

cPa DIXON, WALLER & CO., INC.

DEBEQUE SCHOOL

DISTRICT 49JT

DEBEQUE, COLORADO

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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DEBEQUE SCHOOL DISTRICT NUMBER 49JT
ROSTER OF SCHOOL OFFICIALS
June 30, 2016

BOARD OF EDUCATION

Rodney Graham	President
Dustin Sandidge	Vice President
Adrian Walck	Secretary-Treasurer
Ryan Rose	Member
Aaron Largent	Member

SCHOOL OFFICIALS

Alan Dillon	Superintendent
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Education
DeBeque School District Number 49JT
DeBeque, Colorado 81630

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeBeque School District Number 49JT, 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.

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 DeBeque School District Number 49JT, 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 viii and 34 through 38 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 DeBeque School District Number 49JT's basic financial statements. The combining and individual fund financial statements, 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 combining and individual fund financial statements, 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 combining and individual fund financial statements, other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.


Trinidad, Colorado
November 23, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

DE BEQUE SCHOOL DISTRICT NO. 49 JT MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of De Beque School District 49 JT. ("the District") offers readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

District-Wide Financial Statements As of June 30, 2016

1. Assets of the District exceed its liabilities by \$2,094,160. This is an increase in net position of \$1,287,632 less (\$46,078) for prior period adjustment.
2. The District has unrestricted net position (deficit) of (\$4,293,821) an increase of \$1,287,632.
3. By far the largest portion of the District's net position is its \$4,533,100 investment in capital assets net of accumulated depreciation and related debt.
4. The District's debt from General Obligation Bonds totals \$12,115,000.
5. The Restricted Net Position includes \$1,667,908 for debt obligations, \$12,228,640 for capital outlay \$72,900 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, \$2,439 for Preschool, \$3,453 for Food Service and \$108,181 for multi-year agreements required by TABOR.

Fund Financial Statements As of June 30, 2016

1. The District's governmental funds reported a combined ending fund balance of \$15,421,279.
2. The governmental funds combined ending fund balance includes \$3,874 in the Local Grant Fund and \$1,667,908 in Debt Service Fund.
3. The governmental funds reported total unassigned fund balance of \$1,333,884 of which \$1,333,884 is designated for subsequent year's expenditures. The combined unassigned fund balance is made up of \$1,333,884 from the General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to De Beque School District 49 JT's basic financial statements. The District's basic financial statements consist of three components:

- 1) District-wide financial statements
- 2) Fund financial statements and
- 3) Notes to the financial statements

This report also contains required and other additional information in addition to the basic financial statements.

District-wide Financial Statements:

The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They consist of two statements:

- 1) The **Statement of Net Position** presents information on all of the District's assets, liabilities and deferred flows, with the difference reported as **net position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- 2) The **Statement of Activities** presents information reporting how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in a statement for some items that will result in cash flows in future fiscal periods. Earned but unused leave and accrued interest expense are examples of these types of items.

Both district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business services, transportation and maintenance and operations.

The district-wide financial statements include only the District itself (known as the **primary government**).

Fund Financial Statements

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

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the district-wide financial statements. Unlike the district-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called **modified accrual** accounting, which measures cash and all other financial assets that can readily be converted to cash. Such

information provides a detailed **short-term** view of the District's general government operations and may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for **governmental funds** with similar information presented for **governmental activities** in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the **governmental fund** Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance.

The District maintains three individual governmental funds. Information is presented separately in the **governmental fund** Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund and the Debt Service Fund which are considered **major funds**. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the **non-major** governmental funds is provided in the form of **combining statements** elsewhere in the report.

Proprietary funds: The District maintains no proprietary funds.

Enterprise funds are used to report the functions presented as **business-type activities** in the district-wide financial statements. The District has no enterprise funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefits of parties outside the District. Fiduciary funds are not reported in the district-wide financial statements because the resources of those funds are not available for the support of the District's own programs. The accounting used for fiduciary funds is the same as proprietary funds.

Notes to the Basic Financial Statements:

The notes to the basic financial statements provide additional information that is essential to a full understand of the data provided in the district-wide and fund financial statements.

Required Supplementary Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedules has been provided for the General fund to demonstrate compliance with the budget.

Other Information

Then combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

**DE BEQUE SCHOOL DISTRICT 49 JT
CONDENSED FINANCIAL INFORMATION**

	Condensed Statement of Net Position					
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
ASSETS	FY16	FY15	FY16	FY15	FY16	FY15
Current Assets Unrestricted	\$ 13,928,898	\$ 1,548,840	\$ -	\$ -	\$ 13,928,898	\$ 1,548,840
Current Assets Restricted	\$ 1,854,881	\$ 622,497	\$ -	\$ -	\$ 1,854,881	\$ 622,497
Capital Assets	\$ 4,273,017	\$ 3,455,956	\$ -	\$ -	\$ 4,273,017	\$ 3,455,956
Total Assets	<u>\$ 20,056,796</u>	<u>\$ 5,627,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,056,796</u>	<u>\$ 5,627,293</u>
DEFERRED OUTFLOWS						
Debt and Pension	\$ 749,824	\$ 202,647	\$ -	\$ -	\$ 749,824	\$ 202,647
LIABILITIES						
Current Liabilities	\$ 402,322	\$ 153,985	\$ -	\$ -	\$ 402,322	\$ 153,985
Net Pension Liability	\$ 4,582,400	\$ 3,844,452	\$ -	\$ -	\$ 4,582,400	\$ 3,844,452
Long-Term Liabilities	\$ 13,633,778	\$ 978,663	\$ -	\$ -	\$ 13,633,778	\$ 978,663
Total Liabilities	<u>\$ 18,618,500</u>	<u>\$ 4,977,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,618,500</u>	<u>\$ 4,977,100</u>
DEFERRED INFLOWS						
Pension	\$ 93,960	\$ 234	\$ -	\$ -	\$ -	\$ -
NET ASSETS						
Invested in Capital Assets (Net of related debt)	\$ 4,533,100	\$ 2,495,956	\$ -	\$ -	\$ 4,533,100	\$ 2,495,956
Restricted	\$ 14,083,521	\$ 622,497	\$ -	\$ -	\$ 14,083,521	\$ 622,497
Unrestricted	\$ (16,522,461)	\$ (2,265,847)	\$ -	\$ -	\$ (16,522,461)	\$ (2,265,847)
Total Net Assets	<u>\$ 2,094,160</u>	<u>\$ 852,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,094,160</u>	<u>\$ 852,606</u>

Financial Analysis

Restricted Net Position is made up of statutory reserves totaling \$72,900 for emergencies required by TABOR, multi-year agreement of \$108,181 and amounts held for payment of debt totaling \$1,667,908 as well as Preschool fund balance of \$2,439.

At year end, 21% of assets reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

**DE BEQUE SCHOOL DISTRICT 49 JT
CONDENSED STATEMENT OF CHANGES IN NET POSITION**

Revenues	Governmental Activities		Business-Type Activities		Total	
	FY16	FY15	FY16	FY15	FY16	FY15
Program revenues:						
Charges For Services	\$ 26,335	\$ 28,184	\$ -	\$ -	\$ 26,335	\$ 28,184
Operating Grants & Contrb.	\$ 156,614	\$ 122,525	\$ -	\$ -	\$ 156,614	\$ 122,525
Cap Grants & Contrb.	\$ 341,243	\$ 38,375	\$ -	\$ -	\$ 341,243	
					\$ -	
General Revenues						
Property and Other Taxes	\$ 3,264,435	\$ 1,751,335	\$ -	\$ -	\$ 3,264,435	\$ 1,751,335
Equalization	\$ 315,244	\$ 270,485	\$ -	\$ -	\$ 315,244	
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	
Other	\$ 41,637	\$ 20,481	\$ -	\$ -	\$ 41,637	\$ 20,481
Total Revenues/Transfers	<u>\$ 4,145,508</u>	<u>\$ 2,231,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,145,508</u>	<u>\$ 2,231,385</u>
Expenses:						
Instructional services	\$ 1,340,749	\$ 1,382,915	\$ -	\$ -	\$ 1,340,749	\$ 1,382,915
Supporting Services:					\$ -	\$ -
Students	\$ 74,429	\$ 79,097	\$ -	\$ -	\$ 74,429	\$ 79,097
Instructional staff	\$ 103,307	\$ 109,352	\$ -	\$ -	\$ 103,307	\$ 109,352
District administration	\$ 215,413	\$ 253,697	\$ -	\$ -	\$ 215,413	\$ 253,697
School administration	\$ 52,451	\$ 72,436	\$ -	\$ -	\$ 52,451	\$ 72,436
Business	\$ 96,912	\$ 95,281	\$ -	\$ -	\$ 96,912	\$ 95,281
Operation/Maint.	\$ 263,720	\$ 286,987	\$ -	\$ -	\$ 263,720	\$ 286,987
Transportation	\$ 84,735	\$ 83,852	\$ -	\$ -	\$ 84,735	\$ 83,852
Central	\$ 47,397	\$ 41,434	\$ -	\$ -	\$ 47,397	\$ 41,434
Capital Outlay	\$ 84,804	\$ 29,076	\$ -	\$ -	\$ 84,804	\$ 29,076
Int. Liabilities Chg./Other	\$ 191,772	\$ 43,361	\$ -	\$ -	\$ 191,772	\$ 43,361
Pension Amortization	\$ 233,463	\$ 21,996	\$ -	\$ -	\$ 233,463	\$ 21,996
Food Service	\$ 68,724	\$ 72,012	\$ -	\$ -	\$ 68,724	\$ 72,012
Total District Expenses	<u>\$ 2,857,876</u>	<u>\$ 2,571,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,857,876</u>	<u>\$ 2,571,496</u>
Changes in Net Position	\$ 1,287,632	\$ (340,111)	\$ -	\$ -	\$ 1,287,632	\$ (340,111)

Financial Analysis

1. Federal and State Government subsidized instructional activities through grants of \$114,072 and food service activities through grants of \$26,601.
2. Charges for Services subsidized instructional services, operations and food service in the amount of \$26,335.

**DE BEQUE SCHOOL DISTRICT 49 JT
FUND FINANCIAL STATEMENT ANALYSIS**

Governmental Funds

General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and Support programs.

SCHEDULE OF REVENUES			
	Fiscal Year 2015-2016	Fiscal Year 2014-2015	Increase (Decrease)
Property & Other Taxes	\$ 1,441,055	\$ 1,375,950	\$ 65,105
Specific Ownership Tax	\$ 147,238	\$ 114,090	\$ 33,148
State Aid	\$ 389,275	\$ 304,471	\$ 84,804
Total School Finance	\$ 1,977,568	\$ 1,794,511	\$ 183,057
 OTHER LOCAL	 \$ 68,231	 \$ 79,645	 \$ (11,414)
OTHER STATE	\$ -	\$ -	\$ -
FEDERAL SOURCES	\$ 52,660	\$ 45,951	\$ 6,709
Total Revenues	\$ 2,098,459	\$ 1,920,107	\$ 178,352

Property Taxes: *The General Fund mill levy is 3.491 for fiscal year 2015-2016 compared to 3.445 for FY 2014-2015. The increase in mills is due in part to an increase in assessed valuations from counties, Garfield and Mesa, the increase of student enrollment and an increase of mills required for abatements.*

The property tax revenues for 2016 are based upon a levy of 3.491 Mills, which includes 3.430 Program Mills, + overrides/hold harmless levy of .013 mills, and .048 for Abatement.

The 2016 Total mill levy was 7.551 mills which includes the General Fund mill levy of 3.491 and the Bond Redemption Fund mill levy of 4.061 mills. Applied against an assessed valuation of \$412,415,990

Specific Ownership Tax: *A specific ownership tax is applied to the fair market value of vehicles registered in Colorado. The tax collected when vehicle owners renew their registrations each year. The increase in specific ownership tax collections reflects a net increase in the value of vehicles registered in fiscal year 2015-2016 and an increase in the distributive share of the specific ownership tax that flows to the General Fund.*

State Equalization: *Due to a decrease in assessed valuation and an increase in student enrollment, the district received State Equalization funding.*

Specific Ownership Tax, local, state, and federal sources made up the remainder of revenue.

Other State Sources: *Other State sources consist of Gifted & Talented Funds, Special Education Funds, English Language Proficiency Act Funds, and Transportation reimbursement from the state.*

Other Federal Sources: *Sources consist of Title Grants and the Federal REAP grant for small school districts.*

Other Local Sources: *Other local sources include investment income, gate receipts, Local Grants from businesses in and around the area, and other miscellaneous revenues and donations from the oil and gas industry.*

**DE BEQUE SCHOOL DISTRICT 49 JT
Governmental Expenditures**

The following table shows the net cost of the District's major functions. It also shows the total costs for the current year

	Net Cost 2015-2016	Net Cost 2014-2015	Total Cost 2015-2016	Difference Net Cost
INSTRUCTION	\$ 1,222,701	\$ 1,312,624	\$ 1,340,749	\$ (89,923)
SUPPORT				
Pupil & Instructional	\$ 177,736	\$ 188,449	\$ 177,736	\$ (10,713)
District Administration	\$ 215,413	\$ 236,697	\$ 215,413	\$ (21,284)
School Administration	\$ 52,451	\$ 72,436	\$ 52,451	\$ (19,985)
Business	\$ 96,912	\$ 95,281	\$ 96,912	\$ 1,631
Operation and Maintenance of Facilities	\$ 257,870	\$ 278,737	\$ 263,720	\$ (20,867)
Transportation	\$ 68,794	\$ 68,246	\$ 84,735	\$ 548
Other Central Services	\$ 47,397	\$ 41,434	\$ 47,397	\$ 5,963
Debt Service	\$ 191,772	\$ 43,361	\$ 191,772	\$ 148,411
Capital Outlay	\$ (256,439)	\$ (9,299)	\$ 84,804	\$ (247,140)
Pension Amortization	\$ 233,463	\$ 21,996	\$ 233,463	\$ 211,467
Food Service	\$ 25,614	\$ 32,450	\$ 68,724	\$ (6,836)
Total Expenditures	\$ 2,333,684	\$ 2,382,412	\$ 2,857,876	\$ 48,728

The cost of all governmental activities this year was \$2,857,876. This is offset by Grants & contributions as well as charges for services. Net cost was \$2,333,684.

Instruction: Instruction expenditures decrease is due to turn over of long term instructional staff and new staff placement on the salary schedule

Capital Assets (Net of Depreciation)

	<u>Governmental 2015-2016</u>	<u>Governmental 2014-2015</u>
Land & Sites	36,645	36,645
Buildings & Improvements	3,019,560	3,186,462
Equipment & Vehicles	191,315	232,849
Construction in Progress	1,025,497	-
Total Capital Assets	<u>4,273,017</u>	<u>3,455,956</u>

CHANGES IN LONG TERM DEBT

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2016</u>
General Obligation Bonds	960,000	11,380,000	225,000	12,115,000
Totals	<u>960,000</u>	<u>11,380,000</u>	<u>225,000</u>	<u>12,115,000</u>

**De Beque School District 49 Jt.
Fund Descriptions**

Debt Service Fund:

The Debt Service Fund is funded by property tax and specific ownership taxes collected by the two county governments, Mesa and Garfield.

The District had at the end of the 15-16 fiscal year outstanding bonded indebtedness of \$12,115,000.

Food Service Fund:

This fund is used to account for the activity in the school lunch and breakfast program. Revenues are provided through local charges and federal and state grants.

Insurance Fund:

In accordance with a directive by the Colorado Department of Education the separate fund for the purpose of paying the Liability, Property, and Student Insurance will no longer exist after 2003-04 and will be paid as a normal expenditure from the General Fund.

Fiduciary Funds:

Fiduciary funds are not reported on District-wide statements. The Agency fund was created to act as a custodian for student activity accounts. They totaled \$24,123 as of June 30

BASIC FINANCIAL STATEMENTS

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Total
<u>ASSETS</u>		
Cash	102,788	102,788
Investments	15,558,624	15,558,624
Accounts Receivable	12,629	12,629
Accrued Revenue	91,693	91,693
Property Taxes Receivable	15,100	15,100
Inventories	2,945	2,945
Capital Assets	7,152,504	7,152,504
Accumulated Depreciation	<u>(2,879,487)</u>	<u>(2,879,487)</u>
<u>Total Assets</u>	<u>20,056,796</u>	<u>20,056,796</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred Refunding - Bonds	6,563	6,563
Deferred Pension Cost – Plan	450,144	450,144
Deferred Pension Cost – Entity	156,904	156,904
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date	<u>136,213</u>	<u>136,213</u>
<u>Total Deferred Outflow of Resources</u>	<u>749,824</u>	<u>749,824</u>
<u>LIABILITIES</u>		
Accounts Payable	222,172	222,172
Accrued Salaries and Benefits	139,028	139,028
Accrued Interest Payable	41,122	41,122
NonCurrent Liabilities:		
Bond Payments Due Within One Year	610,000	610,000
Bond Due in More Than One Year	11,505,000	11,505,000
Unamortized Bond Premium	1,518,778	1,518,778
Net Pension Liability	<u>4,582,400</u>	<u>4,582,400</u>
<u>Total Liabilities</u>	<u>18,618,500</u>	<u>18,618,500</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred Pension Cost – Plan	64,948	64,948
Deferred Pension Cost – Entity	<u>29,012</u>	<u>29,012</u>
<u>Total Deferred Inflow of Resources</u>	<u>93,960</u>	<u>93,960</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	4,533,100	4,533,100
Restricted for:		
Debt	1,667,908	1,667,908
TABOR Reserve	72,900	72,900
Preschool	2,439	2,439
Multi-Year Agreements	108,181	108,181
Food Service	3,453	3,453
Capital Outlay	12,228,640	12,228,640
Unrestricted	<u>(16,522,461)</u>	<u>(16,522,461)</u>
<u>TOTAL NET POSITION</u>	<u>2,094,160</u>	<u>2,094,160</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	51,180	43,119	-	8,489	102,788
Investments	1,566,784	12,331,964	1,659,876	-	15,558,624
Accounts Receivable	11,868	-	761	-	12,629
Accrued Revenue	22,779	68,914	-	-	91,693
Inventories	-	-	-	2,945	2,945
Due From Other Funds	-	-	-	-	-
Property Taxes Receivable	7,000	-	8,100	-	15,100
Total Assets	<u>1,659,611</u>	<u>12,443,997</u>	<u>1,668,737</u>	<u>11,434</u>	<u>15,783,779</u>
LIABILITIES:					
Accounts Payable	6,815	215,357	-	-	222,172
Accrued Salaries and Benefits	134,921	-	-	4,107	139,028
Due To Other Funds	-	-	-	-	-
Total Liabilities	<u>141,736</u>	<u>215,357</u>	<u>-</u>	<u>4,107</u>	<u>361,200</u>
DEFERRED INFLOW OF RESOURCES					
Property Tax	471	-	829	-	1,300
FUND BALANCES:					
Nonspendable					
Inventories	-	-	-	2,945	2,945
Restricted					
Emergency Reserve	72,900	-	-	-	72,900
Multi-year Agreements	108,181	-	-	-	108,181
Debt Service	-	-	1,667,908	-	1,667,908
Preschool	2,439	-	-	-	2,439
Food Service	-	-	-	508	508
Capital Outlay	-	12,228,640	-	-	12,228,640
Committed	-	-	-	-	-
Assigned					
Food Service	-	-	-	-	-
Debt Service	-	-	-	-	-
Capital Outlay	-	-	-	3,874	3,874
Unassigned	1,333,884	-	-	-	1,333,884
Total Fund Balances	<u>1,517,404</u>	<u>12,228,640</u>	<u>1,667,908</u>	<u>7,327</u>	<u>15,421,279</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
	<u>1,659,611</u>	<u>12,443,997</u>	<u>1,668,737</u>	<u>11,434</u>	<u>15,783,779</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
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>	15,421,279
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$7,152,504 and the accumulated depreciation is \$2,879,487.	4,273,017
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.	1,300
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(41,122)
Premiums received when debt is issued are recognized as revenues in the funds. They are amortized as an interest adjustment in the government wide statements. The remaining unamortized premium is:	(1,518,778)
Long-term liabilities, including certificates of participation and general obligation bonds are not due and payable in the current period and therefore are not reported in funds.	(12,108,437)
Net pension liability, along with associated deferred flow, are not recorded at the fund level:	
Net Pension Liability	(4,582,400)
Pension - Deferred Outflows	743,261
Pension – Deferred Inflows	(93,960)
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>2,094,160</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016

	<u>General</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Property Taxes	1,441,055	-	1,674,993	-	3,116,048
Specific Ownership taxes	147,238	-	-	-	147,238
Earnings on Investments	4,063	33,449	2,572	-	40,084
Other Local Sources	64,168	-	533	26,510	91,211
State Aid	389,275	331,243	-	761	721,279
Federal Aid	52,660	-	-	25,839	78,499
<u>Total Revenues</u>	<u>2,098,459</u>	<u>364,692</u>	<u>1,678,098</u>	<u>53,110</u>	<u>4,194,359</u>
<u>EXPENDITURES</u>					
<u>Current:</u>					
Instructional Services	1,211,324	-	-	-	1,211,324
Supporting Services:					
Students	74,429	-	-	-	74,429
Instructional Staff	103,307	-	-	-	103,307
District Administration	208,284	-	-	-	208,284
School Administration	52,451	-	-	-	52,451
Business	96,912	-	-	-	96,912
Operation & Maintenance					
of Facilities	259,271	-	-	-	259,271
Transportation	67,324	-	-	-	67,324
Central	47,147	-	250	-	47,397
Food Service	-	-	-	68,702	68,702
Debt Service:					
Principal	-	-	225,000	-	225,000
Interest	-	-	235,911	-	235,911
Capital Outlay	-	1,102,784	-	7,517	1,110,301
<u>Total Expenditures</u>	<u>2,120,449</u>	<u>1,102,784</u>	<u>461,161</u>	<u>76,219</u>	<u>3,760,613</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(21,990)</u>	<u>(738,092)</u>	<u>1,216,937</u>	<u>(23,109)</u>	<u>433,746</u>
<u>OTHER FINANCING SOURCES (USES):</u>					
Bond Proceeds	-	11,380,000	-	-	11,380,000
Bond Premium	-	1,586,732	-	-	1,586,732
Transfers	(13,500)	-	-	13,500	-
<u>Total Other Financing Sources (Uses)</u>	<u>(13,500)</u>	<u>12,966,732</u>	<u>-</u>	<u>13,500</u>	<u>12,966,732</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(35,490)</u>	<u>12,228,640</u>	<u>1,216,937</u>	<u>(9,609)</u>	<u>13,400,478</u>
<u>FUND BALANCE – Beginning</u>	<u>1,552,894</u>	<u>-</u>	<u>450,971</u>	<u>16,936</u>	<u>2,020,801</u>
<u>FUND BALANCES – Ending</u>	<u>1,517,404</u>	<u>12,228,640</u>	<u>1,667,908</u>	<u>7,327</u>	<u>15,421,279</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 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 13,400,478

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	1,025,497	
Proceeds from sale of assets	(42,606)	
Loss on disposition of assets	(7,394)	
Depreciation Expense	<u>(158,436)</u>	817,061

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. 1,149

The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. The effect of discounts and 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:

Repayment of Debt Principal	225,000	
Interest Expense	44,139	
Debt proceeds	<u>(12,966,732)</u>	(12,697,593)

The increase in net pension liability, along with the changes and amortizations of deferred flows associated with the net pension liability are not recorded at the fund level:

Pension Cost		<u>(233,463)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 1,287,632

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2016

	<u>Student Activities Fund</u>
<u>ASSETS</u>	
Cash	24,123
Investments	-
Deposits Held For Others	-
<u>Total Assets</u>	<u>24,123</u>
<u>LIABILITIES</u>	
Due to Student Groups	24,123
Accounts Payable	-
<u>Total Liabilities</u>	<u>24,123</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the DeBeque School District Number 49JT (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 five 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 DeBeque School District Number 49JT. 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
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 inflows 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 balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
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, 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
 1. 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.
 2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
 3. Capital Project Fund – used to account for building and facility construction and improvement funded by debt and grants.

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 revenue. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
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 (6-50 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.

J. Deferred Outflows / Inflows of Resources

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows / Inflows of Resources (continued)

In addition to liabilities, the statements of financial position and governmental balance sheets 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.

K. 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.

In November of 1996 the registered voters approved a ballot resolution authorizing DeBeque School District Number 49JT to collect, retain and expend all revenues collected during 1994 & 1995 and any subsequent year from any source provided that no property tax mill levy be increased or any new tax imposed 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 \$72,900 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.

L. 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 Mesa and Garfield Counties 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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
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. Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

O. 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 Directors (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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54 (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>Local Grant Fund</u>	<u>Bond Redemption Fund</u>	<u>Food Service Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<u>Non-spendable:</u>						
Inventories	-	-	-	2,945	-	2,945
<u>Restricted:</u>						
Emergencies	72,900	-	-	-	-	72,900
Preschool	2,439	-	-	-	-	2,439
Debt Service	-	-	1,667,908	-	-	1,667,908
Multi-Year Agreements	108,181	-	-	-	-	108,181
Food Service	-	-	-	508	-	508
Capital Outlay	-	-	-	-	12,228,640	12,228,640
<u>Assigned:</u>						
Capital Outlay	-	3,874	-	-	-	3,874
<u>Unassigned</u>	<u>1,333,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,333,884</u>
<u>Total Fund Balances</u>	<u>1,517,404</u>	<u>3,874</u>	<u>1,667,908</u>	<u>3,453</u>	<u>12,228,640</u>	<u>15,421,279</u>

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

Items Eliminated

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	13,500
Food Service	<u>13,500</u>	<u>-</u>
	<u>13,500</u>	<u>13,500</u>

NOTE 3 BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 BUDGETARY INFORMATION (Continued)

4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Debt Service and Special Revenue Funds.
6. Budgets for the General, Debt Service Capital Project and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 CASH AND INVESTMENTS (Continued)

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)	126,911	246,787
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	-	-
Cash with County Treasurer	-	-
<u>Total Cash and Deposits</u>	<u>126,911</u>	<u>246,787</u>

As presented above, deposits with a bank balance of \$0 and a carrying balance of \$0 as of June 30, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2016, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	State Pool	Under 60 Day Average	15,558,624

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment in COLOTRUST were rated AAA by Standard & Poor's.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016:

- ColoTrust Investment Pool of \$15,558,624 is valued using quoted market prices (Level 1 inputs)

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance July 1, 2015	Additions	Deletions	Adjustments	Balance June 30, 2016
<u>Non-Depreciable Assets:</u>					
Land	36,645	-	-	-	36,645
<u>Total Non-Depreciable Assets</u>	<u>36,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,645</u>
<u>Depreciable Assets:</u>					
Buildings & Site					
Improvements	5,247,108	-	50,000	-	5,197,108
Food Service Equipment	26,545	-	-	-	26,545
Vehicles	328,820	-	60,424	-	268,396
Equipment	598,313	-	-	-	598,313
Construction in Progress	-	1,025,497	-	-	1,025,497
<u>Total Depreciable Assets</u>	<u>6,200,786</u>	<u>1,025,497</u>	<u>110,424</u>	<u>-</u>	<u>7,115,859</u>
<u>Less Accumulated</u>					
<u>Depreciation for:</u>					
Building & Site					
Improvements	2,060,646	116,902	-	-	2,177,548
Food Service Equipment	26,523	22	-	-	26,545
Equipment & Vehicles	694,306	41,512	60,424	-	675,394
<u>Total Accumulated</u>					
<u>Depreciation</u>	<u>2,781,475</u>	<u>158,436</u>	<u>60,424</u>	<u>-</u>	<u>2,879,487</u>
<u>Total Capital Assets, Net</u>	<u>3,455,956</u>	<u>867,061</u>	<u>50,000</u>	<u>-</u>	<u>4,273,017</u>

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

Governmental Activities:

Instruction	126,498
General Administration Support	10,056
Food Service	22
Operations and Maintenance	4,449
Transportation	<u>17,411</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>158,436</u>

NOTE 6 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2016, are estimated to be \$139,028. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. DeBeque School District Number 49JT 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 DeBeque School District Number 49JT 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 7 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 **PENSION PLAN (Continued)**

Contributions. Eligible employees and DeBeque School District Number 49JT 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 DeBeque School District Number 49JT is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from DeBeque School District Number 49JT were \$248,724 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 DeBeque School District Number 49JT reported a liability of \$4,582,400 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 DeBeque School District Number 49JT proportion of the net pension liability was based on DeBeque School District Number 49JT 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 DeBeque School District Number 49JT proportion was 0.0299 percent, which was an increase of 0.0016 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the DeBeque School District Number 49JT recognized pension expense of \$233,463. At June 30, 2016, the DeBeque School District Number 49JT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	60,511	(191)
Changes of assumptions or other inputs	0	(64,757)
Net difference between projected and actual earnings on pension plan investments	389,633	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	156,904	(29,012)
Contributions subsequent to the measurement date	136,213	N/A
Total	743,261	(93,960)

\$136,213 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	143,892
2018	149,044
2019	140,252
2020	79,900
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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7 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:

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 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 DeBeque School District Number 49JT 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	5,940,129	4,582,400	3,453,022

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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 7 PENSION PLAN (Continued)

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the DeBeque School District Number 49JT 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 \$23,504.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The DeBeque School District Number 49JT 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 DeBeque School District Number 49JT 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 DeBeque School District Number 49JT 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 DeBeque School District Number 49JT contributions to the HCTF were \$14,286, \$12,942 and \$11,455, respectively equal to their required contributions for each year.

NOTE 8 COMPENSATED ABSENCES

There is no material liability for compensated absences at June 30, 2016.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 9 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 Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. 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 fund from which they are paid.

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 10 LONG-TERM DEBT

On April 23, 2008, the District issued \$2,165,000 in General Obligation Refunding Bonds with an average interest rate of 3.56% to advance refund \$2,165,000 of outstanding 1998 General Obligation Bonds bearing interest rates ranging from 3.3% to 4.7%. Refunding proceeds of \$2,241,975 were deposited with an escrow agent to provide debt service payments of \$2,165,000 in principal and \$686,227 in interest on the 1998 Series bonds. As a result, that portion of 1998 Bonds is considered to be defeased and the liability for the issue has been removed from the financial statements.

The District completed the advance refunding to reduce the total debt service payments over the next 11 years by \$93,840 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$79,694.

As a result of the difference between the requisition price and the carrying amount of the old debt (including unamortized issue costs), a deferred refunding was recorded in the amount of \$76,975. It is being amortized against interest costs of the refunding issue.

The amount of debt outstanding on the refunded 1998 General Obligation Bonds at June 30, 2016 was \$755,000.

Below is a schedule of debt service requirements to maturity:

2008 Refunding Issue

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	235,000	27,788
2018	245,000	16,987
2019	<u>255,000</u>	<u>5,737</u>
	<u>735,000</u>	<u>50,512</u>

On December 10, 2015 the District issued \$8,525,000 in General Obligation Bonds (Series 2015) with an interest rate of 4% to acquire, repair, construct and improve District capital assets. The District realized a premium in addition to the bond proceeds of \$1,471,816. Interest will be paid every six months and principal will be paid annually beginning in 2022. The first interest payment was made on June 1, 2016.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 10 LONG-TERM DEBT (Continued)

Below is a schedule of debt service requirements to maturity:

Series 2015 G.O. Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	-	353,200
2018	-	353,200
2019	-	353,200
2020	-	353,200
2021	-	353,200
2022	385,000	345,500
2023	765,000	322,500
2024	800,000	291,200
2025	830,000	258,600
2026	865,000	224,700
2027	895,000	188,381
2028	935,000	149,494
2029	975,000	108,906
2030	1,015,000	66,619
2031	<u>1,060,000</u>	<u>22,525</u>
	<u>8,525,000</u>	<u>3,744,425</u>

On January 6, 2016 the District issued \$2,855,000 in General Obligation Bonds (Series 2016) with an interest rate of 4% (3% on the 2020 maturity) to acquire, repair, construct and improve District capital assets. The District realized a premium in addition to the bond proceeds of \$245,894. Interest will be paid every six months and principal will be paid annually beginning in 2017. The first interest payment was made on June 1, 2016.

Below is a schedule of debt service requirements to maturity:

Series 2016 G. O. Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	375,000	99,700
2018	375,000	84,700
2019	380,000	69,600
2020	675,000	48,500
2021	700,000	24,500
2022	<u>350,000</u>	<u>7,000</u>
	<u>2,855,000</u>	<u>334,000</u>

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 10 LONG-TERM DEBT (Continued)

Changes in Long-Term Debt

	Beginning Balance <u>7-1-2015</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>6-30-2016</u>	Due Within <u>One Year</u>
General Obligation					
Bonds - 2008	960,000	-	225,000	735,000	235,000
Bonds - 2015	-	8,525,000	-	8,525,000	-
Bonds - 2016	-	2,855,000	-	2,855,000	375,000
	<u>960,000</u>	<u>11,380,000</u>	<u>225,000</u>	<u>12,115,000</u>	

NOTE 11 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.

NOTE 12 INTERFUND ACTIVITY

Transfers from the general fund to support operational cash requirements were made in the following amounts:

Food Service Fund	\$ 13,500
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NOTE 13 PRIOR PERIOD ADJUSTMENT

In the fiscal year ended June 30, 2015, no deferred inflow was recorded for the change in proportion of the District's contributions to PERA in relation to their portion of the net pension liability originally recorded during the implementation of GASB Statements No. 68 and 71. The amount of deferred inflow at June 30, 2015 that should have been recorded was \$46,078. The Statement of Activities reflects the corresponding reduction to entity-wide net position as of that date as a prior period adjustment.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and changes in Fund Balance – Budget and Actual – General Fund

Pension Trend Data

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2016

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	1,431,230	1,431,230	1,441,055	9,825
Specific Ownership Taxes	100,298	100,298	147,238	46,940
Earnings on Investments	2,500	2,500	4,063	1,563
Delinquent Taxes & Interest	4,000	4,000	1,973	(2,027)
Other	87,900	87,900	62,195	(25,705)
<u>State Sources</u>				
Equalization	308,619	308,619	315,244	6,625
Transportation	17,000	17,000	15,941	(1,059)
Other	52,030	52,030	58,090	6,060
<u>Federal Sources</u>				
Designated Purpose Grants	73,780	73,780	52,660	(21,120)
TOTAL REVENUES	<u>2,077,357</u>	<u>2,077,357</u>	<u>2,098,459</u>	<u>21,102</u>
 <u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
<u>Regular Programs</u>				
Salaries	854,467	854,467	865,637	(11,170)
Employee Benefits	189,588	189,588	216,999	(27,411)
Purchased Services - Professional	16,300	16,300	8,899	7,401
Purchased Services – Property	10,900	10,900	10,886	14
Purchased Services – Other	15,600	15,600	30,358	(14,758)
Supplies and Materials	48,400	48,400	52,142	(3,742)
Property	10,500	10,500	17,322	(6,822)
Other Objects	8,000	8,000	9,081	(1,081)
<u>Total Instruction</u>	<u>1,153,755</u>	<u>1,153,755</u>	<u>1,211,324</u>	<u>(57,569)</u>
 <u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	60,716	60,716	60,843	(127)
Employee Benefits	12,446	12,446	12,380	66
Purchased Services – Professional	-	-	-	-
Purchased Services –Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	2,000	2,000	1,206	794
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Services</u>	<u>75,162</u>	<u>75,162</u>	<u>74,429</u>	<u>733</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	83,098	83,098	81,435	1,663
Employee Benefits	17,034	17,034	16,272	762
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	6,250	6,250	5,600	650
Property	-	-	-	-
<u>Total Instructional Staff</u>	<u>106,382</u>	<u>106,382</u>	<u>103,307</u>	<u>3,075</u>
<u>General Administration</u>				
Salaries	110,370	110,370	110,399	(29)
Employee Benefits	22,134	22,134	22,103	31
Purchased Services – Professional	26,750	26,750	52,486	(25,736)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	22,250	22,250	19,856	2,394
Supplies and Materials	7,000	7,000	2,745	4,255
Property	500	500	-	500
Other Objects	6,000	6,000	695	5,305
<u>Total General Administration</u>	<u>195,004</u>	<u>195,004</u>	<u>208,284</u>	<u>(13,280)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	32,943	32,943	34,439	(1,496)
Employee Benefits	6,632	6,632	7,107	(475)
Purchased Services – Professional	25,000	25,000	6,346	18,654
Purchased Services – Other	3,500	3,500	2,775	725
Supplies and Materials	1,000	1,000	1,249	(249)
Property	-	-	310	(310)
Other Objects	500	500	225	275
<u>Total School Administration</u>	<u>69,575</u>	<u>69,575</u>	<u>52,451</u>	<u>17,124</u>
<u>Business Services</u>				
Salaries	60,703	60,703	60,703	-
Employee Benefits	12,444	12,444	12,354	90
Purchased Services – Professional	10,500	10,500	16,772	(6,272)
Purchased Services – Other	1,000	1,000	345	655
Supplies and Materials	750	750	2,021	(1,271)
Property	500	500	1,032	(532)
Other Objects	250	250	3,685	(3,435)
<u>Total Business Services</u>	<u>86,147</u>	<u>86,147</u>	<u>96,912</u>	<u>(10,765)</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
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</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	112,770	112,770	115,596	(2,826)
Employee Benefits	23,099	23,099	23,331	(232)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	42,250	42,250	27,058	15,192
Purchased Services – Other	-	-	-	-
Supplies and Materials	95,000	95,000	89,295	5,705
Property	-	-	3,991	(3,991)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>273,119</u>	<u>273,119</u>	<u>259,271</u>	<u>13,848</u>
<u>Student Transportation</u>				
Salaries	20,880	20,880	16,782	4,098
Employee Benefits	4,307	4,307	3,441	866
Purchased Services – Professional	300	300	-	300
Purchased Services – Property	8,000	8,000	12,594	(4,594)
Purchased Services – Other	500	500	687	(187)
Supplies and Materials	19,500	19,500	12,378	7,122
Property	44,810	44,810	21,442	23,368
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>98,297</u>	<u>98,297</u>	<u>67,324</u>	<u>30,973</u>
<u>Central Support</u>				
Purchased Services – Other	34,600	34,600	35,362	(762)
Supplies and Materials	10,000	10,000	11,785	(1,785)
Property	-	-	-	-
<u>Total Central Support</u>	<u>44,600</u>	<u>44,600</u>	<u>47,147</u>	<u>(2,547)</u>
<u>Facilities Acquisition and Construction</u>				
Property	-	-	-	-
<u>TOTAL SUPPORTING SERVICES</u>	<u>948,286</u>	<u>948,286</u>	<u>909,125</u>	<u>39,161</u>
<u>Appropriated Reserves</u>	<u>1,493,210</u>	<u>1,493,210</u>	-	<u>1,493,210</u>
<u>TOTAL EXPENDITURES</u>	<u>3,595,251</u>	<u>3,595,251</u>	<u>2,120,449</u>	<u>1,474,802</u>
<u>Revenues Over (Under) Expenditures</u>	(1,517,894)	(1,517,894)	(21,990)	
<u>Other Financing Sources (Uses)</u>				
Transfers	(35,000)	(35,000)	(13,500)	<u>21,500</u>
<u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	(1,552,894)	(1,552,894)	(35,490)	
<u>FUND BALANCE, July 1</u>	<u>1,552,894</u>	<u>1,552,894</u>	<u>1,552,894</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,517,404</u>	

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 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)	.0299%	0.0284%	0.0289%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$4,582,400	\$3,844,452	\$3,681,132	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,400,541	\$1,268,830	\$1,135,354	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	327%	303%	324%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	59.16%	62.80%	64.06%	-	-	-	-	-	-	-

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 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	\$ 248,724	\$ 214,377	\$ 181,505	\$ 166,635	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(248,724)</u>	<u>\$(214,377)</u>	<u>\$(181,505)</u>	<u>\$(166,635)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-	-
District's covered-employee payroll	\$1,400,541	\$1,268,830	\$1,135,354	\$1,099,913	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.76%	16.90%	15.99%	15.15%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Bond Redemption – Debt Service Fund

Bond Redemption Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest and related costs.

Capital Project

Capital Project Fund – used to account for the construction of facilities and buildings funded by debt and grants.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Local Grant Fund

This fund is used to account for the use of a local grant designated for facility improvements.

Food Service Fund

This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Fiduciary Fund Types

Student Activity Fund – This fund accounts for activities of student clubs and organizations.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016

	<u>Special Revenue Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Local Grant Fund</u>	<u>Food Service</u>	
<u>ASSETS</u>			
Cash	3,874	4,615	8,489
Inventories	-	2,945	2,945
Accounts Receivable	-	-	-
<u>Total Assets</u>	<u>3,874</u>	<u>7,560</u>	<u>11,434</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	-	-
Accrued Salaries	-	4,107	4,107
Due To Other Funds	-	-	-
Other Payables	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>4,107</u>	<u>4,107</u>
 <u>Fund Balances:</u>			
Nonspendable			
Inventories	-	2,945	2,945
Restricted:			
Food Service	-	508	508
Assigned			
Capital Outlay	3,874	-	3,874
<u>Total Fund Balances</u>	<u>3,874</u>	<u>3,453</u>	<u>7,327</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>3,874</u>	<u>7,560</u>	<u>11,434</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Local Grant</u>	<u>Food</u>	<u>Non-Major</u>
	<u>Fund</u>	<u>Service</u>	<u>Governmental</u>
			<u>Funds</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local Sources	10,000	16,510	26,510
State Aid	-	761	761
Federal Aid	-	<u>25,839</u>	<u>25,839</u>
<u>Total Revenues</u>	<u>10,000</u>	<u>43,110</u>	<u>53,110</u>
<u>EXPENDITURES</u>			
Instruction	-	-	-
Food Service	-	68,702	68,702
Capital Outlay	<u>7,517</u>	-	<u>7,517</u>
<u>Total Expenditures</u>	<u>7,517</u>	<u>68,702</u>	<u>76,219</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>	2,483	(25,592)	(23,109)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	<u>13,500</u>	<u>13,500</u>
<u>NET CHANGE IN FUND BALANCES</u>	2,483	(12,092)	(9,609)
<u>FUND BALANCES, Beginning</u>	<u>1,391</u>	<u>15,545</u>	<u>16,936</u>
<u>FUND BALANCES, Ending</u>	<u>3,874</u>	<u>3,453</u>	<u>7,327</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 BOND REDEMPTION DEBT SERVICE 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>			
Property Taxes	839,000	1,674,993	835,993
Specific Ownership Taxes	-	-	-
Other Local Sources	1,575	533	(1,042)
Earnings on Investments	800	2,572	1,772
<u>Total Revenues</u>	<u>841,375</u>	<u>1,678,098</u>	<u>836,723</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal	225,000	225,000	-
Interest	38,138	235,911	(197,773)
Other Fees	250	250	-
Appropriated Reserves	<u>1,026,042</u>	-	<u>1,026,042</u>
<u>Total Expenditures</u>	<u>1,289,430</u>	<u>461,161</u>	<u>828,269</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(448,055)</u>	<u>1,216,937</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>(448,055)</u>	<u>1,216,937</u>	
 <u>FUND BALANCES, July 1</u>	<u>448,055</u>	<u>450,971</u>	
 <u>FUND BALANCES, June 30</u>	<u>-</u>	<u>1,667,908</u>	

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 CAPITAL PROJECT 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>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	-	33,449	33,449
Other Local Revenue	-	-	-
State Grant Revenue	<u>5,353,497</u>	<u>331,243</u>	<u>(5,022,254)</u>
<u>Total Revenues</u>	<u>5,353,497</u>	<u>364,692</u>	<u>(4,988,805)</u>
<u>EXPENDITURES</u>			
Buildings and Site Improvements	18,205,312	1,102,784	17,102,528
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>18,205,312</u>	<u>1,102,784</u>	<u>17,102,528</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(12,851,815)</u>	<u>(738,092)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Bond Proceeds	11,380,000	11,380,000	-
Bond Premiums	1,471,815	1,586,732	114,917
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>12,851,815</u>	<u>12,966,732</u>	<u>114,917</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	12,228,640	
<u>FUND BALANCES, July 1</u>	-	-	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>12,228,640</u>	

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
FOOD SERVICE – 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>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	13,150	16,510	3,360
Earnings on Investments	-	-	-
Other	-	-	-
<u>State Sources</u>			
School Lunches	650	761	111
<u>Federal Sources</u>			
School Lunches	25,000	21,649	(3,351)
Commodities	-	4,190	4,190
<u>Total Revenues</u>	<u>38,800</u>	<u>43,110</u>	<u>4,310</u>
<u>EXPENDITURES</u>			
Salaries	34,010	34,118	(108)
Employee Benefits	6,979	7,025	(46)
Purchased Services – Professional	2,100	2,014	86
Purchased Services – Property	4,500	116	4,384
Purchased Services - Other	-	177	(177)
Food Purchases	21,000	20,737	263
Capital Outlay	6,061	13	6,048
Commodities	5,000	2,835	2,165
Non-Food Supplies	2,150	1,667	483
Appropriated Reserves	7,545	-	7,545
<u>Total Expenditures</u>	<u>89,345</u>	<u>68,702</u>	<u>20,643</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(50,545)	(25,592)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	35,000	13,500	(21,500)
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(15,545)	(12,092)	
<u>FUND BALANCE, July 1</u>	15,545	15,545	
<u>FUND BALANCE, June 30</u>	-	3,453	

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 LOCAL GRANT - SPECIAL REVENUE 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	-	-	-
Local Grant	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<u>Total Revenues</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
 <u>EXPENDITURES</u>			
Instruction	-	-	-
Pupil Support	-	-	-
Capital Outlay	<u>11,391</u>	<u>7,517</u>	<u>3,874</u>
<u>Total Expenditures</u>	<u>11,391</u>	<u>7,517</u>	<u>3,874</u>
 <u>REVENUES OVER (UNDER)</u>			
<u>EXPENDITURES</u>	(1,391)	2,483	
 <u>FUND BALANCE, July 1</u>	<u>1,391</u>	<u>1,391</u>	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>3,874</u>	

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 STUDENT ACTIVITY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS – BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>RECEIPTS</u>			
Other Local	<u>35,000</u>	<u>46,567</u>	<u>11,567</u>
<u>Total Receipts</u>	<u>35,000</u>	<u>46,567</u>	<u>11,567</u>
 <u>EXPENDITURES</u>			
Pupil Activities	<u>54,842</u>	<u>42,286</u>	<u>12,556</u>
 <u>Net Increase (Decrease) in Deposits Held</u>	 (19,842)	 4,281	
 <u>Deposits Held – Beginning of Year</u>	 <u>19,842</u>	 <u>19,842</u>	
 <u>Deposits Held – End of Year</u>	 <u>—</u>	 <u>24,123</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 1980 - DE BEQUE 49JT
 Fiscal Year 2015-16
 Colorado School District/BOCES

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	1,552,893	2,013,243	2,051,171	1,514,965
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	71,716	69,277	2,439
Sub-Total	1,552,893	2,084,959	2,120,448	1,517,404
11 Charter School Fund	0	0	0	0
20-26-29 Special Revenue Fund	1,391	10,000	7,518	3,874
21 Food Service Spec. Revenue Fund	15,545	56,610	68,702	3,453
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	450,871	1,678,098	461,161	1,667,908
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	13,331,424	1,102,785	12,228,640
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
Totals	2,000,801	17,161,092	3,760,514	15,421,273
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	19,842	46,508	42,286	24,123
79 GASB 34IP Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	19,842	46,508	42,286	24,123

FINAL

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

Colorado Department of Education
Bolded Balance Sheet Report
 District: 1980 - DE BEQUE 49JT
 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)	1,612,540	0	5,424	4,615	3,874	1,659,875	12,375,083	0	0	0	24,123	0	15,685,534	
Taxes Receivable (8121,8122)	7,000	0	0	0	0	8,100	0	0	0	0	0	0	15,100	
Grants Accounts Receivable (8142)	22,779	0	0	0	0	0	68,914	0	0	0	0	0	91,693	
Other Receivables (8151-8154,8161)	11,868	0	0	0	0	761	0	0	0	0	0	0	12,630	
Inventories (8171,8172,8173)	0	0	0	2,944	0	0	0	0	0	0	0	0	2,944	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	1,654,187	0	5,424	7,560	3,874	1,668,737	12,443,997	0	0	0	24,123	0	15,807,902	

	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													
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	6,815	0	0	0	0	0	215,357	0	0	0	0	0	222,172
Accrued Expenses (7461)	131,936	0	2,985	4,107	0	0	0	0	0	0	0	0	139,028
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	471	0	0	0	0	829	0	0	0	0	0	0	1,300
Total Liabilities	139,222	0	2,985	4,107	0	829	215,357	0	0	0	0	0	362,500

Proprietary

Governmental

Fiduciary

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	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	2,945	0	0	0	0	0	0	0	2,945	0	0	0	0	0	0	0	0	0	0	0	0	0	2,945
Restricted Fund Balance 6720	0	0	0	508	0	1,667,908	12,228,640	0	0	0	0	13,897,056	0	0	0	0	0	0	0	0	0	0	0	0	0	13,897,056
TABOR 3% Emergency Reserve 6721	72,900	0	0	0	0	0	0	0	0	0	0	72,900	0	0	0	0	0	0	0	0	0	0	0	0	0	72,900
TABOR Multi-Year 6722	108,181	0	0	0	0	0	0	0	0	0	0	108,181	0	0	0	0	0	0	0	0	0	0	0	0	0	108,181
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	2,439	0	0	0	0	0	0	0	0	2,439	0	0	0	0	0	0	0	0	0	0	0	0	0	2,439
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	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	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	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	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	3,874	0	0	0	0	0	0	3,874	0	0	0	0	0	0	0	0	0	0	24,123	0	0	27,997
Unassigned Fund Balance 6770	1,333,884	0	0	0	0	0	0	0	0	0	0	1,333,884	0	0	0	0	0	0	0	0	0	0	0	0	0	1,333,884
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	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	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	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	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,514,965	0	2,439	3,453	3,874	1,667,908	12,228,640	0	0	0	0	15,149,653	0	0	2,439	3,453	3,874	1,667,908	12,228,640	0	0	0	24,123	0	0	15,445,402

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	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
	1,654,187	0	5,424	7,560	3,874	1,668,737	12,443,997	0	0	0	24,123	15,807,902	1,654,187	0	5,424	7,560	3,874	1,668,737	12,443,997	0	0	0	24,123	0	0	15,807,902

For Each Fund Type: Do Assets=Liability+Fund Equity	Governmental										Proprietary										Fiduciary					
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes