining the district. At this time, over fifty percent of our students are eligible for transportation services. The increased costs of fuel, salaries and equipment make this a problem for the district. The state transportation revenue has not kept pace with costs the district faces in meeting this expense.

The District has not been able to pass any bond issues or mill levy overrides to help supplement the drain on general fund revenues in repairing and renovating the aging buildings. All of the major renovations have been paid by outside foundations or grants obtained by the district. The need for a debt service bond issue is severe and the board has expressed serious consideration to approach the voters to help alleviate the continued drain on program area development to finance the needed improvements to facilities. The assessed valuation of Crowley County School District could never meet the bonding capacity to construct a modernized school. The choices at this point are to continue to improve our existing facilities. If the district makes the needed payments for the energy upgrade and the existing refinanced debt that would "free" up needed revenue to help maintain and expand program development for our student body.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Contacting the District's Financial Management

This financial report was prepared by the District Superintendent and is designed to provide a general overview of the Crowley County School 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 information should be addressed to:

Scott Cuckow
Superintendent of Schools
Crowley County School District RE-1J
1001 Main Street
Ordway, CO 81063

BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF NET POSITION
June 30, 2016

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash	1,907,973	1,907,973
Accounts Receivable	-	-
Allowance for Doubtful Accounts	-	-
Accrued Revenue	139,994	139,994
Property Taxes Receivable	64,250	64,250
Other Receivables	-	-
Inventories	7,044	7,044
Capital Assets	10,543,987	10,543,987
Accumulated Depreciation	(5,409,729)	(5,409,729)
<u>Total Assets</u>	<u>7,253,519</u>	<u>7,253,519</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
District Contributions Subsequent to Pension Measurement Date	189,583	189,583
Pension Outflows – Plan Level	733,457	733,457
Pension Outflows – Employer Level	-	-
<u>Total Deferred Outflow of Resources</u>	<u>923,040</u>	<u>923,040</u>
 <u>LIABILITIES</u>		
Accounts Payable	46,034	46,034
Accrued Salaries	355,146	355,146
Accrued Interest	13,450	13,450
Compensated Absences	77,606	77,606
Net Pension Liability	7,466,484	7,466,484
Debt Payable – Current	112,299	112,299
Debt Payable – Long Term	365,081	365,081
<u>Total Liabilities</u>	<u>8,436,100</u>	<u>8,436,100</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Inflows – Plan Level	105,825	105,825
Pension Inflows – Employer Level	222,382	222,382
<u>Total Deferred Inflow of Resources</u>	<u>328,207</u>	<u>328,207</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	4,656,878	4,656,878
Restricted for:		
TABOR Reserve	172,800	172,800
Multi-Year Obligations	143,177	143,177
Capital Outlay	231,101	231,101
Unrestricted	(5,791,704)	(5,791,704)
<u>TOTAL NET POSITION</u>	<u>(587,748)</u>	<u>(587,748)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Total
<u>FUNCTIONS</u>					
Instructional Services	2,837,589	354,070	-	(2,483,519)	(2,483,519)
Supporting Services:					
Students	174,207	-	-	(174,207)	(174,207)
Instructional Staff	101,726	-	-	(101,726)	(101,726)
District Administration	312,026	-	-	(312,026)	(312,026)
School Administration	273,580	-	-	(273,580)	(273,580)
Business	58,837	-	-	(58,837)	(58,837)
Operation & Maintenance					
Of Facilities	656,430	-	540,948	(115,482)	(115,482)
Transportation	229,513	50,591	-	(178,922)	(178,922)
Central	141,936	-	-	(141,936)	(141,936)
Facilities	-	-	-	-	-
Food Services	235,569	205,995	-	(8,973)	(8,973)
Capital Outlay	-	-	-	-	-
Interest on Long Term Liabilities	16,019	-	-	(16,019)	(16,019)
Pension Expense	301,955	-	-	(301,955)	(301,955)
<u>Total Governmental Activities</u>	<u>20,601</u>	<u>610,656</u>	<u>540,948</u>	<u>(4,167,182)</u>	<u>(4,167,182)</u>
<u>Total School District</u>	<u>20,601</u>	<u>610,656</u>	<u>540,948</u>	<u>(4,167,182)</u>	<u>(4,167,182)</u>
<u>General Revenues</u>					
Property Taxes Levied for General Purposes	668,224			668,224	668,224
Specific Ownership Taxes	83,258			83,258	83,258
Equalization	2,983,539			2,983,539	2,983,539
Earnings on Investments	4,488			4,488	4,488
Insurance Proceeds	304,419			304,419	304,419
Legal Settlement	940,974			940,974	940,974
Other Revenues	67,660			67,660	67,660
Total General Revenues	<u>5,052,562</u>			<u>5,052,562</u>	<u>5,052,562</u>
Change in Net Position	<u>885,380</u>			<u>885,380</u>	<u>885,380</u>
Net Position, Beginning	<u>(1,473,128)</u>			<u>(1,473,128)</u>	<u>(1,473,128)</u>
Net Position, Ending	<u>(587,748)</u>			<u>(587,748)</u>	<u>(587,748)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	1,641,790	256,965	9,218	1,907,973
Accounts Receivable	-	-	-	-
Accrued Revenue	137,377	2,617	-	139,994
Due From Other Funds	-	-	-	-
Property Taxes Receivable	64,250	-	-	64,250
Inventories	-	-	7,044	7,044
Deposits	-	-	-	-
<u>Total Assets</u>	<u>1,843,417</u>	<u>259,582</u>	<u>16,262</u>	<u>2,119,261</u>
<u>Liabilities</u>				
Accounts Payable	17,553	28,481	-	46,034
Accrued Salaries	345,099	-	10,047	355,146
Due To Other Funds	-	-	-	-
Grant Amounts Received in Advance	-	-	-	-
<u>Total Liabilities</u>	<u>362,652</u>	<u>28,481</u>	<u>10,047</u>	<u>401,180</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	<u>55,000</u>	-	-	<u>55,000</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	7,044	7,044
Restricted for:				
Emergencies	172,800	-	-	172,800
Multi-Year Obligations	143,177	-	-	143,177
Capital Outlay	-	231,101	-	231,101
Preschool	-	-	-	-
Food Service	-	-	-	-
Committed for:				
Insurance	-	-	-	-
Capital Outlay	-	-	-	-
Assigned for:				
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Unassigned	<u>1,109,788</u>	-	<u>(829)</u>	<u>1,108,959</u>
<u>Total Fund Balances</u>	<u>1,425,765</u>	<u>231,101</u>	<u>6,215</u>	<u>1,663,081</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>1,843,417</u>	<u>259,582</u>	<u>16,262</u>	<u>2,119,261</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2016

