

**DEL NORTE SCHOOL DISTRICT NO. C-7  
DEL NORTE, COLORADO  
FINANCIAL STATEMENTS**

**June 30, 2016**



**RECEIVED**

*By Justin L. Smith at 11:47 am, Jan 27, 2017*



**Wall,  
Smith,  
Bateman** Inc.

Certified Public Accountants

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
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**June 30, 2016**

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## INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Board of Education  
Del Norte School District No. C-7  
Del Norte, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Del Norte School District No. C-7 (the District), 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.

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Certified Public Accountants**

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## **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, and pension information on pages 3-11 and 37-40 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 District's basic financial statements. The combining and individual fund financial schedules and the Colorado School District Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial schedules and the Colorado School District Auditor's Integrity Report 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 schedules and the Colorado School District Auditor's Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

January 11, 2017

**Del Norte School District No. C-7  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

As management of the Del Norte School District, we offer readers of the Del Norte School District's financial statements this narrative overview and analysis of the financial activities of the Del Norte School District for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

**Financial Highlights**

- The District's financial status declined over the course of the 2016 fiscal year. Total net position decreased 60.60 percent.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$4.8 million or 81 percent of all revenues in FY2015 and \$4.7 million or 81 percent in FY2016. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for \$1.1 million or 19 percent of total revenues of \$5.9 million in FY2015 and \$1.1 million or 19 percent of \$5.8 million in FY 2016.
- The District had \$6 million in expenses related to governmental activities in FY2015 with \$1.1 million of these expenses offset by program specific charges for services, grants and contributions and \$6.1 million in expenses with \$1.1 million offset by program specific charges in FY2016. General revenues of \$4.8 million in FY2015 and \$4.7 million in FY2016 were not adequate to provide for these programs.
- The District reduced its outstanding long-term debt approximately \$36,921 or 49.35 percent.
- The District received a voter-approved mill levy override of 9.059 in November 2012.

## **Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as an agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements, and includes a comparison to the District's budget for the year.

### **District-wide Financial Statements**

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

The statement of net position presents information on all of the Del Norte School District's assets and liabilities, with the difference between the two 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 Del Norte School District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the government'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 related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Included in governmental activities are most of the District's basic services such as regular and special education, transportation, and administration.

The district-wide financial statements can be found on pages 12 and 13 of this report.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Del Norte School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are divided into two categories: governmental funds and fiduciary funds.

*Governmental Funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

Del Norte School District maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the (1) general fund, (2) debt service, (3) other governmental funds.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

### **Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 19-36 of this report.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for these funds as dictated by state law.

## District-wide Financial Analysis

Comparative information to the prior year is available for this section of the Management's Discussion and Analysis. The District will report prior year details along with current information.

Table 1 provides a summary of the District's net position at June 30, 2016 and June 30, 2015.

<b>Condensed Statement of Net Position</b>				
	<b>Governmental</b>		<b>Total</b>	
	<b>Activities</b>		<b>School District</b>	
	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2015</b>
Current and other assets	\$ 3,521,623	\$ 3,011,206	\$ 3,521,623	\$ 3,011,206
Capital assets, net	4,531,578	4,982,529	4,531,578	4,982,529
<b>Total assets</b>	<b>8,053,201</b>	<b>7,993,735</b>	<b>8,053,201</b>	<b>7,993,735</b>
<b>Deferred outflows of resources</b>	<b>1,370,058</b>	<b>703,905</b>	<b>1,370,058</b>	<b>703,905</b>
Long-term liabilities	9,606,823	8,853,348	9,606,823	8,853,348
Other liabilities	582,456	529,862	582,456	529,862
<b>Total liabilities</b>	<b>10,189,279</b>	<b>9,383,210</b>	<b>10,189,279</b>	<b>9,383,210</b>
<b>Deferred inflows of resources</b>	<b>444,093</b>	<b>67,818</b>	<b>444,093</b>	<b>67,818</b>
Net position				
Net investment in				
Capital assets	4,493,679	4,907,709	4,493,679	4,907,709
Restricted	474,213	214,198	474,213	214,198
Unrestricted (Deficit)	(6,178,005)	(5,875,295)	(6,178,005)	(5,875,295)
<b>Total net position at June 30</b>	<b>\$ (1,210,113)</b>	<b>\$ (753,388)</b>	<b>\$ (1,210,113)</b>	<b>\$ (753,388)</b>

Table 2 provides a summary of the changes in net position. Following Table 2 is a specific discussion related to overall revenues and expenses.

<b>Table 2</b>				
<b>Changes in Net Position from Operating Results</b>				
	<b>Governmental</b>		<b>Total</b>	
	<b>Activities</b>		<b>School District</b>	
	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2015</b>
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 133,672	\$ 188,445	\$ 133,672	\$ 188,445
Operating grants and contributions	941,440	702,397	941,440	702,397
Capital grants and contributions	-	222,500	-	222,500
General revenues				
Property taxes	2,230,706	2,298,137	2,230,706	2,298,137
State formula revenue	2,151,741	2,184,409	2,151,741	2,184,409
Other	314,948	305,632	314,948	305,632
<b>Total Revenues</b>	<u>5,772,507</u>	<u>5,901,520</u>	<u>5,772,507</u>	<u>5,901,520</u>
<b>Expenses</b>				
Instructional Program	3,055,200	2,747,421	3,055,200	2,747,421
Support Services:				
Students	349,051	307,308	349,051	307,308
Instructional staff	398,469	576,949	398,469	576,949
Food Services	349,656	340,017	349,656	340,017
General administration	357,776	320,560	357,776	320,560
School administration	394,427	345,933	394,427	345,933
Business	68,631	100,684	68,631	100,684
Operations and maintenance of plant	676,968	696,985	676,968	696,985
students transportation	214,329	219,193	214,329	219,193
Central	28,764	33,297	28,764	33,297
Other	189,938	252,845	189,938	252,845
Interest on Long-term Debt	2,023	17,140	2,023	17,140
<b>Total Expenses</b>	<u>6,085,232</u>	<u>5,958,332</u>	<u>6,085,232</u>	<u>5,958,332</u>
Increase (dec) in net position	<u>(312,725)</u>	<u>(56,812)</u>	<u>(312,725)</u>	<u>(56,812)</u>
Special Item	<u>(144,000)</u>	<u>-</u>	<u>(144,000)</u>	<u>-</u>
Change in net position	<u>\$ (456,725)</u>	<u>\$ (56,812)</u>	<u>\$ (456,725)</u>	<u>\$ (56,812)</u>

The District's expenses predominantly relate to instruction and support services, which includes support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Del Norte School District is a service organization providing education services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

## Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the districts received \$7,705.32 per funded pupil in FY2015 and \$7,987.82 per funded pupil in FY2016. In fiscal year 2014-2015, the funded pupil count was 494.7 and 470 in fiscal year 2015-2016. Funding for the school finance act comes from property taxes, specific ownership taxes, and state equalization. The District receives approximately 46 percent of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 3 reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2015</b>
Instructional Program	\$ 3,055,200	\$ 2,747,421	\$ 2,447,141	\$ 1,919,676
Students	349,051	307,308	181,624	280,547
Instructional Staff	398,469	576,949	398,469	576,949
Food Services	349,656	340,017	131,981	160,689
General Administration	357,776	320,560	349,588	303,641
School Administration	394,427	345,933	394,427	345,933
Business	68,631	100,684	68,631	100,684
Operations and Maintenance	676,968	696,985	657,401	682,456
Student Transportation	214,329	219,193	157,133	171,133
Central	28,764	33,297	28,764	33,297
Other Programs	189,938	252,845	189,938	252,845
Interest on Long-term Debt	2,023	17,140	2,023	17,140
<b>Total</b>	<b>\$ 6,085,232</b>	<b>\$ 5,958,332</b>	<b>\$ 5,010,120</b>	<b>\$ 4,844,990</b>

- The cost of all governmental activities this year was \$6,085,232
- Some of the cost was financed by the users of the District's programs. \$133,672 of revenues in this category include items such as athletic fees and building rental income.
- Federal and State government subsidized certain programs with grants and contributions amounting to \$941,440.
- Most of the District's costs (\$6,085,232), however, were financed by District and State taxpayers.
- This portion of governmental activities was financed with \$2,230,706 in property taxes, \$2,151,741 in state aid (equalization) based on the statewide formula for per pupil funding, and \$314,948 in investment earnings and other miscellaneous revenues not pertaining specifically to a program.

## General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In May 2016, the District revised the annual operating budget approved by the District's Board of Education in June 2015. The primary reason for the issuance of a supplemental budget was due to additional revenues received and expenditures incurred.

The actual expenditures were \$250,941 below budget in FY2015 and \$237,512 below budget in FY2016. Mainly in Instructional Staff Support Service and Operations and Maintenance of Plant Service.

The fund balance as of June 30, 2015 was \$2,166,281 compared to \$2,515,927 as of June 30, 2016, including \$160,000 for TABOR Amendment emergency reserves.

## Capital Assets

By the end of the fiscal year 2016, the District had invested \$4,531,578 in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. (See Table 4.)

	<b>Governmental Activities</b>		<b>Total</b>	
	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2015</b>
Land	\$ 194,576	\$ 379,576	\$ 194,576	\$ 379,576
Building and Site Improvements	4,083,685	4,306,031	4,083,685	4,306,031
Equipment & Vehicles	253,317	296,922	253,317	292,922
<b>Total</b>	<b>\$ 4,531,578</b>	<b>\$ 4,982,529</b>	<b>\$ 4,531,578</b>	<b>\$ 4,978,529</b>

## Long-Term Debt

At year-end, the District had approximately \$37,899 in other long-term debt outstanding, a reduction of over 49.35 percent from last year, as shown in Table 5. More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.

	<b>Total School District</b>		<b>Total Percentage Change FY 2015-2016</b>
	<b>FY 2016</b>	<b>FY 2015</b>	
Governmental Activities			
Capital Lease Payable	\$ 37,899	\$ 74,820	-49.35%
<b>Total</b>	<b>\$ 37,899</b>	<b>\$ 74,820</b>	<b>-49.35%</b>

During the 2016 fiscal year, the District continued to pay down its debt. Colorado Revised Statute 22-42-104 states that a school district shall have a limit of bonded indebtedness determined by a specified formula. The District's outstanding debt is below the statutory limit.

### **Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- Information from the FY2016-2017 student enrollment "October Count" shows that Del Norte School District has 14 more students than last year, resulting in an increase in revenue from the funded pupil count.
- Historical trends have shown a continuous decline in pupil enrollment.
- The United States and the State of Colorado have experienced slowing economic conditions in the past several years. One impact of this economic slowing is the reduction in the State of Colorado's general fund revenues, which are expected to continue to decline. Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District anticipates its revenues will be adversely impacted. If the District revenues are reduced, the District will be required to reduce its future expenditures.
- November 2012 the voters approved a mill levy override of 9.059. The revenue generated from the voter-approved mill levy override will be used to supplement revenues lost to the decrease in pupil count and the reduction in state funding.

### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent's Office, Del Norte School District, 770 11<sup>th</sup> Street, Del Norte, CO 81132.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**BASIC FINANCIAL STATEMENTS**

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**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 3,155,832
Property Tax Receivable	239,768
Accounts Receivable	2,839
Due from Other Governments	107,196
Due from County Treasurer	13,264
Inventory	2,724
<b>Capital Assets</b>	
Land	194,576
Land Improvements	243,839
Buildings and Improvements	8,853,453
Equipment	272,919
Vehicles	1,028,508
Less: Accumulated Depreciation	(6,061,717)
<b>TOTAL ASSETS</b>	<b>8,053,201</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	1,370,058
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	68,140
Accrued Salaries and Benefits	471,654
Unearned Revenue	4,763
<b>Long-term Liabilities</b>	
Due within one year:	
Capital Lease Payable	37,899
Due more than one year:	
Pension Liability	9,606,823
<b>TOTAL LIABILITIES</b>	<b>10,189,279</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	360,523
Unavailable Revenue - Property Tax	83,570
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>444,093</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	4,493,679
Restricted for	
TABOR	160,000
TABOR Multi-Year Obligation	260,000
Debt Service	54,213
Unrestricted	(6,178,005)
<b>TOTAL NET POSITION</b>	<b>\$ (1,210,113)</b>

The accompanying notes are an integral part of this financial statement.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**STATEMENT OF ACTIVITIES**  
**Fiscal Year Ended June 30, 2016**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>
		<b>Charges for Services</b>	<b>Operating Grants &amp; Contributions</b>	<b>Capital Grants &amp; Contributions</b>	<b>Revenue and Change in Net Position</b>
					<b>Primary Government</b>
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Instructional Program	\$ 3,055,200	\$ 45,374	\$ 562,685	\$ -	\$ (2,447,141)
Student Support Services	349,051	45,479	121,948	-	(181,624)
Instructional Staff Support Services	398,469	-	-	-	(398,469)
Food Service Operations	349,656	34,631	180,044	-	(134,981)
General Administration Support Services	357,776	8,188	-	-	(349,588)
School Administration Support Services	394,427	-	-	-	(394,427)
Business Support Services	68,631	-	-	-	(68,631)
Operations and Maintenance of Plant Services	676,968	-	19,567	-	(657,401)
Student Transportation Services	214,329	-	57,196	-	(157,133)
Central Support Services	28,764	-	-	-	(28,764)
Other Support Services	189,938	-	-	-	(189,938)
Interest on Long-term Debt	2,023	-	-	-	(2,023)
<b>Total Governmental Activities</b>	<b>6,085,232</b>	<b>133,672</b>	<b>941,440</b>	<b>-</b>	<b>(5,010,120)</b>
<b>Total Primary Government</b>	<b>\$ 6,085,232</b>	<b>\$ 133,672</b>	<b>\$ 941,440</b>	<b>\$ -</b>	<b>(5,010,120)</b>
<b>General Revenues</b>					
Taxes:					
					2,230,706
					290,226
					19,628
					2,151,741
					5,094
					<u>4,697,395</u>
<b>Special Item (Note 7)</b>					
					<u>(144,000)</u>
					(456,725)
					<u>(753,388)</u>
					<u>\$ (1,210,113)</u>

The accompanying notes are an integral part of this financial statement.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2016**

	<u>GENERAL FUND</u>	<u>GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,790,894	\$ -	\$ 316,519	\$ 3,107,413
Cash with Fiscal Agent	-	-	48,419	48,419
Property Tax Receivable	239,768	-	-	239,768
Accounts Receivable	1,460	-	1,379	2,839
Due from Other Governments	6,233	81,130	19,833	107,196
Due from County Treasurer	13,264	-	-	13,264
Due from Other Funds	6,694	-	2,777	9,471
Inventory	-	-	2,724	2,724
<b>TOTAL ASSETS</b>	<u>\$ 3,058,313</u>	<u>\$ 81,130</u>	<u>\$ 391,651</u>	<u>\$ 3,531,094</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 59,829	\$ 3,690	\$ 4,621	\$ 68,140
Due to Other Funds	-	9,471	-	9,471
Accrued Salaries and Benefits	398,923	64,953	7,778	471,654
Unearned Revenue	64	3,016	1,683	4,763
<b>TOTAL LIABILITIES</b>	<u>458,816</u>	<u>81,130</u>	<u>14,082</u>	<u>554,028</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue -Property Tax	83,570	-	-	83,570
<b>FUND BALANCE</b>				
Nonspendable	-	-	2,724	2,724
Restricted for				
TABOR	160,000	-	-	160,000
TABOR Multi-Year Obligation	260,000	-	-	260,000
Debt Service	-	-	54,213	54,213
Committed				
Capital Projects	-	-	206,832	206,832
Pupil Activities	-	-	70,300	70,300
Assigned				
Subsequent Year Expenditures	21,853	-	-	21,853
Other Appropriated Reserves	1,403,207	-	-	1,403,207
Food Service Operations	-	-	43,500	43,500
Unassigned	670,867	-	-	670,867
<b>TOTAL FUND BALANCE</b>	<u>2,515,927</u>	<u>-</u>	<u>377,569</u>	<u>2,893,496</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 3,058,313</u>	<u>\$ 81,130</u>	<u>\$ 391,651</u>	<u>\$ 3,531,094</u>

The accompanying notes are an integral part of this financial statement.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2016**

<b>Total governmental fund balances</b>	<b>\$ 2,893,496</b>
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	4,531,578
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds but must be deferred in the statement of net position.	1,370,058
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Capital Lease Payable	(37,899)
Net pension liabilities are not due and payable in the current period and are not reported in the funds.	(9,606,823)
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.	<u>(360,523)</u>
<b>Net position of governmental activities</b>	<b><u><u>\$ (1,210,113)</u></u></b>

The accompanying notes are an integral part of this financial statement.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES**  
**For the Year Ended June 30, 2016**

	GENERAL FUND	GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Federal Sources	\$ 62,957	\$ 297,745	\$ 172,017	\$ 532,719
State Sources	2,375,090	132,360	8,027	2,515,477
Local Sources	2,670,265	-	80,165	2,750,430
Other Sources	14,881	-	-	14,881
<b>TOTAL REVENUES</b>	<b>5,123,193</b>	<b>430,105</b>	<b>260,209</b>	<b>5,813,507</b>
<b>EXPENDITURES</b>				
Instructional Program	2,313,740	283,303	-	2,597,043
Student Support Services	104,451	107,465	115,355	327,271
Instructional Staff Support Services	340,319	26,571	-	366,890
Food Service Operations	60,090	-	263,733	323,823
General Administration Support Services	332,503	-	-	332,503
School Administration Support Services	348,379	1,808	-	350,187
Business Support Services	60,821	-	-	60,821
Operations and Maintenance of Plant Services	574,046	-	50,532	624,578
Student Transportation Services	172,364	-	-	172,364
Central Support Services	7,696	-	-	7,696
Other Support Services	158,038	10,958	-	168,996
Debt Service	-	-	38,944	38,944
<b>TOTAL EXPENDITURES</b>	<b>4,472,447</b>	<b>430,105</b>	<b>468,564</b>	<b>5,371,116</b>
Excess (deficiency) of revenues over expenditures	650,746	-	(208,355)	442,391
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	-	-	301,100	301,100
Transfers to Other Funds	(301,100)	-	-	(301,100)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(301,100)</b>	<b>-</b>	<b>301,100</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>349,646</b>	<b>-</b>	<b>92,745</b>	<b>442,391</b>
<b>FUND BALANCE, Beginning of Year</b>	<b>2,166,281</b>	<b>-</b>	<b>284,824</b>	<b>2,451,105</b>
<b>FUND BALANCE, End of Year</b>	<b>\$ 2,515,927</b>	<b>\$ -</b>	<b>\$ 377,569</b>	<b>\$ 2,893,496</b>

The accompanying notes are an integral part of this financial statement.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**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**

**Net change in fund balances - total governmental funds** \$ 442,391

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the activity in the capital assets in the current period.

Capital asset additions	15,712	
Capital asset deletions	(185,000)	
Depreciation expense	(281,663)	
	(450,951)	(450,951)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payment on capital lease		36,921
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expense.		(485,086)
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**Change in net position of governmental activities** \$ (456,725)

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**June 30, 2016**

	<u><b>PUPIL ACTIVITY AGENCY FUND</b></u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 133,258
Accounts Receivable	<u>1,008</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 134,266</u></u>
<b>LIABILITIES</b>	
Pupil Activities Deposits	<u>\$ 134,266</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 134,266</u></u>

The accompanying notes are an integral part of this financial statement.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the District reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

**REPORTING ENTITY**

***Primary Government***

Del Norte School District No. C-7 is a public school as established by Colorado State Statute. The District is declared to be a corporate body with perpetual existence and in its name may hold property, sue and be sued, and be a party to contracts for any purpose authorized by law. Members of the school board are voted on at large by the registered, qualified electors of the District. Taxes are levied upon all taxable property within the District's boundaries by the County Commissioners. The County Treasurer collects the taxes and remits them to the District. The District also receives State and Federal funds. The school board has the authority to issue bonds up to 20% of the latest assessed valuation of the taxable property in the District. The board also has authority to select the depository of school funds and acquire short-term loans.

***Component Units***

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District.

Based on the aforementioned criteria, the Del Norte School District No. C-7 has no component units.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District, except for District fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

- The **General Fund** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Governmental Designated Purpose Grants Fund** is used to record financial transactions for grants received for designated programs funded by federal, state, or local governments.

Fiduciary fund financial statements consist of the Agency Fund established to record transactions relating to assets held by the District as an agent for student organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. All interfund transfers in the Statement of Activities have been eliminated.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

***Cash and Cash Equivalents***

The District's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with maturity of three months or less.

***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer.

Uncollected property taxes that became an enforceable lien January 1, 2016 have been recorded in the financial statements as an asset and a corresponding unavailable revenue.

***Receivables/Payables From Other District Funds***

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds."

***Inventories***

Purchased inventories are stated at cost and consist of supplies and food to be used within one year. Donated inventory is priced at the U.S. Department of Agriculture established values.

***USDA Commodities***

The Food Service Fund receives donated commodities to use in meal preparation from the U.S. Department of Agriculture. The value of these commodities received during the year is shown as income, and the value of commodities used is shown as expenditure.

***Capital Assets***

Capital assets, which include land, land improvements, buildings and improvements, equipment, vehicles, and construction in progress, are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Land Improvements	20
Buildings and Improvements	7-50
Equipment	5-15
Vehicles	8

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

***Long-Term Obligations***

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

***Compensated Absences***

Employees of the District receive one day of sick leave for each month worked. At the end of each school year, an employee has the option to either accumulate unused sick leave or be paid at the rate of \$15 per day for each day over 51 days for nine months, 50 days for 10 months, 49 days for 12 months. An employee can accumulate up to 60 days of sick leave; however, benefits do not vest. Employees also receive two personal days each year. Unused personal days are purchased by the District at \$40 per day for a certified employee and \$25 per day for a support service employee. All accumulated sick and personal days are purchased by June 30 of the year accrued. Therefore, there is no liability for compensated absences at June 30, 2016.

***Unearned Grant Revenue***

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the statement of net position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that period.

Certain amounts related to pensions must be deferred.

***Pensions***

The District 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.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

***Net Position***

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

***Fund Balance***

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Education, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

***Encumbrances***

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

***Use of Estimates***

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgets and Budgetary Accounting***

Del Norte School District No. C-7 follows the procedures set forth in the Colorado School District Budget Law when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than June 1 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP) with the exception of the Food Service Fund.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of Education adopted supplemental appropriations during fiscal year 2016.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget if applicable.

***Stewardship***

During fiscal year 2016 total expenditures exceed budgeted appropriations in the Pupil Activity Fund and Debt Service Fund by \$14,755 and \$40, respectively. This may be a violation of Colorado Revised Statute 22-44-115(1).

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 3 CASH AND DEPOSITS**

A summary of Cash and Deposits for the District are as follows:

Cash Deposited with Banks	\$ 3,289,090
Less: amounts related to Agency Fund	<u>(133,258)</u>
Total cash and deposits on the Statement of Net Position	<u>\$ 3,155,832</u>

***Cash and Deposits***

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds 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.

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, \$2,840,608 of the District's bank balance of \$3,389,027 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

**NOTE 4 PROPERTY TAXES RECEIVABLE**

At June 30, 2016, the District had an estimated property tax receivable of \$239,768.

**NOTE 5 DUE FROM OTHER GOVERNMENTS**

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. As of June 30, 2016, the District had \$107,196 due from Federal, State, and Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

***Interfund Receivables/Payables***

The District reports interfund balances between many of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

Interfund receivable and payable balances at June 30, 2016, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	GDPG Fund	\$ 6,694
		<u>6,694</u>
Pupil Activity Fund	GDPG Fund	2,777
Total		<u>\$ 9,471</u>

***Interfund Transfers***

Interfund transfers for the year ended June 30, 2016, were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Pupil Activity Fund	General Fund	\$ 53,600
Food Service Fund	General Fund	100,000
Capital Reserve Capital Projects Fund	General Fund	147,500
Total		<u>\$ 301,100</u>

These transfers were made to subsidize the Pupil Activity, Food Service and Capital Reserve Capital Projects Funds.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 7 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 379,576	\$ -	\$ 185,000	\$ 194,576
Total capital assets not being depreciated	<u>379,576</u>	<u>-</u>	<u>185,000</u>	<u>194,576</u>
Capital assets being depreciated				
Land Improvements	243,839	-	-	243,839
Buildings and Improvements	8,853,453	-	-	8,853,453
Equipment	257,207	15,712	-	272,919
Vehicles	1,028,508	-	-	1,028,508
Total capital assets being depreciated	<u>10,383,007</u>	<u>15,712</u>	<u>-</u>	<u>10,398,719</u>
Less accumulated depreciation for:				
Land Improvements	205,205	7,589	-	212,794
Buildings and Improvements	4,586,056	214,757	-	4,800,813
Equipment	160,669	13,630	-	174,299
Vehicles	828,124	45,687	-	873,811
Total accumulated depreciation	<u>5,780,054</u>	<u>281,663</u>	<u>-</u>	<u>6,061,717</u>
Total capital assets being depreciated, net	<u>4,602,953</u>	<u>(265,951)</u>	<u>-</u>	<u>4,337,002</u>
<b>GOVERNMENTAL ACTIVITIES, NET</b>	<u>\$ 4,982,529</u>	<u>\$ (265,951)</u>	<u>\$ 185,000</u>	<u>\$ 4,531,578</u>

*Special Item*

During FY 2016, the District disposed of the Skaff property it received by donation in FY2014; selling one lot for \$42,000 (\$41,000 received in FY 2016 and \$1,000 received in FY 2015), and donating the remaining lots.

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

*Governmental activities:*

Instructional Program	\$ 176,372
Food Service Operations	3,179
Operations and Maintenance of Plant Services	36,086
Student Transportation Services	27,655
Central Support Services	21,068
Other Support Services	<u>17,303</u>
Total depreciation expense – governmental activities	<u>\$ 281,663</u>

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 8 ACCRUED SALARIES AND BENEFITS**

The teachers, administrators, and the administrative staff are employed under nine, ten, and eleven month contracts. All District employees are paid on a twelve-month basis; therefore, a difference exists between the actual amount of salaries earned under the contract and the amount paid. The difference between salaries earned and paid, including the District's share of benefits, has been accrued in the financial statements in the amount of \$471,654.

**NOTE 9 LONG-TERM LIABILITIES**

***Changes in Long-Term Liabilities***

Long-term liability balances for the year ended June 30, 2016, were as follows:

	Beginning Balance 6/30/2015	Additions	Deletions	Ending Balance 6/30/2016	Due Within One Year
<i>Governmental Activities</i>					
Capital Lease Payable	\$ 74,820	\$ -	\$ 36,921	\$ 37,899	\$ 37,899

***Capital Lease Payable***

The District entered into a capital lease agreement on October 15, 2014 for \$134,820 between De Lage Landen Public Finance, LLC, as lessor, and Del Norte School District (the "District"), as lessee, for the purchase of a 2015 Bluebird passenger bus. Payments are due annually with an interest rate of 2.65%. Final payment is due October 2016. The equipment is included in capital assets at a cost of 134,820 and accumulated depreciation of \$33,706 as of June 30, 2016. Principal balance at June 30, 2016 was \$37,899.

The annual debt service for the Capital Lease Payable is as follows:

	Principal	Interest	Totals
FY 2017	\$ 37,899	\$ 1,004	\$ 38,903

**NOTE 10 OPERATING LEASES**

The District is committed under an operating lease for office equipment. This lease is considered for accounting purposes as an operating lease. Lease expenses for the year totaled \$23,750.

**NOTE 11 DEFINED BENEFIT PENSION PLAN**

***General Information about the Pension Plan***

*Plan description.* Eligible employees of the District 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

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
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**June 30, 2016**

available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/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. § 24-51-602, 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.

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 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.

*Contributions.* Eligible employees and the District 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:

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	For the Year Ended December 31,	
	2016	2015
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) <sup>1</sup>	-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 <sup>1</sup>	4.50%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.00%
Total Employer Contribution Rate SCHDTF	18.13%	17.33%

<sup>1</sup>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 District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$489,989, 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 District reported a liability of \$9,606,823 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, 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 District's proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, District's proportion was 0.063 percent, which was an decrease of 0.0022 percent from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016 the District recognized pension expense of \$485,086. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 126,859	\$ 414
Net difference between projected and actual earnings on pension plan investments	822,061	-
Changes in assumptions and other inputs	-	135,761
Changes in proportion	162,831	224,348
Differences between contributions recognized and proportionate share of contributions	1,058	-
Contributions subsequent to the measurement date	257,249	-
Total	\$ 1,370,058	\$ 360,523

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

\$257,249 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, 2017. 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,	
2017	226,134
2018	197,368
2019	161,280
2020	167,504
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

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 valuation 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.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

- 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 November 15, 2013 adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
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	<u>100.00%</u>	

\* 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 be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.

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- 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.
- 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 District's 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-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability	\$ 12,453,251	\$ 9,606,823	\$ 7,239,127

*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](http://www.copera.org/investments/pera-financial-reports).

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS**

***Health Care Trust Fund***

*Plan Description* – The District 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](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The District 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 District 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 District contributions to the HCTF were \$28,171, \$27,903 and \$27,247, respectively, equal to their required contributions for each year.

**NOTE 13 DEFINED CONTRIBUTION PENSION PLAN**

***Voluntary Investment Program***

*Plan Description* - Employees of the District 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](http://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, employer contributions and investment earnings. For the years ended June 30, 2016 program members contributed \$50,122 for the Voluntary Investment Program.

**NOTE 14 JOINT VENTURES AND RELATED PARTIES**

The District participates in the following entities. These joint ventures and related parties do not meet the criteria for inclusion within the reporting entity because the following entities:

- are financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- have a separate governing board from that of the District,
- have a separate management which is responsible for day-to-day operations and is accountable to the separate governing board,

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

- have governing boards and management with the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome for disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

**San Luis Valley Board of Cooperative Services (BOCES)**

The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The Board of BOCES is selected from the elected members of the District Boards. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is approximately 7% at June 30, 2016. Complete separate financial statements may be obtained from BOCES.

**Colorado School Districts' Self-Insurance Pool**

The District belongs to the Colorado School Districts' 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, and other coverage. The Board of Directors is composed of eight persons, several of who 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 General Fund. The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2016. Complete separate financial statements may be obtained from the Colorado School Districts' Self-Insurance Pool.

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

The District participates in federal grant programs subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**NOTE 16 TABOR EMERGENCY RESERVE**

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 5, 1996 voters approved a ballot which stated that the District is authorized to collect, retain and expend all revenues including grants and other funds collected during 1996 and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided, however, that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve is accounted for as a restricted fund balance in the General Fund balance sheet and a restricted net position in the government-wide statement of net position. The entity is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE 17 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the Colorado School Districts' Self Insurance Pool. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

**NOTE 18 PUPIL ACTIVITY AGENCY FUND BUDGET AND ACTUAL**

The District is required by the Colorado School District Budget Law to budget for the District's Pupil Activity Agency Fund. In accordance with GAAP, however, there is not a statement of revenues, expenses and changes in net position for agency funds to report the budget information, because agency funds do not recognize revenues, expenses or net position in accordance with GAAP.

Therefore, the budget and actual amounts for agency funds received and disbursed for the year ended June 30, 2016 are presented below:

	Original Budget	Final Budget	Actual	Variance
Agency Fund Receipts	\$ 250,000	\$ 250,000	\$ 115,467	\$ (134,533)
Agency Fund Disbursements	(250,000)	(250,000)	(132,765)	117,235
Change in Pupil Activity Deposits	-	-	(17,298)	(17,298)
Beginning Balance	112,195	151,564	151,564	-
Ending Balance	<u>\$ 112,195</u>	<u>\$ 151,564</u>	<u>\$ 134,266</u>	<u>\$ (17,298)</u>

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## **DEL NORTE SCHOOL DISTRICT NO. C-7**

### **REQUIRED SUPPLEMENTARY INFORMATION**

A budgetary comparison schedule is required for the General Fund and, if applicable, each of the District's major special revenue funds. In addition, pension plan contributions and the District's proportionate share of the net pension liability are required to supplement the basic financial statements.

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**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**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>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Federal Sources	\$ -	\$ -	\$ 62,957	\$ 62,957
State Sources	2,190,253	2,348,332	2,375,090	26,758
Local Sources	2,749,327	2,693,847	2,670,265	(23,582)
Other Sources	15,000	15,000	14,881	(119)
<b>TOTAL REVENUES</b>	<u>4,954,580</u>	<u>5,057,179</u>	<u>5,123,193</u>	<u>66,014</u>
<b>EXPENDITURES</b>				
Instructional Program	2,323,037	2,353,164	2,313,740	39,424
Student Support Services	99,370	111,311	104,451	6,860
Instructional Staff Support Services	403,370	404,246	340,319	63,927
Food Service Operations	50,945	50,945	60,090	(9,145)
General Administration Support Services	318,609	369,692	332,503	37,189
School Administration Support Services	364,910	360,819	348,379	12,440
Business Support Services	61,687	61,687	60,821	866
Operations and Maintenance of Plant Services	685,363	621,043	574,046	46,997
Student Transportation Services	206,852	198,252	172,364	25,888
Central Support Services	76,500	32,500	7,696	24,804
Other Support Services	22,500	146,300	158,038	(11,738)
<b>TOTAL EXPENDITURES</b>	<u>4,613,143</u>	<u>4,709,959</u>	<u>4,472,447</u>	<u>237,512</u>
Excess (deficiency) of revenues over expenditures	<u>341,437</u>	<u>347,220</u>	<u>650,746</u>	<u>303,526</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Other Funds	<u>(311,100)</u>	<u>(301,100)</u>	<u>(301,100)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(311,100)</u>	<u>(301,100)</u>	<u>(301,100)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	30,337	46,120	349,646	303,526
<b>FUND BALANCE, Beginning of Year</b>	<u>1,964,652</u>	<u>2,166,281</u>	<u>2,166,281</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 1,994,989</u>	<u>\$ 2,212,401</u>	<u>\$ 2,515,927</u>	<u>\$ 303,526</u>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND**  
**For the Year Ended June 30, 2016**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Federal Sources	\$ 475,773	\$ 359,611	\$ 297,745	\$ (61,866)
State Sources	82,500	134,376	132,360	(2,016)
<b>TOTAL REVENUES</b>	<b>558,273</b>	<b>493,987</b>	<b>430,105</b>	<b>(63,882)</b>
<b>EXPENDITURES</b>				
Instructional Program	278,703	303,585	283,303	20,282
Student Support Services	86,000	113,067	107,465	5,602
Instructional Staff Support Services	56,066	54,784	26,571	28,213
School Administration Support Services	8,260	5,786	1,808	3,978
Other Support Services	129,244	16,765	10,958	5,807
<b>TOTAL EXPENDITURES</b>	<b>558,273</b>	<b>493,987</b>	<b>430,105</b>	<b>63,882</b>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, Beginning of Year</b>	-	-	-	-
<b>FUND BALANCE, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	2016	2015	2014
District's proportion of the net pension liability	0.0628131197%	0.0650425406%	0.0622640348%
District's proportionate share of the net pension liability (asset)	\$ 9,606,823	\$ 8,815,449	\$ 7,941,761
District's covered-employee payroll	\$ 2,761,902	\$ 2,735,625	\$ 2,671,267
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	348%	322%	297%
Plan fiduciary net position as a percentage of the total pension liability	59.2%	62.8%	64.1%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

\*\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

**Notes to Required Supplementary Information:**

See Note 11 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 489,989	\$ 462,013	\$ 427,298	\$ 367,384	\$ 391,661	\$ 409,930
Contributions in relation to the contractually required contribution	<u>(489,989)</u>	<u>(462,013)</u>	<u>(427,298)</u>	<u>(367,384)</u>	<u>(391,661)</u>	<u>(409,930)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,761,902	2,735,625	2,671,267	2,435,998	2,762,825	2,980,990
Contributions as a percentage of covered-employee payroll	17.74%	16.89%	16.00%	15.08%	14.18%	13.75%

\*\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years which information is available.

**Notes to Required Supplementary Information:**

See Note 11 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used.

## **DEL NORTE SCHOOL DISTRICT NO. C-7**

### **SUPPLEMENTARY INFORMATION**

The combining and individual fund financial schedules represent the second level of financial reporting for the District. These schedules present more detailed information for the individual funds in a format that segregates information by fund type.

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**DEL NORTE SCHOOL DISTRICT NO. C-7  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Pupil Activity Fund** – Used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. These activities are supported in whole or in part by revenues from pupils, gate receipts, and other fundraising activities.

**Food Service Fund** - Used to account for the District's food service program. Revenues are derived from District contributions and student and adult charges.

**CAPITAL PROJECTS FUND**

**Capital Reserve Capital Projects Fund** – Used to account for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles.

**DEBT SERVICE FUND**

**Debt Service Fund** – Used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved lease-purchase debt.

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2016**

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL RESERVE</u>	<u>DEBT SERVICE</u>	<u>TOTAL NONMAJOR FUNDS</u>
	<u>PUPIL ACTIVITY FUND</u>	<u>FOOD SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 67,523	\$ 36,370	\$ 206,832	\$ 5,794	\$ 316,519
Cash with Fiscal Agent	-	-	-	48,419	48,419
Accounts Receivable	-	1,379	-	-	1,379
Due from Other Governments	-	19,833	-	-	19,833
Due from Other Funds	2,777	-	-	-	2,777
Inventory	-	2,724	-	-	2,724
<b>TOTAL ASSETS</b>	<u>\$ 70,300</u>	<u>\$ 60,306</u>	<u>\$ 206,832</u>	<u>\$ 54,213</u>	<u>\$ 391,651</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 4,621	\$ -	\$ -	\$ 4,621
Accrued Salaries and Benefits	-	7,778	-	-	7,778
Unearned Revenue	-	1,683	-	-	1,683
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>14,082</u>	<u>-</u>	<u>-</u>	<u>14,082</u>
<b>FUND BALANCE</b>					
Nonspendable	-	2,724	-	-	2,724
Restricted					
Debt Service	-	-	-	54,213	54,213
Committed					
Capital Projects	-	-	206,832	-	206,832
Pupil Activities	70,300	-	-	-	70,300
Assigned					
Food Service Operations	-	43,500	-	-	43,500
<b>TOTAL FUND BALANCE</b>	<u>70,300</u>	<u>46,224</u>	<u>206,832</u>	<u>54,213</u>	<u>377,569</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 70,300</u>	<u>\$ 60,306</u>	<u>\$ 206,832</u>	<u>\$ 54,213</u>	<u>\$ 391,651</u>

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2016**

	<b>SPECIAL REVENUE FUNDS</b>		<b>CAPITAL RESERVE</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>
	<b>PUPIL ACTIVITY FUND</b>	<b>FOOD SERVICE FUND</b>	<b>CAPITAL PROJECTS FUND</b>		
<b>REVENUES</b>					
Federal Sources	\$ -	\$ 172,017	\$ -	\$ -	\$ 172,017
State Sources	-	8,027	-	-	8,027
Local Sources	45,479	34,631	-	55	80,165
<b>TOTAL REVENUES</b>	<u>45,479</u>	<u>214,675</u>	<u>-</u>	<u>55</u>	<u>260,209</u>
<b>EXPENDITURES</b>					
Student Support Services	115,355	-	-	-	115,355
Food Service Operations	-	263,733	-	-	263,733
Operations and Maintenance of Plant Services	-	-	50,532	-	50,532
Debt Service	-	-	38,904	40	38,944
<b>TOTAL EXPENDITURES</b>	<u>115,355</u>	<u>263,733</u>	<u>89,436</u>	<u>40</u>	<u>468,564</u>
Excess (deficiency) of revenues over expenditures	<u>(69,876)</u>	<u>(49,058)</u>	<u>(89,436)</u>	<u>15</u>	<u>(208,355)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from General Fund	53,600	100,000	147,500	-	301,100
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>53,600</u>	<u>100,000</u>	<u>147,500</u>	<u>-</u>	<u>301,100</u>
NET CHANGE IN FUND BALANCE	(16,276)	50,942	58,064	15	92,745
<b>FUND BALANCE, Beginning of Year</b>	<u>86,576</u>	<u>(4,718)</u>	<u>148,768</u>	<u>54,198</u>	<u>284,824</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 70,300</u>	<u>\$ 46,224</u>	<u>\$ 206,832</u>	<u>\$ 54,213</u>	<u>\$ 377,569</u>

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PUPIL ACTIVITY FUND**  
**For the Year Ended June 30, 2016**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Local Sources				
Pupil Activities	\$ 57,600	\$ 57,600	\$ 45,479	\$ (12,121)
<b>TOTAL REVENUES</b>	<u>57,600</u>	<u>57,600</u>	<u>45,479</u>	<u>(12,121)</u>
<b>EXPENDITURES</b>				
Student Support Services				
Pupil Activities	100,600	100,600	115,355	(14,755)
<b>TOTAL EXPENDITURES</b>	<u>100,600</u>	<u>100,600</u>	<u>115,355</u>	<u>(14,755)</u>
Excess (deficiency) of revenues over expenditures	<u>(43,000)</u>	<u>(43,000)</u>	<u>(69,876)</u>	<u>(26,876)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General Fund	53,600	53,600	53,600	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>53,600</u>	<u>53,600</u>	<u>53,600</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	10,600	10,600	(16,276)	(26,876)
<b>FUND BALANCE, Beginning of Year</b>	<u>156,986</u>	<u>86,576</u>	<u>86,576</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 167,586</u>	<u>\$ 97,176</u>	<u>\$ 70,300</u>	<u>\$ (26,876)</u>

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP)**  
**FOOD SERVICE FUND**  
**For the Year Ended June 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Federal Sources	\$ 139,000	\$ 164,000	\$ 163,438	\$ (562)
State Sources	4,200	4,200	8,027	3,827
Local Sources	30,400	30,400	34,631	4,231
<b>TOTAL REVENUES</b>	<u>173,600</u>	<u>198,600</u>	<u>206,096</u>	<u>7,496</u>
<b>EXPENDITURES</b>				
Food Service Operations				
Salaries	101,175	89,880	89,507	373
Fringe Benefits	33,025	33,025	27,818	5,207
Food	93,000	93,000	108,783	(15,783)
Milk	26,000	26,000	22,193	3,807
Supplies	11,100	11,100	7,417	3,683
Miscellaneous	2,700	2,700	1,004	1,696
Capital Outlay	6,000	6,000	-	6,000
<b>TOTAL EXPENDITURES</b>	<u>273,000</u>	<u>261,705</u>	<u>256,722</u>	<u>4,983</u>
Excess (deficiency) of revenues over expenditures	<u>(99,400)</u>	<u>(63,105)</u>	<u>(50,626)</u>	<u>12,479</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General Fund	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE - BUDGET BASIS</b>	600	36,895	49,374	12,479
<b>Non-Budgeted Revenues and Expenditures</b>				
USDA Commodities Received			8,579	
USDA Commodities Expended			<u>(7,011)</u>	
<b>Total Non-Budgeted Activity</b>			1,568	
<b>CHANGE IN FUND BALANCE - GAAP BASIS</b>	600	36,895	50,942	14,047
<b>FUND BALANCE, Beginning of Year</b>	<u>9,807</u>	<u>(4,718)</u>	<u>(4,718)</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 10,407</u>	<u>\$ 32,177</u>	<u>\$ 46,224</u>	<u>\$ 14,047</u>

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL RESERVE CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Local Sources	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
Operations and Maintenance of Plant Services				
Equipment	86,500	55,660	50,532	5,128
Debt Service	41,000	41,000	38,904	2,096
<b>TOTAL EXPENDITURES</b>	127,500	96,660	89,436	7,224
Excess (deficiency) of revenues over expenditures	(127,500)	(96,660)	(89,436)	7,224
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	157,500	147,500	147,500	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	157,500	147,500	147,500	-
NET CHANGE IN FUND BALANCE	30,000	50,840	58,064	7,224
<b>FUND BALANCE, Beginning of Year</b>	151,337	148,768	148,768	-
<b>FUND BALANCE, End of Year</b>	<u>\$ 181,337</u>	<u>\$ 199,608</u>	<u>\$ 206,832</u>	<u>\$ 7,224</u>

**DEL NORTE SCHOOL DISTRICT NO. C-7**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended June 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Local Sources				
Property Taxes	\$ -	\$ 500	\$ -	\$ (500)
Interest on Property Tax	-	500	55	(445)
	<u>-</u>	<u>1,000</u>	<u>55</u>	<u>(945)</u>
Total Local Sources	-	1,000	55	(945)
<b>TOTAL REVENUES</b>	<u>-</u>	<u>1,000</u>	<u>55</u>	<u>(945)</u>
<b>EXPENDITURES</b>				
Debt Service				
Other	-	-	40	(40)
	<u>-</u>	<u>-</u>	<u>40</u>	<u>(40)</u>
Total Debt Service	-	-	40	(40)
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>40</u>	<u>(40)</u>
NET CHANGE IN FUND BALANCE	-	1,000	15	(985)
<b>FUND BALANCE, Beginning of Year</b>	<u>787,167</u>	<u>54,198</u>	<u>54,198</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 787,167</u>	<u>\$ 55,198</u>	<u>\$ 54,213</u>	<u>\$ (985)</u>

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**DEL NORTE SCHOOL DISTRICT NO. C-7**

**CDE COMPLIANCE SECTION**

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Wall,  
Smith,  
Bateman Inc.

To the Board of Education  
Del Norte School District No. C-7  
Del Norte, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Del Norte School District No. C-7 (the District), as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 11, 2017.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the Colorado Department of Education Financial Policies and Procedures Manual insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Board of Education and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

January 11, 2017

**Certified Public Accountants**

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | [www.wsbcpa.com](http://www.wsbcpa.com)

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**Colorado Department of Education**  
**Auditors Integrity Report**  
 District 2730 - DEL NORTE C-7  
 Fiscal Year 2015-16  
 Colorado School District 780CES

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

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000-5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>						
10 General Fund	2,166,280		4,532,197	4,182,549		2,515,928
18 Risk Mgmt Sub-Fund of General Fund	0		120,825	120,825		0
19 Colorado Preschool Program Fund	0		169,072	169,072		0
Sub- Total	2,166,280		4,822,094	4,472,447		2,515,928
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
21 Food Service Spec. Revenue Fund	-4,717		314,675	263,734		46,224
22 Govt Designated-Purpose Grants Fund	0		430,103	430,103		0
23 Pupil Activity Special Revenue Fund	86,575		99,080	115,355		70,299
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	54,198		55	40		54,213
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	0		0	0		0
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	148,768		147,500	89,436		206,832
<b>Totals</b>	<b>2,451,105</b>		<b>5,813,507</b>	<b>5,371,115</b>		<b>2,893,497</b>
<b>Proprietary</b>						
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
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	151,565		115,467	132,765		134,266
79 GASB 34 Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>151,565</b>		<b>115,467</b>	<b>132,765</b>		<b>134,266</b>
<b>FINAL</b>						<b>134,266</b>

\*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.