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

<u>Total Fund Balance – Governmental Funds</u>	1,663,081
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$10,543,987 and the accumulated depreciation is \$5,409,729.	5,134,258
Property tax revenue is recognized when earned (claim to resources established) rather than when “available”. All of the deferred property tax revenue is not available.	55,000
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(477,380)
Accrued interest payable is not reported as a liability in the funds.	(13,450)
Compensated absences are not reported as a liability in the funds.	(77,606)
The District’s portion of the net pension liability for PERA is reported on the statement of net position is not reported as a liability in the funds.	(7,466,484)
Deferred flows for contributions made toward the net pension liability from December 31, 2015 until June 30, 2016 is not reported in the funds.	189,583
Net deferred pension flows – Plan Level	627,632
Net deferred pension flows – Employer Level	<u>(222,382)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(587,748)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Property Taxes	674,224	-	-	674,224
Specific Ownership Taxes	83,258	-	-	83,258
Earnings on Investments	4,068	394	26	4,488
Other Local Sources	73,551	304,419	3,071	381,041
State Aid	3,079,053	535,057	20,601	3,634,711
Federal Aid	<u>309,147</u>	<u>-</u>	<u>202,924</u>	<u>512,071</u>
<u>Total Revenues</u>	<u>4,223,301</u>	<u>839,870</u>	<u>226,622</u>	<u>5,289,793</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	2,584,422	-	-	2,584,422
Supporting Services:				
Students	174,207	-	-	174,207
Instructional Staff	101,726	-	-	101,726
District Administration	311,275	-	-	311,275
School Administration	273,580	-	-	273,580
Business	58,837	-	-	58,837
Operation & Maintenance	664,487	795,403	-	1,459,890
Transportation	281,301	-	-	281,301
Central	141,936	-	-	141,936
Facilities	-	-	-	-
Food Service	-	-	234,144	234,144
Debt Service:				
Principal Retirement	806,628	-	-	806,628
Interest and Fiscal Charges	31,292	-	-	31,292
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>5,429,691</u>	<u>795,403</u>	<u>234,144</u>	<u>6,459,238</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(1,206,390)	<u>44,467</u>	<u>(7,522)</u>	<u>(1,169,445)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	885,000	(900,000)	15,000	-
Proceeds from Debt	85,485	-	-	85,485
Legal Settlement	<u>-</u>	<u>940,974</u>	<u>-</u>	<u>940,974</u>
<u>Total Other Financing Sources (Uses)</u>	<u>970,485</u>	<u>40,974</u>	<u>15,000</u>	<u>1,026,459</u>
<u>NET CHANGE IN FUND BALANCES</u>	(235,905)	85,441	7,478	(142,986)
<u>FUND BALANCES, Beginning</u>	<u>1,661,670</u>	<u>145,660</u>	<u>(1,263)</u>	<u>1,806,067</u>
<u>FUND BALANCES, Ending</u>	<u>1,425,765</u>	<u>231,101</u>	<u>6,215</u>	<u>1,663,081</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2016

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

Net Change in Fund Balances – Total Governmental Funds (142,986)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	905,018	
Capital Outlays		
Depreciation Expense	(302,661)	602,357

Property tax revenues received prior to the year for which they are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year. (6,000)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences increased by this amount. (2,452)

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

	(85,485)	
Debt Proceeds		
Debt Payments	806,628	
Accrued Interest	15,273	

The statement of activities reports net pension obligation which is not reported in the fund financial statements.

	(573,511)	
Change in Net Pension Liability		
Deferred Flows from Net Pension Liability	<u>271,556</u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 885,380

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2016

	<u>Pupil Activity Fund</u>
<u>ASSETS</u>	
Cash and Investments	<u>103,097</u>
<u>Total Assets</u>	<u>103,097</u>
<u>LIABILITIES</u>	
Deposits Held for Others	<u>103,097</u>
<u>Total Liabilities</u>	<u>103,097</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Crowley County School District Number RE-1-J (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with seven members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Crowley County School District Number RE-1-J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

Governmental Accounting Standards board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39, and No.61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 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 of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund and Capital Projects Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred revenue when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds

General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

Capital Reserve-Capital Projects Fund – this fund is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

Additionally, the District reports the following fund type:

The Student Activity Fund – this fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

E. Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F. Receivables

Property taxes levied in 2015 but uncollected in 2016 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2016 are recorded as deferred inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H. Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

J. Constitutional Amendment

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment (continued)

On November 7, 1995 the registered voters approved a ballot resolution authorizing Crowley County School District Number RE-1-J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2016 the District reserved \$172,800 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

K. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2015 property tax calendar for Crowley County was as follows:

Levy Date	December 15, 2015
Lien Date	January 1, 2016
Tax Bills Mailed	January 1, 2016
First Installment Due	February 28, 2016
Second Installment Due	June 15, 2016
If Paid in Full, Due	April 30, 2016
Tax Sale – 2014 Delinquent Property Taxes	October 25, 2015

L. Accumulated Staff Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2016, the District has recorded an estimated liability of \$77,606 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Accumulated Sick Leave	<u>75,154</u>	<u>2,452</u>	<u> -</u>	<u>77,606</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Education (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>				
Inventories	-	-	7,044	7,044
<u>Restricted:</u>				
Emergencies	172,800	-	-	172,800
Multi-Year Obligations	143,177	-	-	143,177
Capital Outlay	-	231,101	-	231,101
Food Service	-	-	-	-
<u>Committed:</u>				
Insurance	-	-	-	-
<u>Unassigned</u>	<u>1,109,788</u>	<u>-</u>	<u>(829)</u>	<u>1,108,959</u>
<u>Total Fund Balances</u>	<u>1,425,765</u>	<u>231,101</u>	<u>6,215</u>	<u>1,663,081</u>

O. Deferred Outflows / Inflows of Resources (Continued)

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

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 BUDGETARY INFORMATION (Continued)

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted 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 of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4 CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

At June 30, 2016, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,697,392	1,743,877
Cash with County Treasurer	63,478	-
Cash on Hand	200	-
<u>Total Cash and Deposits</u>	<u>2,011,070</u>	<u>1,993,877</u>

As presented above, deposits with a bank balance of \$1,743,877 and a carrying balance of \$1,697,392 as of June 30, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

None

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Governmental Activities</u>				
<u>Capital Assets Not Being Depreciated:</u>				
Land & Sites	222,797	-	-	222,797
<u>Capital Assets Being Depreciated:</u>				
Buildings & Site Improvements	8,272,989	778,995	48,497	9,003,487
Equipment & Vehicles	1,104,659	126,023	-	1,230,682
Food Service Equipment	87,021	-	-	87,021
<u>Total Capital Assets Being Depreciated</u>	<u>9,464,669</u>	<u>905,018</u>	<u>48,497</u>	<u>10,321,190</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	4,112,048	250,873	48,497	4,314,424
Equipment & Vehicles	958,813	50,363	-	1,009,176
Food Service Equipment	84,704	1,425	-	86,129
<u>Total Accumulated Depreciation</u>	<u>5,155,565</u>	<u>302,661</u>	<u>48,497</u>	<u>5,409,729</u>
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>4,531,901</u>	<u>602,357</u>	<u>-</u>	<u>5,134,258</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities:</u>	
Regular Programs	250,715
Student Support	-
Instructional Support	-
General Administration Support	751
School Administration Support	-
Business Support Services	-
Operations and Maintenance	16,073
Transportation	33,697
Food Service	1,425
<u>Total Depreciation Expense –Governmental Activities</u>	<u>302,661</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 **PENSION PLAN**

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Crowley County School District Number RE-1-J participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund 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/deductions from the fiduciary net position of the SCHDTF 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.

General Information about the Pension Plan

Plan description. Eligible employees of the Crowley County School District Number RE-1-J are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investment/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s), under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. 24-51-601, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 PENSION PLAN (Continued)

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 PENSION PLAN (Continued)

Contributions. Eligible employees and Crowley County School District Number RE-1-J are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
Employer Contribution Rate	10.15 %	10.15 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF	17.33%	18.13%

Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Crowley County School District Number RE-1-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Crowley County School District Number RE-1-J were \$373,285 for the year ended June 30, 2016.

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

At June 30, 2016, the Crowley County School District Number RE-1-J reported a liability of \$7,466,484 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Crowley County School District Number RE-1-J proportion of the net pension liability was based on Crowley County School District Number RE-1-J contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the Crowley County School District Number RE-1-J proportion was 0.0488 percent, which was a decrease of 0.002 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the Crowley County School District Number RE-1-J recognized pension expense of \$301,955. At June 30, 2016, the Crowley County School District Number RE-1-J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	98,596	(311)
Changes of assumptions or other inputs	0	(105,514)
Net difference between projected and actual earnings on pension plan investments	634,861	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	(222,382)
Contributions subsequent to the measurement date	189,583	N/A
Total	923,040	(328,207)

\$189,583 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2016	
2017	76,594
2018	80,518
2019	117,952
2020	130,186
2021	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage Inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 PENSION PLAN (Continued)

Mortality rates were based on the RP-2000 combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 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 Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuations are as follows:

- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible years.
 - Reflection of one year of service eligibility for survivor annuity benefit.
 - Refinement of the 18 month annual increase timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

- The following methodology changes were made:
 - Recognition of merit salary increases in the first projection year.
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

The SCHDTF's long-term expected rate of return on pension 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.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 PENSION PLAN (Continued)

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 Gov't/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%	

*In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to increase annually at a rate of 3.9%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 **PENSION PLAN (Continued)**

- The AIR balance was excluded from the initial fiduciary net position, as, per statute. AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Crowley County School District Number RE-1-J proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	9,678,745	7,466,484	5,626,295

Pension plan fiduciary net position. Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 PENSION PLAN (Continued)

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Crowley County School District Number RE-1-J that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees, PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2016, program members contributed \$41,299.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Crowley County School District Number RE-1-J contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Crowley County School District Number RE-1-J is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Crowley County School District Number RE-1-J are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014, the Crowley County School District Number RE-1-J contributions to the HCTF were \$21,478, \$21,523 and \$20,460, respectively equal to their required contributions for each year.

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 8 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Education is composed of eight persons; seven of whom are appointed by the Board of Education of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Education. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the Insurance Reserve Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2016.

An audited summary of the Colorado School District's Pool financial information at December 31, 2015 (latest information available) follows:

Total Assets	<u>46,958,320</u>
Total Liabilities	<u>22,633,311</u>
Total Equity	<u>24,325,009</u>
Revenue	13,432,892
Underwriting Expenses	<u>16,484,758</u>
Underwriting Gain (Loss)	(3,051,866)
Net Investment Income	663,509
Other Income	-
Net Income (Loss) Before Dividend	<u>(2,388,357)</u>
Dividend	-
Net Income	<u>(2,388,357)</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>95,339</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>24,325,009</u>

NOTE 9 FOOD SERVICE INVENTORIES

Food Service Fund inventories at June 30, 2016, consisted of USDA, purchased, and non-food amounting to \$7,044. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 10 LONG-TERM DEBT

The District had changes in its long-term obligations as follows:

	<u>Balance</u> <u>7-1-2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-2016</u>	<u>Current</u> <u>Portion</u>
Computer Lab Lease	24,025	-	24,025	-	-
Refinanced HVAC Lease	325,228	-	76,510	248,718	79,976
Note with FNB – Capital Projects	159,270	-	16,093	143,177	16,468
Note with FNB – Roof Project	690,000	-	690,000	-	-
Bus Lease – 2015/2016	<u>-</u>	<u>85,485</u>	<u>-</u>	<u>85,485</u>	<u>15,855</u>
<u>Total</u>	<u>1,198,523</u>	<u>85,485</u>	<u>806,628</u>	<u>477,380</u>	<u>112,299</u>

CAPITAL LEASES

Refinanced HVAC Lease

The District entered into a lease in 2013 with the First National Bank of Ordway for an HVAC Lease in the amount of \$475,000. The lease requires (6) annual payments of \$88,954 beginning on July 30, 2013, with an interest rate of 3.6%.

Lease Purchase - Bus

During the fiscal year ended June 30, 2016 the District executed a lease purchase agreement of \$85,485 to purchase a bus. The lease purchase agreement is for a period of 5 years with interest at a rate of 3.75% per annum and yearly payments of \$19,070.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 10 LONG-TERM DEBT (Continued)

CAPITAL LEASES (Continued)

Annual debt service requirements to maturity for the lease purchase agreements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Payment</u>
2017	95,882	12,141	108,023
2018	99,366	8,658	108,024
2019	102,860	5,163	108,023
2020	17,716	1,354	19,070
2021	18,379	691	<u>19,070</u>
			362,210
			<u>(28,007)</u>
			<u>334,203</u>

Less amount representing interest

Net Present Value of Minimum Lease Payments

NOTES PAYABLE

First National Bank Note – Capital Projects

The District entered into a loan agreement with the First National Bank of Las Animas in the amount of \$175,000. The note will be paid over a ten year period beginning August 21, 2014 at an annual interest rate of 2.35%. This note was obtained for necessary building repairs. The note is considered a multi-year obligation and accordingly the District has restricted fund balance to comply with the TABOR law requirements.

Listed below is a schedule of the debt to maturity.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	2.35%	16,468	3,374	19,842
2018	2.35%	16,865	2,977	19,842
2019	2.35%	17,261	2,581	19,842
2020	2.35%	17,666	2,176	19,842
2021	2.35%	18,077	1,765	19,842
2022	2.35%	18,506	1,336	19,842
2023	2.35%	18,941	901	19,842
2024	2.35%	<u>19,393</u>	<u>449</u>	<u>19,842</u>
Total		<u>143,177</u>	<u>15,559</u>	<u>158,736</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 11 LITIGATION

None.

NOTE 12 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE 13 JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the South Central Board of Cooperative Educational Services for Teacher Leadership (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per District.

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2016. The joint venture summary audited financial information as of June 30, 2015 is as follows:

Assets and Deferred Outflows	2,480,068
Liabilities and Deferred Inflows	<u>6,846,498</u>
Net Position	<u>(4,366,430)</u>
Revenues	3,389,502
Expenditures	<u>2,694,018</u>
Excess (Deficiency)	<u>695,484</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and files a report with the Colorado State Auditor's office.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 14 INTERFUND BALANCES

	<u>Transfer To Other Funds</u>	<u>Transfer From Other Funds</u>
General Fund	15,000	900,000
Capital Reserve Capital Projects Fund	900,000	-
Food Service Fund	-	<u>15,000</u>
	<u>915,000</u>	<u>915,000</u>

Transfers were made in the normal course of operations to support funding needs.

NOTE 15 COMPLIANCE WITH BUDGET LAWS

The following condition was noted and may be a violation of Colorado Law:

Expenditures in the Food Service Fund exceeded budgeted amounts by \$5,992.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

Pension Trend Data

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	653,795	653,795	674,224	20,429
Specific Ownership Taxes	95,700	95,700	83,258	(12,442)
Earnings on Investments	7,000	7,000	4,068	(2,932)
Delinquent Taxes & Interest	5,000	5,000	2,328	(2,672)
Other	43,625	43,625	71,223	27,598
<u>State Sources</u>				
Equalization	2,935,173	2,935,173	2,983,539	48,366
Transportation	41,000	41,000	50,591	9,591
Vocational Education	23,000	23,000	19,781	(3,219)
Special Education	-	-	-	-
Grants	3,500	3,500	8,423	4,923
Other	29,590	29,590	16,719	(12,871)
<u>Federal Sources</u>				
Other	352,549	352,549	309,147	(43,402)
<u>Allocation</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>	<u>175,000</u>
<u>TOTAL REVENUES</u>	<u>4,014,932</u>	<u>4,014,932</u>	<u>4,223,301</u>	<u>208,369</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,407,271	1,407,271	1,423,148	(15,877)
Employee Benefits	445,585	445,585	419,698	25,887
Purchased Services - Professional	64,060	64,060	52,733	11,327
Purchased Services – Property	400	400	734	(334)
Purchased Services – Other	196,485	196,485	351,066	(154,581)
Supplies and Materials	151,825	151,825	146,897	4,928
Property	165,080	165,080	187,132	(22,052)
Other Objects	2,750	2,750	3,014	(264)
<u>Total Instruction</u>	<u>2,433,456</u>	<u>2,433,456</u>	<u>2,584,422</u>	<u>(150,966)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

<u>SUPPORTING SERVICES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Student Supporting Services</u>				
Salaries	132,570	132,570	127,007	5,563
Employee Benefits	36,420	36,420	34,880	1,540
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	1,700	1,700	2,398	(698)
Supplies and Materials	3,500	3,500	2,236	1,264
Property	8,725	8,725	7,686	1,039
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>182,915</u>	<u>182,915</u>	<u>174,207</u>	<u>8,708</u>
<u>Instructional Staff</u>				
Salaries	64,175	64,175	56,854	7,321
Employee Benefits	17,736	17,736	14,745	2,991
Purchased Services – Professional	5,000	5,000	6,782	(1,782)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	100	100	258	(158)
Supplies and Materials	8,500	8,500	8,355	145
Property	1,000	1,000	14,732	(13,732)
Other Objects	-	-	-	-
<u>Total Instruction Staff</u>	<u>96,511</u>	<u>96,511</u>	<u>101,726</u>	<u>(5,215)</u>
<u>General Administration</u>				
Salaries	120,311	120,311	120,311	-
Employee Benefits	45,425	45,425	42,512	2,913
Purchased Services – Professional	8,100	8,100	8,842	(742)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	187,693	187,693	119,786	67,907
Supplies and Materials	7,500	7,500	6,828	672
Property	-	-	-	-
Other Objects	11,350	11,350	12,996	(1,646)
<u>Total General Administration</u>	<u>380,379</u>	<u>380,379</u>	<u>311,275</u>	<u>69,104</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	186,220	186,220	186,816	(596)
Employee Benefits	76,800	76,800	76,003	797
Purchased Services – Professional	1,850	1,850	2,369	(519)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	3,100	3,100	237	2,863
Supplies and Materials	15,485	15,485	7,367	8,118
Property	800	800	704	96
Other Objects	1,680	1,680	84	1,596
<u>Total School Administration</u>	<u>285,935</u>	<u>285,935</u>	<u>273,580</u>	<u>12,355</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

SUPPORTING SERVICES (Continued)	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Business Services</u>				
Salaries	38,400	38,400	38,700	(300)
Employee Benefits	12,065	12,065	11,769	296
Purchased Services – Professional	6,400	6,400	7,019	(619)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	100	100	27	73
Supplies and Materials	1,500	1,500	1,302	198
Property	250	250	-	250
Other Objects	<u>200</u>	<u>200</u>	<u>20</u>	<u>180</u>
<u>Total Business Services</u>	<u>58,915</u>	<u>58,915</u>	<u>58,837</u>	<u>78</u>
<u>Operations and Maintenance</u>				
Salaries	117,500	117,500	120,919	(3,419)
Employee Benefits	33,675	33,675	33,803	(128)
Purchased Services – Professional	48,500	48,500	98,746	(50,246)
Purchased Services – Property	57,420	57,420	105,482	(48,062)
Purchased Services – Other	11,500	11,500	9,271	2,229
Supplies and Materials	229,000	229,000	262,713	(33,713)
Property	12,000	12,000	33,528	(21,528)
Other Objects	<u>500</u>	<u>500</u>	<u>25</u>	<u>475</u>
<u>Total Operations and Maintenance</u>	<u>510,095</u>	<u>510,095</u>	<u>664,487</u>	<u>(154,392)</u>
<u>Student Transportation</u>				
Salaries	89,320	89,320	86,501	2,819
Employee Benefits	24,635	24,635	22,802	1,833
Purchased Services – Professional	6,100	6,100	6,140	(40)
Purchased Services – Property	46,000	46,000	49,538	(3,538)
Purchased Services – Other	100	100	-	100
Supplies and Materials	44,500	44,500	30,244	14,256
Property	-	-	85,485	(85,485)
Other Objects	<u>500</u>	<u>500</u>	<u>591</u>	<u>(91)</u>
<u>Total Student Transportation</u>	<u>211,155</u>	<u>211,155</u>	<u>281,301</u>	<u>(70,146)</u>
<u>Central Support</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	45,600	45,600	44,987	613
Purchased Services – Property	-	-	-	-
Purchased Services – Other	80,275	80,275	82,245	(1,970)
Supplies and Materials	19,000	19,000	9,301	9,699
Property	25,000	25,000	5,403	19,597
Other Objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Central Support</u>	<u>169,875</u>	<u>169,875</u>	<u>141,936</u>	<u>27,939</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
SUPPORTING SERVICES (Continued)				
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,895,780</u>	<u>1,895,780</u>	<u>2,007,349</u>	<u>(111,569)</u>
<u>Debt Service</u>	<u>211,779</u>	<u>211,779</u>	<u>837,920</u>	<u>(626,141)</u>
<u>Appropriated Reserves</u>	<u>2,025,587</u>	<u>2,025,587</u>	<u>-</u>	<u>2,025,587</u>
<u>TOTAL EXPENDITURES</u>	<u>6,566,602</u>	<u>6,566,602</u>	<u>5,429,691</u>	<u>1,136,911</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(2,551,670)</u>	<u>(2,551,670)</u>	<u>(1,206,390)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds From Debt	-	-	85,485	85,485
Transfers	<u>890,000</u>	<u>890,000</u>	<u>885,000</u>	<u>(5,000)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>890,000</u>	<u>890,000</u>	<u>970,485</u>	<u>80,485</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(1,661,670)</u>	<u>(1,661,670)</u>	<u>(235,905)</u>	
<u>FUND BALANCE, July 1</u>	<u>1,661,670</u>	<u>1,661,670</u>	<u>1,661,670</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,425,765</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
District's proportion of the net pension liability (asset)	0.0488%	0.0508%	0.0512%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$7,466,484	\$6,892,973	\$6,534,641	-	-	-	-	-	-	-
District's covered-employee payroll	\$2,105,710	\$2,110,101	\$2,139,765	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	355%	327%	305%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	59.2%	62.80%	64.06%	-	-	-	-	-	-	-

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 For The Last 10 Fiscal Years (As Available)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contributions	\$ 373,285	\$ 356,297	\$ 342,098	\$ 304,592	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (373,285)</u>	<u>\$ (356,297)</u>	<u>\$ (342,098)</u>	<u>\$ (304,592)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered-employee payroll	\$2,105,710	\$2,110,101	\$2,139,765	\$2,005,921	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.72%	16.89%	15.99%	15.18%	-	-	-	-	-	-

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

OTHER SCHEDULES

Major Governmental Funds

Major Capital Reserve Capital Projects Fund – This fund is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

Food Service Special Revenue Fund – This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Agency Fund

Pupil Activity – This fund is used to account for assets held by the District in a trustee capacity or as an agent for others.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 MAJOR CAPITAL RESERVE CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues</u>			
Earnings on Investments	400	394	(6)
Other Local Sources	1,200,000	304,419	(895,581)
State Sources	<u>330,000</u>	<u>535,057</u>	<u>205,057</u>
<u>Total Revenue</u>	<u>1,530,400</u>	<u>839,870</u>	<u>(690,530)</u>
<u>Expenditures</u>			
Land and Land Sites	-	-	-
Equipment	-	-	-
Vehicle - Other	-	-	-
Buildings & Improvements	861,060	795,403	65,657
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Contingency Reserves	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>861,060</u>	<u>795,403</u>	<u>65,657</u>
<u>Revenues Over (Under) Expenditures</u>	669,340	44,467	
<u>Other Financing Sources (Uses)</u>			
Transfers	(900,000)	(900,000)	-
Proceeds from Debt	85,000	-	(85,000)
Legal Settlement	<u>-</u>	<u>940,974</u>	<u>940,974</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(815,000)</u>	<u>40,974</u>	<u>855,974</u>
<u>Net Change in Fund Balances</u>	(145,660)	85,441	
<u>FUND BALANCE, July 1</u>	<u>145,660</u>	<u>145,660</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>231,101</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 FOOD SERVICES – SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	37,000	20,601	(16,399)
Earnings on Investments	15	26	11
Other	-	-	-
<u>State Sources</u>			
School Lunches	3,400	3,071	(329)
<u>Federal Sources</u>			
School Lunches	174,000	188,191	14,191
Commodities	<u>15,000</u>	<u>14,733</u>	<u>(267)</u>
<u>Total Revenues</u>	<u>229,415</u>	<u>226,622</u>	<u>(2,793)</u>
<u>EXPENDITURES</u>			
Salaries	53,000	59,451	(6,451)
Employee Benefits	17,300	16,482	818
Purchased Services – Professional	-	-	-
Purchased Services – Property	3,000	5,110	(2,110)
Purchased Services - Other	2,500	2,046	454
Supplies and Materials	150,702	135,188	15,514
Capital Outlay	1,500	1,387	113
Other	150	667	(517)
Commodities	-	<u>13,813</u>	<u>(13,813)</u>
<u>Total Expenditures</u>	<u>228,152</u>	<u>234,144</u>	<u>(5,992)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	1,263	(7,522)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	<u>15,000</u>	<u>15,000</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	1,263	7,478	
<u>FUND BALANCE, Beginning</u>	<u>(1,263)</u>	<u>(1,263)</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>6,215</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
PUPIL ACTIVITY AGENCY FUND
SCHEDULE OF ACTIVITIES BUDGET AND ACTUAL
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>ADDITIONS:</u>			
Earnings on Investments	-	-	-
Other Local Sources	<u>127,000</u>	<u>165,001</u>	<u>38,001</u>
<u>Total Additions</u>	<u>127,000</u>	<u>165,001</u>	<u>38,001</u>
<u>DEDUCTIONS:</u>			
Activity Expenditures	194,606	129,510	65,096
Contingency	-	-	-
<u>Total Deductions</u>	<u>194,606</u>	<u>129,510</u>	<u>65,096</u>
Net Increase (Decrease) in Deposits Held for Others	(67,606)	35,491	
Deposits Held for Others – Beginning of Year	<u>67,606</u>	<u>67,606</u>	
Deposits Held for Others – End of Year	<u>-</u>	<u>103,097</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District 0770 - CROWLEY COUNTY RE-1-J
 Fiscal Year 2015-16
 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	1,660,527	5,072,260	5,247,022	1,425,765
18 Risk Mgmt. Sub-Fund of General Fund	1,143	0	1,143	0
19 Colorado Preschool Program Fund	0	181,526	181,526	0
Sub-Total	1,661,670	5,153,786	5,429,691	1,425,765
11 Charter School Fund	0	0	0	0
20.26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	-1,262	241,622	234,145	6,215
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
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	145,669	880,844	795,402	231,102
Totals	1,807,337	6,310,232	6,402,218	1,657,867
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60.65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
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	67,606	165,001	126,510	103,097
75 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	67,606	165,001	126,510	103,097
FINAL				1,657,867

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



Colorado Department of Education
Bolded Balance Sheet Report
 District: 0770 - CROWLEY COUNTY RE-1-J
 Fiscal Year 2015-16
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	1,578,312	0	0	9,218	0	0	256,965	0	0	103,097	0	1,947,592			
Cash with Fiscal Agent (8105)	63,478	0	0	0	0	0	0	0	0	0	0	63,478			
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0			
Taxes Receivable (8121,8122)	64,250	0	0	0	0	0	0	0	0	0	0	64,250			
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0			
Grants Accounts Receivable (8142)	137,378	0	0	0	0	0	2,617	0	0	0	0	139,994			
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0			
Inventories (8171,8172,8173)	0	0	0	7,044	0	0	0	0	0	0	0	7,044			
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0			
Total Assets	1,843,417	0	0	16,262	0	0	259,582	0	0	103,097	0	2,222,358			

	Governmental							Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY													
LIABILITIES													
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	
Other Payables (7421-7423)	17,553	0	0	0	0	0	28,480	0	0	0	0	46,033	
Accrued Expenses (7461)	345,099	0	0	10,047	0	0	0	0	0	0	0	355,146	
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Inflow (7800)	55,000	0	0	0	0	0	0	0	0	0	0	55,000	
Total Liabilities	417,652	0	0	10,047	0	0	28,480	0	0	0	0	456,179	

Fiduciary

Proprietary

Governmental

FUND EQUITY	Governmental										Proprietary					Fiduciary	
	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals				
Non-spendable Fund Balance 6710	0	0	0	7,044	0	0	0	0	0	0	0	0	7,044				
Restricted Fund Balance 6720	0	0	0	0	0	0	231,102	0	0	0	0	0	231,102				
TABOR 3% Emergency Reserve 6721	172,800	0	0	0	0	0	0	0	0	0	0	0	172,800				
TABOR Multi-Year 6722	143,177	0	0	0	0	0	0	0	0	0	0	0	143,177				
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0				
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0				
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0				
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0				
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0				
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0				
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0				
Unassigned Fund Balance 6770	1,109,788	0	0	-829	0	0	0	0	0	103,097	0	0	1,212,056				
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0				
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0				
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0				
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0				
Total Fund Equity	1,425,765	0	0	6,215	0	0	231,102	0	0	103,097	0	0	1,766,179				

Total Liabilities & Fund Equity	Governmental										Proprietary					Fiduciary	
	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals				
	1,843,417	0	0	16,262	0	0	259,582	0	0	103,097	0	0	2,222,358				

For Each Fund Type: Do Assets=Liability+Fund Equity	Governmental										Proprietary					Fiduciary	
	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals				
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes				