



Delta County Joint School District No. 50J

FINANCIAL STATEMENTS AND REPORTS OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2016



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STATE SECTION

COLORADO DEPARTMENT OF EDUCATION – AUDITOR’S INTEGRITY REPORT



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

November 4, 2016

The Board of Education
Delta County Joint School District No. 50J
Delta, Colorado

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Delta County Joint School District No. 50J as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Vision Charter Academy were not audited in accordance with *Government Auditing Standards*.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Delta County Joint School District No. 50J as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Board of Education
November 4, 2016

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress, the schedule of activity – net pension liability, and the schedule of activity – employer pension contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 Delta County Joint School District No. 50J's basic financial statements. The combining and individual fund financial statements and schedules and the Auditor's Integrity Report required by the Colorado Department of Education are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules; the Auditor's Integrity Report; and the schedule of expenditures of federal awards 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, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2016 on our consideration of Delta County Joint School District No. 50J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta County Joint School District No. 50J's internal control over financial reporting and compliance.

Chadwick, Steinkirchner, Davis & Co., P.C.

**DELTA COUNTY JOINT SCHOOL DISTRICT NO. 50-J
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2016**

Management's Discussion and Analysis

The Delta County Joint School District No. 50-J is located in western Colorado and encompasses approximately 1800 square miles in Delta, Gunnison, Mesa, and Montrose counties. The District serves the communities of Delta, Crawford, Cedaredge, Hotchkiss and Paonia as well as surrounding rural areas. Over 4,800 students are served district-wide including the Technical College.

This discussion and analysis provides an overall view of the District's financial activities for the fiscal year 2015-2016. The intent of this analysis is to look at the District's financial performance as a whole. Complete understanding of the fiscal performance of the District may require reading of the basic financial statements for the District.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2016 are as follows:

- In total, the ending net position increased \$3.536 million from the previous year on a Government Wide basis. The District's share of net pension liability (PERA) is \$(73.2) million.
- At the end of the current fiscal year, the fund balance for the General Fund was \$10,259,577. The General Fund has recorded a liability of \$3.7 million for salaries and benefits of school personnel who work nine months of the year and are paid over twelve months. Colorado State law does not require the liability to be funded or budgeted until the year in which it is to be paid. At the direction of the Board of Education in the past, the District continues to budget and fund this liability.
- The District's long-term debt decreased by \$2,681,754. Nearly \$2 million of the decrease was due to paying down of debt. Retiree longevity obligations decreased by \$215,250. There are compensated absences obligations of \$581,790.
- Enrollment has continued to decline due to a stagnant local economy. The decline in enrollment was offset in the 15-16 school year by an increase in state funding. As a result, overall funding remains flat.
- General revenues accounted for \$35.577 million or 75% of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, general interest and other revenues not related to specific programs. Program specific revenues accounted for \$11.93 million or 25% of the District's total revenues of \$47.503 million.
- The District had \$43.97 million in expenses, of which \$11.9 million were offset by program specific revenues for charges for services and sales, grants and contributions.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Delta County Joint School District as a financial whole, or as an entire operating entity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds with all other non-major funds presented in total in a single column. For the Delta County Joint School District No. 50J, the General Fund is the most significant fund. The remaining statements provide financial information about the activities for which the District acts solely as a trustee or agent for the benefit of those outside the reporting entity.

Reporting the District as a Whole

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all the financial transactions and asks the question, "How did we do financially during the 2015-2016 fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting system used by most private sector companies. The accrual basis of accounting takes into account all the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be a result of many factors, some financial, some not. Non-financial factors include enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the District was divided into two distinct kinds of activities.

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the District's programs and services were reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities, as well as student aid programs from the Technical College. All activity is now reported here.

Business-Type Activity – The Food Service fund used to be classified as a business-type or Enterprise fund. This fund was re-categorized as a special revenue fund at the direction of the Colorado Department of Education.

The government-wide financial statements include not only the District, but also a legally separate charter school, Vision Charter Academy, for which the District is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the District itself.

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the District's most significant funds. The District's major governmental funds include the General Fund, Delta-Montrose Technical College, and the Bond Redemption Fund. Other governmental funds that are aggregated on the governmental fund financial statements include the Grants Fund, the Food Service Fund, the Student Activities Fund, and the Capital Reserve Fund. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The District's fund financial statements are divided into two broad categories: namely (1) governmental funds and (2) fiduciary funds.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accrual method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements.

Fiduciary Funds

The District is a trustee, or fiduciary, for the Private Purpose Scholarship Trust Fund and one agency fund, the student activity fund. All of the fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the governmental funds because the District cannot use these funds to finance its operations. The District is responsible for ensuring that these funds are used for their intended purposes.

Summary of the District's net position for the fiscal year 2016 compared to 2015 (in thousands).

	<u>Statement of Net Position</u>	
	<u>Governmental Activities</u>	
<u>Assets</u>	<u>FY 2015</u>	<u>FY 2016</u>
Current & Other Assets	\$ 20,723	\$ 22,890
Capital Assets, Net	<u>51,184</u>	<u>50,675</u>
Total Assets	71,907	73,565
<u>Deferred Outflows</u>		
Pensions	3,369	9,216
Loss on debt refunding	<u>663</u>	<u>551</u>
Total Deferred Outflows	4,032	9,767

	<u>FY 2015</u>	<u>FY 2016</u>
<u>Liabilities</u>		
Current	9,833	9,743
Long-term	<u>85,298</u>	<u>87,331</u>
Total Liabilities	95,131	97,074
<u>Deferred Inflows</u>		
Pensions	4,696	6,609
<u>Net Position</u>		
Net Investment in		
Capital Assets	32,800	34,759
Restricted	3,915	4,108
Unrestricted	<u>(60,603)</u>	<u>(59,218)</u>
Total Net Position	<u>\$ (23,888)</u>	<u>\$ (20,351)</u>

Statement of Activities

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the fiscal year 2015 and 2016 (in thousands).

	<u>Governmental Activities</u>	
	<u>FY 15</u>	<u>FY 16</u>
<u>Revenues:</u>		
Program Revenues:		
Charges for Services and Sales	\$ 4,421	\$ 4,201
Operating Grants and Contributions	7,245	7,479
Capital Grants and Contributions	<u>457</u>	<u>246</u>
Total Program Revenue	12,123	11,926
General Revenues:		
Property & Ownership Tax	12,150	12,414
State Equalization	21,106*	22,401*
Fed. Mineral/Forest Leasing	177	53
Premiums in excess of claims	692	691
Investment Earnings	4	18
Gain on Sale of Assets	41	0
Other General Revenues	<u>4</u>	<u>0</u>
Total General Revenue	<u>34,174</u>	<u>35,577</u>
Total Revenue	<u>46,297</u>	<u>47,503</u>

The component unit had equalization revenues of \$3,125,481 in FY15 and and \$2,811,015 in FY 16.

	<u>Governmental Activities</u>	
	<u>FY15</u>	<u>FY 16</u>
Program Expenses:		
Instruction	26,019	25,961
Support Services:		
Student Based	1,181	1,212
Instructional Staff	1,638	1,691
General Administration	1,232	1,267
School Administration	2,183	2,320
Business Services	945	1,003
Operations & Maintenance	3,955	3,268
Pupil Transportation	1,482	1,383
Central Support Services	668	1,491
Food Service	1,729	1,740
Student Aid	102	26
Interest and Fiscal Charges	576	487
Unallocated Depreciation	<u>2,211</u>	<u>2,118</u>
Total Expenses	<u>43,921</u>	<u>43,967</u>
Change in net position	2,376	3,536
Net position, beginning	42,511	(23,888)
Change in accounting principle	<u>(68,775)</u>	<u>—</u>
Restated net position beginning	<u>(26,264)</u>	<u>(23,888)</u>
Net position, ending	<u>\$ (23,888)</u>	<u>\$ (20,352)</u>

Governmental Activities

The statement of activities reflects the cost of program services and the charges for service, grants and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>FY 15</u>	<u>FY 16</u>	<u>FY 15</u>	<u>FY 16</u>
<i>(In Thousands)</i>				
Instruction	\$ 26,019	\$ 25,961	\$ 20,726	\$ 20,197
Support Services				
Student Based	1,181	1,212	(1,450)	(780)
Instructional Staff	1,638	1,691	1,098	1,063
General Administration	1,232	1,267	605	755
School Administration	2,183	2,320	2,183	2,320
Business Support Services	945	1,003	856	899
Operations & Maintenance	3,955	3,268	3,538	2,984
Pupil Transportation	1,482	1,383	1,130	965
Central Support Services	668	1,491	668	1,491
Student Aid	102	26	(417)	(420)
Interest and Fiscal Charges	576	487	576	487
Unallocated Depreciation	2,211	2,118	2,211	2,118
Food Services	1,729	1,740	75	(39)
Total Expenses	<u>\$ 43,921</u>	<u>\$ 43,967</u>	<u>\$ 31,799</u>	<u>\$ 32,040</u>

The dependence on state revenues for general fund activities is growing. In 2016, approximately 62% of General Fund revenue was from state funding sources. In 2015 the amount of state support was 57%. This increasing dependency on the state is a cause for concern if state revenues decline and the negative factor is increased.

The District's Funds

The funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$47,661,845. Total governmental funds had expenditures and other financing uses of \$45,367,312. This resulted in a net increase in fund balances for the year of \$2,294,533.

The General Fund had an overall increase in fund balance of \$772,872.

The Delta-Montrose Technical College (DMTC) financial position increased in 2016. The fund balance increased by \$124,884. This increase is mostly due to increased enrollment at the College. This may be due to laid off workers seeking additional skills to increase their employability.

The balance of the aggregated 'Non-major Governmental Funds' had an overall increase in fund balance of \$1,322,130. This is the result of summer capital projects not being completed before the end of the fiscal year. The Debt Service Fund had an overall increase in fund balance of \$74,647 resulting from the difference between the fiscal year debt service requirements and the calendar year property tax collections.

General Fund Budgeting Highlights

The District's procedure in establishing the budgetary data reflected in the financial statement is summarized in *Note A (4)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The District uses a line-item based budget. The budgeting systems are designed to control line-item expenditures, but provide flexibility for overall budgetary management.

For the General Fund, final budgeted revenues and other financing sources were \$36,857,847. Actual General Fund revenues and other financing sources came in above budget by \$1,330,919. The actual revenues received were higher the anticipated revenues during the budgeting process. This was the result of some unanticipated grants and a smaller than anticipated enrollment decline.

Actual expenditures and other financing uses of \$37,415,894 were (\$56,508) higher than anticipated, but were not over budget because of appropriated reserves. Transfers out were (\$1,350,000) higher than budgeted. Instructional services expenditures were \$940,738 lower than budgeted; Supporting Services were \$28,295 less than budgeted. Business Services were \$314,415 lower than budgeted. Central Support Services were \$10,151 lower than budgeted.

The Board of Education and management continue to strive to budget appropriate amounts for each individual line item. The overall goal is to provide services in the most economical and efficient manner.

Capital Assets and Debt

Capital Assets

At June 30, 2016, the District had \$50.674 million in capital assets (net of accumulated depreciation), including land, buildings, fixtures, and vehicles. The following reflects the balances of fiscal year 2016 compared to fiscal year 2015.

	Capital Assets at Fiscal Year End Net of Depreciation	
	FY 15	FY 16
Land	\$ 593,306	\$ 593,306
Buildings and Improvements	49,300,833	48,152,826
Work in Progress	166,128	365,114
Food Service	92,866	70,261
Furniture, Equipment and Vehicles	<u>1,030,754</u>	<u>1,493,293</u>
Totals	<u>\$ 51,183,887</u>	<u>\$50,674,800</u>

Debt

On June 30, 2016 the District had \$13,626,759 million in outstanding General Obligation refunding bonds for the capital construction projects for the District's 5 communities. The bonds are being paid from a mill levy in the Debt Service Fund.

The outstanding balance for the 2011 Certificates of Participation on June 30, 2016 was \$718,097. This loan is to be paid off out of Capital Reserve Funds on July 10, 2016. The District also has a Certificate of Participation loan as the matching portion of a BEST grant to build a new Cedaredge Elementary with a balance due of \$2,047,011.

The District also has long-term liabilities for compensated absences in the amount of \$581,790, for early retirement payments of \$395,114 and for post-employment benefit obligations of \$962,464.

Current Issues, Economic Conditions and Outlook

A strong economy on the Front Range of Colorado has resulted in increased state revenues. Because of this the state legislature has been able to increase funding for Education for several years. School finance accounts for 45% of the State's General Fund. State funding accounts for 62% of the District's general fund budget. This is up from the prior year because of a decline in assessed valuation in the District.

The local economy continues to try to cope with the collapse of the coal industry. Layoffs and shut downs at the mines continued and spread to other support industries. Many families have been forced to leave in search of work elsewhere. Thus, much of the state funding increase has been offset by a continued enrollment decline in the district.

During the 14/15 school year the District implemented Class Size Guidelines were to help address the impacts of declining enrollment. These guidelines are still being followed in the current budget year.

A budget advisory committee has been utilized for the last three years. This committee makes recommendations to the school board. Many are implemented in the budget. The FY 2017 recommendations included pay increases for all staff, implementation of a behavior management program called Capturing Kids Hearts, and curriculum support for Middle School Language Arts.

Declining enrollment, flat state funding and increased costs represent the major fiscal challenges for the District. These challenges must be dealt with so that we may continue to recruit and retain quality employees in order to deliver a quality education to the students of the District.

The District developed a Strategic Plan during the Summer of 2016. Community meetings will be held in the Fall of 2016 concerning the implementation of this plan as well as to explore educational options for our communities.

Contacting the District

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finance and to show the District's accountability for the money it receives. You may visit the District's website for other financial information. The website is: Deltaschools.com

If you have any questions regarding this report or need additional financial information, please contact the:

Delta County Joint School District No. 50J

7655 2075 Rd
Delta, CO 81416
Tel: 970-874-4438
Fax: 970-874-5744

The **Delta-Montrose Technical College**, a component unit of the Delta County Joint School District No. 50J, also issues a public annual financial statement and all the required supplemental information. That report may be obtained by writing to the address listed above.

The **Vision Charter Academy** is a charter school within the District boundaries. Some of their financial data is listed as a component part of the District in the audit. Their audit may be viewed on their website at: Visioncharteracademy.org

The contact information is:

Vision Charter Academy
1080 Pioneer Road
Delta, CO 81416
Tel: 970-874-8226
Fax: 970-874-8336

Delta County Joint School District No. 50J

STATEMENT OF NET POSITION

June 30, 2016

	Governmental Activities	Discretely Presented Component Unit
ASSETS		
Cash and investments	\$ 15,055,513	\$ 509,326
Restricted cash and investments	5,537,279	-
Receivables		
Taxes	907,878	-
Grants	641,202	-
Other receivables	230,952	10,024
Inventories	408,895	-
Prepaid expense	108,483	-
Capital assets (net of accumulated depreciation):	50,674,800	-
Total assets	<u>73,565,002</u>	<u>519,350</u>
DEFERRED OUTFLOWS		
Pension related deferred outflows	9,215,981	738,282
Deferred loss on debt refunding	550,735	-
Total deferred outflows	<u>9,766,716</u>	<u>738,282</u>
LIABILITIES		
Accounts payable	500,290	33,107
Accrued salaries and benefits	3,898,379	75,525
Claims payable	566,882	-
Other liabilities	47,668	-
Unearned revenue	479,468	13,541
Noncurrent liabilities:		
Due within one year:		
Bonds	1,612,200	-
Certificates of participation and capital leases	862,551	-
Longevity payable	232,291	-
Compensated absences	581,790	-
Post employment benefit obligations	962,464	-
Due in more than one year:		
Bonds	12,014,559	-
Certificates of participation and capital leases	1,976,986	-
Longevity payable	162,823	-
Net pension liability	73,175,613	4,839,793
Total liabilities	<u>97,073,964</u>	<u>4,961,966</u>
DEFERRED INFLOW OF RESOURCES		
Pension related deferred inflows	6,609,304	68,593
Total deferred inflows of resources	<u>6,609,304</u>	<u>68,593</u>
NET POSITION		
Net investment in capital assets	34,759,239	-
Restricted for emergencies	1,218,853	86,521
Restricted for debt service	2,781,585	-
Restricted for backpack program	107,034	-
Unrestricted	(59,218,261)	(3,859,448)
Total net position	<u>\$ (20,351,550)</u>	<u>\$ (3,772,927)</u>

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

STATEMENT OF ACTIVITIES

Year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Primary Governmental Activities	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary government:						
Governmental activities:						
Instructional services	\$ 25,961,088	\$ 1,635,724	\$ 3,992,163	\$ 135,788	\$ (20,197,413)	
Support services:						
Student based	1,212,098	1,342,465	649,281	-	779,648	
Instructional staff services	1,690,988	-	628,079	-	(1,062,909)	
General administration	1,266,998	512,457	-	-	(754,541)	
School administration	2,319,825	-	-	-	(2,319,825)	
Business services:						
Business services	1,003,209	104,487	-	-	(898,722)	
Operations and maintenance	3,267,758	172,610	-	110,739	(2,984,409)	
Pupil transportation	1,382,430	72,004	345,320	-	(965,106)	
Central services	1,491,363	-	-	-	(1,491,363)	
Food services	1,740,108	361,627	1,417,579	-	39,098	
Student aid programs	26,200	-	446,615	-	420,415	
Interest on long-term debt	487,154	-	-	-	(487,154)	
Depreciation - unallocated	2,118,003	-	-	-	(2,118,003)	
Total primary government	\$ 43,967,223	\$ 4,201,374	\$ 7,479,037	\$ 246,527	(32,040,285)	
Component unit	\$ 3,155,598	\$ 11,511	\$ 26,903	\$ 37,730		\$ (3,079,454)
General revenues:						
Property taxes					10,993,885	-
State equalization					22,401,302	2,811,015
Specific ownership taxes					1,419,531	-
Investment earnings					17,838	106
Federal mineral and forest leasing					53,166	-
Premiums in excess of claims					690,863	-
				Total general revenues	35,576,585	2,811,121
Change in net position					3,536,300	(268,333)
Net position - beginning					(23,887,850)	(3,504,594)
Net position - ending					\$ (20,351,550)	\$ (3,772,927)

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2016

	General Fund	Technical College	Bond Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 11,558,266	\$ 657,448	\$ 2,740,187	\$ 2,839,799	\$ 17,795,700
Restricted cash and investments	2,797,092	-	-	-	2,797,092
Receivables:					
Taxes	751,185	-	156,693	-	907,878
Grants	350,947	187,921	-	102,334	641,202
Due from other funds	68,729	-	-	-	68,729
Other receivables	192,220	21,844	-	16,888	230,952
Inventory	131,483	133,309	-	144,103	408,895
Prepaid expense	108,483	-	-	-	108,483
Total assets	\$ 15,958,405	\$ 1,000,522	\$ 2,896,880	\$ 3,103,124	\$ 22,958,931
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 407,926	\$ 35,142	\$ -	\$ 57,222	\$ 500,290
Accrued salaries and benefits	3,701,613	20,039	-	176,727	3,898,379
Due to other funds	-	-	-	68,729	68,729
Claims payable	566,882	-	-	-	566,882
Unearned revenue	460,888	18,580	-	-	479,468
Total liabilities	5,137,309	73,761	-	302,678	5,513,748
Deferred inflow of resources					
Unavailable property tax	561,519	-	115,295	-	676,814
Total deferred inflows	561,519	-	115,295	-	676,814
Fund balances					
Nonspendable:					
Inventories and prepaid expenses	239,966	133,309	-	144,103	517,378
Restricted for:					
TABOR emergency reserve	1,158,728	60,125	-	-	1,218,853
Preschool	232,969	-	-	-	232,969
Debt service	-	-	2,781,585	-	2,781,585
Backpack program	107,034	-	-	-	107,034
Committed for:					
DMS remodel	3,500,000	-	-	-	3,500,000
Assigned to:					
Employee health claims payable	2,226,090	-	-	-	2,226,090
Food service	-	-	-	169,258	169,258
Student activities	-	-	-	450,596	450,596
Capital projects	-	-	-	2,036,489	2,036,489
DAAL	23,170	-	-	-	23,170
Technical College operations	-	733,327	-	-	733,327
Unassigned	2,771,620	-	-	-	2,771,620
Total fund balances	10,259,577	926,761	2,781,585	2,800,446	16,768,369
Total liabilities, deferred inflows, and fund balances	\$ 15,958,405	\$ 1,000,522	\$ 2,896,880	\$ 3,103,124	\$ 22,958,931

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

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

June 30, 2016

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

Total fund balances - governmental funds	\$	16,768,369
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$95,444,126 and the accumulated depreciation is \$44,769,326.		50,674,800
Revenue related to property taxes receivable in the funds is only presented for "available" amounts as defined in the footnotes. The remainder is a deferred inflow in the funds. All of the revenue related to the property tax receivable is recognized in the statement of activities. This the amount of the difference between the two treatments.		676,814
Bond discounts, premiums, and losses on refunding are reported as other financing items in governmental funds; however, they are recorded as assets, liabilities, or deferred outflows in the statement of net position and amortized over the life of the bonds to which they are related.		
Bond premiums	(1,080,615)	
Less accumulated accretion	<u>558,856</u>	(521,759)
Loss on refunding		550,735
Accrued interest is not due and payable in the current year, and therefore, is not reported in governmental funds.		(47,668)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in governmental funds.		
Compensated absences payable	(581,790)	
Early retirement payable	(395,114)	
Post employment benefit obligations	(962,464)	
Bonds payable	(13,105,000)	
Certificates of Participation payable	<u>(2,839,537)</u>	(17,883,905)
Net pension liabilities and the related deferred inflows and outflows of resources are not recorded in the funds (\$9,215,981-6,609,304-73,175,613).		<u>(70,568,936)</u>
Total net assets - governmental activities	<u>\$</u>	<u>(20,351,550)</u>

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

Year ended June 30, 2016					
	General Fund	Technical College	Bond Redemption Fund	Nonmajor Governmental Funds	Total
Revenues					
General property taxes	\$ 9,144,707	\$ -	\$ 1,883,463	\$ -	\$ 11,028,170
Specific ownership taxes	1,418,568	-	-	-	1,418,568
Intergovernmental					
Federal sources	1,403,828	415,005	-	2,495,019	4,313,852
State sources	24,053,000	1,196,606	-	310,059	25,559,665
Local government sources	1,377,099	154,800	-	22,354	1,554,253
Interest and other revenues	791,564	1,280,797	10,884	1,704,092	3,787,337
Total revenues	38,188,766	3,047,208	1,894,347	4,531,524	47,661,845
Expenditures					
Current					
Instructional services	21,798,995	1,452,497	-	794,080	24,045,572
Supporting services	5,079,400	922,201	-	315,811	6,317,412
Business support services	4,899,579	522,895	-	-	5,422,474
Central support services	1,350,472	-	-	-	1,350,472
School support services	-	-	-	1,431,547	1,431,547
Student aid programs	-	24,731	-	-	24,731
Food service	-	-	-	1,699,182	1,699,182
Capital outlay	413,127	-	-	1,693,391	2,106,518
Debt service					
Principal	229,851	-	1,415,000	808,304	2,453,155
Interest and fiscal charges	2,629	-	404,700	108,920	516,249
Total expenditures	33,774,053	2,922,324	1,819,700	6,851,235	45,367,312
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,414,713	124,884	74,647	(2,319,711)	2,294,533
Other financing sources (uses)					
Transfers in (out)	(3,641,841)	-	-	3,641,841	-
Total other financing sources (uses)	(3,641,841)	-	-	3,641,841	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	772,872	124,884	74,647	1,322,130	2,294,533
Fund balances beginning of year	9,486,705	801,877	2,706,938	1,478,316	14,473,836
Fund balances end of year	\$ 10,259,577	\$ 926,761	\$ 2,781,585	\$ 2,800,446	\$ 16,768,369

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

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

Year ended June 30, 2016

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

Net change in fund balances - total governmental funds \$ 2,294,533

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. This is the amount by which depreciation exceeded capital outlay.

Capital outlay	1,866,892	
Depreciation expense - governmental activities	<u>(2,375,979)</u>	(509,087)

In the governmental funds, expenditures for compensated absences, early retirement, and pension and other post-employment are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas in the statement of activities, they are measured as the benefits are earned by employees during the year.

These amounts (increased)/decreased by:

Compensated absences	(27,351)	
Early retirement payable	215,250	
Pension expense	(799,472)	
Other post employment benefit obligations	<u>(86,500)</u>	(698,073)

Interest expense is recognized as an expenditure in the governmental funds when due, which requires the use of current financial resources; however, in the statement of activities, interest expense is recognized as the interest accrues regardless of when it is due. This amount is the decrease in accrued interest for the year.

13,914

Some levied property taxes will not be collected until after the District's year end, which are not considered "available" revenues in the governmental funds. However, they are recognizable in the statement of activities. This amount is the increase in unearned property taxes for the year.

(33,323)

Proceeds from debt issuance provide current financial resources to governmental funds, but increase liabilities in the statement of net position. Principal repayment is an expenditure in the governmental funds, but reduces liabilities in the statement of net position.

Debt principal payments 2,453,155

Discounts and premiums on the issuance of debt reduce or increase current financial resources in the governmental funds at the time of the issuance. However, these items are allocated over the term of the debt on the statement of activities.

Amortization of loss on refunding	(112,019)	
Bond premium accretion	127,200	15,181
Change in net position of governmental activities	<u>15,181</u>	<u>\$ 3,536,300</u>

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET AND ACTUAL

Year ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property taxes	\$ 8,799,640	\$ 9,119,656	\$ 9,144,707	\$ 25,051
Specific ownership taxes	1,250,000	1,250,000	1,418,568	168,568
Intergovernmental:				
Federal sources	1,349,981	1,311,982	1,403,828	91,846
State sources	23,189,559	23,800,729	24,053,000	252,271
Local government sources	1,089,505	1,332,855	1,377,099	44,244
Interest and other revenues	29,875	42,625	791,564	748,939
Total revenues	35,708,560	36,857,847	38,188,766	1,330,919
Expenditures				
Current				
Instructional services	22,281,651	22,739,733	21,798,995	940,738
Supporting services	4,813,740	5,107,695	5,079,400	28,295
Business support services	5,105,682	5,213,994	4,899,579	314,415
Central support services	1,352,460	1,360,623	1,350,472	10,151
Debt service				
Principal	200,000	200,000	229,851	(29,851)
Interest	-	-	2,629	(2,629)
Capital outlay	397,500	445,500	413,127	32,373
Contingency	6,056,017	8,801,601	-	8,801,601
Total expenditures	40,207,050	43,869,146	33,774,053	10,095,093
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,498,490)	(7,011,299)	4,414,713	11,426,012
Other financing sources (uses)				
Transfers in (out)	(2,023,341)	(2,291,841)	(3,641,841)	(1,350,000)
Total other financing sources (uses)	(2,023,341)	(2,291,841)	(3,641,841)	(1,350,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,521,831)	(9,303,140)	772,872	10,076,012
Fund balance beginning of year	6,521,831	9,303,140	9,486,705	183,565
Fund balance end of year	\$ -	\$ -	\$ 10,259,577	\$ 10,259,577

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TECHNICAL COLLEGE - BUDGET AND ACTUAL

Year ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition, fees and services	\$ 1,394,364	\$ 1,394,364	\$ 1,278,035	\$ (116,329)
Intergovernmental:				
Local government sources	129,800	129,800	154,800	25,000
State sources	1,196,619	1,196,619	1,196,606	(13)
Federal sources	1,437,592	937,592	415,005	(522,587)
Interest and other revenues	304,325	304,325	414,692	110,367
Total revenues	4,462,700	3,962,700	3,459,138	(503,562)
Expenditures				
Current				
Instructional services	1,473,942	1,473,942	1,452,497	21,445
Supporting services	989,004	989,004	922,201	66,803
Business support services	699,754	699,754	522,895	176,859
Student aid programs	1,300,000	800,000	436,661	363,339
Contingency	572,853	631,021	-	631,021
Total expenditures	5,035,553	4,593,721	3,334,254	1,259,467
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(572,853)	(631,021)	124,884	755,905
Fund balance beginning of year	572,853	631,021	801,877	170,856
Fund balance end of year	\$ -	\$ -	\$ 926,761	\$ 926,761

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS

June 30, 2016

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 25,796	\$ 23,207
Total assets	<u>\$ 25,796</u>	<u>\$ 23,207</u>
LIABILITIES AND NET POSITION		
Liabilities		
Due to student groups	\$ -	\$ 23,207
Total liabilities	-	23,207
Net position		
Restricted for perpetuity	2,251	-
Restricted for scholarships	<u>23,545</u>	<u>-</u>
Total net position	<u>25,796</u>	<u>-</u>
Total liabilities and net position	<u>\$ 25,796</u>	<u>\$ 23,207</u>

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS

Year ended June 30, 2016

	<u>Private Purpose Trust Funds</u>
ADDITIONS	
Investment income	\$ 3,065
Total additions	<u>3,065</u>
DEDUCTIONS	
Contributed to community foundation	583,517
Scholarships	14,880
Total deductions	<u>598,397</u>
Change in net position	(595,332)
Net position, beginning	<u>621,128</u>
Net position, ending	<u><u>\$ 25,796</u></u>

The accompanying notes are an integral part of this statement.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Delta County Joint School District No. 50J (the District) are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

1. Financial Reporting Entity

The Delta County Joint School District No. 50-J is organized under the laws of the State of Colorado and is governed by an elected Board of Education.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

The Legislature of the State of Colorado enacted the “Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101” in 1993. This Act permits the District to contract with individuals and organization for the operation of schools within the District. The statutes define these contracted schools as “charter schools”. Charter schools are financed from a portion of the District’s School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the District’s Board of Education must approve all charter school applications and budgets. Based on criteria set forth in GASB Statements, the Vision Home & Community, Inc. dba Vision Charter Academy has been included in the District’s basic financial statements in a separate column, as a discretely presented component unit. Complete financial statements of Vision Charter Academy can be obtained from the administrative offices of the District.

The College is an entity legally separate from the District. Although it is legally separate from the District, the College is reported as if it were part of the primary government because it is governed by the same elected Board of Education of the District that exercises oversight and direction and retains accountability. The College issues a publicly available annual financial report that includes financial statements and required supplemental information. That report may be obtained by writing to the College at 1765 Hwy 50 South, Delta, CO 81416 or by calling (970) 874-7671.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Based on the criteria discussed above, the financial statements of the reporting entity include those of the District (the primary government), the Delta-Montrose Technical College (a blended component unit), and Vision Charter Academy (the discretely presented component unit).

2. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of net position presents the financial condition of the activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the District.

Fund Financial Statements

During the fiscal year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. The fund financial statements provide information about the District's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. Each major fund is presented in a separate column. All remaining governmental funds are aggregated and presented as nonmajor funds.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The District reports on the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to general statutory laws. The General Fund includes Insurance Reserve and Preschool Program activity.

Delta-Montrose Technical College – Delta-Montrose Technical College accounts for the activities of the vocational college. The College provides post-secondary vocational training in the Delta-Montrose and surrounding areas.

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

The District reports the following fiduciary funds:

Private Purpose Trust Funds – These funds are used to report resources that are legally restricted to the extent that only earnings and not principal may be expended for student scholarships.

Agency Funds – These funds are maintained by the College and are monies held for student-managed activities and for activities of a state-managed small business development sub-center.

3. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statements of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide and governmental fund statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

While the measurement focus identifies which transactions and events should be recorded on the financial statements, the basis of accounting determines when transactions and economic events are reflected in financial statements.

Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The District considers revenues to be available if they are expected to be collected within 60 days of the end of the year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Grants, entitlements, and interest are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Property tax revenues are recognized when they are levied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except unmatured interest on general long-term debt is recorded when due.

Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds and agency funds use the modified accrual basis of accounting and the flow of current financial resources (measurement focus).

Private Purpose Trust Funds use the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by Colorado School District Budget Law for all funds of the District. The District legally adopted annual budgets for all of the District's funds for the year ended June 30, 2016.
- Prior to June 30, the budgets are adopted and appropriations made by formal resolution for the ensuing fiscal year commencing July 1. A public hearing on the proposed budget is held by the Board prior to adoption of the budget.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds.
- Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- Appropriations lapse at the end of each year and the District's Board may adopt supplemental appropriations during the year. The Board legally amended the budget and adopted supplemental appropriations throughout the year totaling \$4,722,327.

5. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Equity/Net Position

a. Cash and Investments

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value.

b. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation.

Emergencies and preschool activities – These are restrictions required by statutory law.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

c. Inventory

Inventory of the District’s Food Service Fund is valued as follows: Purchased food and non-food items are valued at cost, substantially on a first in-first out basis. U.S.D.A. donated commodity items are valued at U.S.D.A. unit pricing, substantially on a first in-first out basis.

Freight and delivery charges are not included in inventory valuations.

d. Interfund Assets/Liabilities

A summary of interfund receivables and payables follows.

Fund	INTERFUND	
	Receivable	Payable
General Fund	\$ 68,729	\$ –
Non-major funds	–	68,729
Totals	<u>\$ 68,729</u>	<u>\$ 68,729</u>

Interfund balances within governmental activities are eliminated on the government-wide Statement of Net Position.

e. Property Taxes Receivable

Property taxes attach as an enforceable lien on property as of January 1. They may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon became delinquent on June 16th. Property taxes are levied and collected on behalf of the District by Delta, Mesa, Gunnison, and Montrose Counties and are reported as revenue when received by the county treasurers. The fund receivable represents unpaid property taxes. Those amounts received by the county treasurers after June 30, 2016, but within the 60 day availability measure are recorded as revenue in the funds. The remaining unrecognized revenue is presented as a deferred inflow in the funds.

f. Allowance for Doubtful Accounts

The allowance for doubtful accounts for 2016 and 2015 was \$11,900 and \$13,679 for student accounts receivable.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

g. Capital Assets

Capital assets purchased or acquired with an original cost in excess of the capitalization thresholds set by the District are reported at historical costs or estimated historical cost. The capitalization thresholds for the District and the College are \$5,000 and \$1,000, respectively. Contributed assets are reported at fair value as of the date received. Infrastructure was retrospectively determined. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Furniture and Fixtures	20 years
Equipment	3-15 years
Vehicles	8 years
Other Infrastructure	10-50 years

h. Vacation, Sick Leave, and Other Compensated Absences

The accrued personal leave policy provides for accrual of personal leave at one day per month, equated to the individual's full month of service (those working on a nine-month basis receive nine days annually, those working on a twelve-month basis receive twelve days annually, etc.). District policy provides for unlimited accumulation of personal leave days accrued, and upon separation, payment at the rate of \$25.00 or \$12.50 per day for full-time and part-time employees, respectively. District Policy provides for vacation time for custodians, mechanics and District office staff, as well as comp time for custodians, aides and District office staff. Personnel that are in nine-month contracts do not accrue vacation pay. The accrued leave is reflected on the government-wide Statement of Net Position.

i. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities, that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the year. Bonds are recognized as a liability on the fund financial statements when due.

Accrued Salaries and Benefits – Salaries of teachers and other contracted personnel are accrued as required by the Revised Financial Policies and Procedures Handbook. Teachers' salaries are typically paid over a twelve-month period but are earned over a period of approximately nine months. This results in an outstanding liability at the end of the year.

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pensions – The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/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.

j. Fund Balances

In the fund financial statements the following classifications describe the relative strength of the spending constraints.

Non-spendable fund balance - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance - The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Education, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Education.

Assigned fund balance - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Education or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Unassigned fund balance - The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is District policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

k. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

6. Scholarship Allowance

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowance in the statement of revenues, expenditures and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the Technical College, and the amount that is paid by students and/or third parties making payments on the student's behalf. Certain governmental grants such as Pell grants and all other federal, State or nongovernmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the Technical College has recorded a scholarship allowance. The scholarship allowance in tuition and fees for the year end June 30, 2016 was \$411,930.

7. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as transfers. Interfund transfers are reported as other financing sources/uses in the governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

The following transfers were made during the current fiscal year:

\$30,000 was transferred from the General Fund to the Food Service Fund to subsidize operations.

\$183,565 was transferred from the Insurance Fund to the General Fund to close the Insurance Fund.

\$93,841 was transferred from the General Fund to the Student Activity Fund to fund certain student activities.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

\$974,259 was transferred from the General Fund to the Colorado Pre-School Fund that is included within the General Fund for reporting purposes, as required for State allocation purposes.

\$3,518,000 was transferred from the General Fund to the Capital Reserve Fund to fund debt service and capital outlay.

8. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

9. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and deferred outflows and liabilities and deferred inflows, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures/expenses. Actual results could vary from the estimates that were used.

10. Bond Discounts and Premiums

Bond discounts and premiums are amortized over the life of the related bonds. Premium accretion was \$127,200.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Material Violations

The District appears to be in compliance with all material legal, contractual and accounting provisions, as prescribed by federal and state laws and statutes.

NOTE C – DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE C – DEPOSITS AND INVESTMENTS – CONTINUED

A summary of the District's cash and investments at June 30, 2016 is as follows:

	<u>District</u>	<u>College</u>	<u>Total</u>
Cash on hand	\$ 5,768	\$ 975	\$ 6,743
Cash in banks	17,210,454	684,411	17,894,865
Money Market	<u>2,740,187</u>	<u>-</u>	<u>2,740,187</u>
Total cash and investments	<u>\$ 19,956,409</u>	<u>\$ 685,386</u>	<u>\$ 20,641,795</u>

As of June 30, 2016, the carrying amount of the College's deposits was \$684,411 and the bank balance was \$725,760. Of that balance \$303,094 was covered by FDIC insurance and \$422,666 was collateralized.

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school district, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, certain repurchase agreements, and local government investment pools.

At June 30, 2016, the District had \$2,740,187 invested in the Wells Fargo Advantage Government Money Market Service.

Interest rate risk – The District does not have a formal policy limiting investment maturities, other than that established by state statute of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the District's and the College's policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Cash and investments	\$ 17,795,700	\$ -
Restricted cash and investments	<u>2,797,092</u>	<u>49,003</u>
Total	<u>\$ 20,592,792</u>	<u>\$ 49,003</u>

The restricted amounts are \$25,796 for scholarships, \$23,207 for agencies, \$2,792,972 for employee benefits, and \$4,120 for other.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE D – PRIVATE PURPOSE SCHOLARSHIP TRUSTS

Earnings on trust principal within the private purpose scholarship trust funds are used to support scholarship expenses and expenditures in accordance with the authority established for the funds.

NOTE E – CAPITAL ASSETS

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

	Balances at <u>6/30/15</u>	<u>Increases</u>	<u>Decreases</u>	Balances at <u>6/30/16</u>
Governmental Activities				
District				
Land	\$ 593,306	\$ –	\$ –	\$ 593,306
Work in process	166,128	362,260	(163,274)	365,114
Depreciable capital assets:				
Buildings and improvements	85,071,348	949,206	–	86,020,554
Food service	469,499	–	–	469,499
Furniture, equipment, vehicles	<u>1,817,594</u>	<u>643,394</u>	–	<u>2,460,988</u>
Total District	<u>88,117,875</u>	<u>1,954,860</u>	<u>(163,274)</u>	<u>89,909,461</u>
College				
Depreciable capital assets:				
Buildings and improvements	4,704,570	26,459	–	4,731,029
Furniture, equipment, vehicles	<u>777,853</u>	<u>48,847</u>	<u>(23,064)</u>	<u>803,636</u>
Total College	<u>5,482,423</u>	<u>75,306</u>	<u>(23,064)</u>	<u>5,534,665</u>
Total capital assets	<u>93,600,298</u>	<u>2,030,166</u>	<u>(186,338)</u>	<u>95,444,126</u>
Less accumulated depreciation:				
District				
Buildings and improvements	(37,225,284)	(2,027,351)	–	(39,252,635)
Food service	(376,633)	(22,605)	–	(399,238)
Furniture, equipment, vehicles	<u>(987,732)</u>	<u>(184,583)</u>	–	<u>(1,172,315)</u>
District accumulated depreciation	<u>(38,589,649)</u>	<u>(2,234,539)</u>	–	<u>(40,824,188)</u>
College				
Buildings and improvements	(3,249,801)	(96,321)	–	(3,346,122)
Furniture, equipment, vehicles	<u>(576,961)</u>	<u>(45,119)</u>	<u>23,064</u>	<u>(599,016)</u>
College accumulated depreciation	<u>(3,826,762)</u>	<u>(141,440)</u>	<u>23,064</u>	<u>(3,945,138)</u>
Total accumulated depreciation	<u>(42,416,411)</u>	<u>(2,375,979)</u>	<u>23,064</u>	<u>(44,769,326)</u>
Governmental Activities capital assets, net	<u>\$ 51,183,887</u>	<u>\$ (345,813)</u>	<u>\$ (163,274)</u>	<u>\$ 50,674,800</u>

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE E – CAPITAL ASSETS – CONTINUED

Depreciation expense for Governmental Activities was charged to governmental functions as follows:

District	
Instruction	\$ 65,467
Support: General Administration	22,974
Support: School Administration	3,287
Business: Operations and Maintenance	3,541
Food service	22,605
Unallocated Depreciation	<u>2,116,665</u>
Total District	<u>2,234,539</u>
College	
Instruction	135,789
Support: General Administration	4,313
Unallocated Depreciation	<u>1,338</u>
Total College	<u>141,440</u>
Total depreciation expense charged to Governmental Activities	<u>\$2,375,979</u>

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE F – LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during the year end June 30, 2016 were as follows:

	<u>Balance at 6/30/15</u>	<u>Addition</u>	<u>Reductions</u>	<u>Balance at 6/30/16</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Certificates of Participation					
Date 8/25/11	\$ 1,417,413	\$ –	\$ (699,316)	\$ 718,097	\$ 718,097
BEST Program Certificates of Participation	2,155,999	–	(108,988)	2,047,011	113,169
General Obligation Bonds					
Series 2011	5,970,000	–	(40,000)	5,930,000	40,000
Series 2011, Premium	288,065	–	(34,225)	253,840	34,225
Series 2012	5,460,000	–	(1,325,000)	4,135,000	1,390,000
Series 2012, Premium	300,146	–	(85,757)	214,389	85,757
Series 2014	3,090,000	–	(50,000)	3,040,000	55,000
Series 2014, Premium	60,748	–	(7,218)	53,530	7,218
Total Bonds	<u>15,168,959</u>	<u>–</u>	<u>(1,542,200)</u>	<u>13,626,759</u>	<u>1,612,200</u>
Capital lease-copiers	104,824	–	(30,395)	74,429	31,285
Capital lease-computers	199,456	–	(199,456)	–	–
Longevity	610,364	–	(215,250)	395,114	232,291
Post Employment					
Benefit Obligation	875,964	86,500	–	962,464	962,464
Compensated Absences	554,439	27,351	–	581,790	581,790
Total	<u>\$ 21,087,418</u>	<u>\$ 113,851</u>	<u>\$ (2,795,605)</u>	<u>\$ 18,405,664</u>	<u>\$ 4,251,296</u>

*Certificates of Participation dated August 25, 2011***Ground Lease and Purchase Option Agreement**

The 2.65% certificates of participation have variable principal payments that, along with interest, are due annually with final maturity in 2017. The payments are subject to annual appropriation. The proceeds from the certificates were used to repay the January 19, 2007 certificates of participation.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE F – LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to retire the Certificates of Participation dated August 25, 2011 are as follows:

Fiscal-Year Ending June 30.	Principal	Interest	Total
2017	\$ 718,097	\$ 9,515	\$ 727,612
	<u>\$ 718,097</u>	<u>\$ 9,515</u>	<u>\$ 727,612</u>

General Obligation Refunding Bonds – Series 2011

\$6,210,000 General Obligation Refunding Bonds were issued and dated October 6, 2011. These bonds carry an average interest rate of 3.12%. Payments of interest are due each June 1 and December 1, with principal payments due each December 1 through December 1, 2023. The Bonds are not subject to redemption prior to their respective maturity dates.

The annual debt service requirements for the Series 2011 bonded debt are as follows:

Fiscal-Year Ending June 30.	Principal	Interest	Total
2017	\$ 40,000	\$ 187,500	\$ 227,500
2018	45,000	186,225	231,225
2019	210,000	181,350	391,350
2020	1,600,000	147,025	1,747,025
2021	1,660,000	94,075	1,754,075
2022-2024	2,375,000	100,725	2,475,725
	<u>\$ 5,930,000</u>	<u>\$ 896,900</u>	<u>\$ 6,826,900</u>

General Obligation Refunding Bonds – Series 2012

\$8,685,000 General Obligation Refunding Bonds were issued and dated January 5, 2012. These bonds carry an average interest rate of 3.14%. Payments of interest are due each June 1 and December 1, with principal payments due each December 1 through December 1, 2018. The Bonds are not subject to redemption prior to their respective maturity dates.

The annual debt service requirements for the Series 2012 bonded debt are as follows:

Fiscal-Year Ending June 30.	Principal	Interest	Total
2017	\$ 1,390,000	\$ 106,281	\$ 1,496,281
2018	1,430,000	71,494	1,501,494
2019	1,315,000	26,937	1,341,937
	<u>\$ 4,135,000</u>	<u>\$ 204,712</u>	<u>\$ 4,339,712</u>

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE F – LONG-TERM OBLIGATIONS – CONTINUED

State of Colorado BEST Program Matching Money Bonds- Series 2010 B-C

\$2,619,026 Matching Money Bonds Dated March 11, 2010. The interest rate is 3.84% payable semiannually on June 1 and December 1, principal payable December 1. Final maturity date is December 1, 2029.

The annual debt service requirements for the Series 2010 bonded debt are as follows:

Fiscal-Year Ending June 30.	Principal	Interest	Total
2017	\$ 113,169	\$ 76,363	\$ 189,532
2018	117,511	71,938	189,449
2019	122,019	67,343	189,362
2020	126,700	62,572	189,272
2021	131,561	57,618	189,179
2022-2026	737,502	206,864	944,366
2027-2030	698,549	54,860	753,409
	<u>\$ 2,047,011</u>	<u>\$ 597,558</u>	<u>\$ 2,644,569</u>

General Obligation Refunding Bonds – Series 2014

\$3,115,000 General Obligation Refunding Bonds were issued and dated September 4, 2014. These bonds have interest rates varying from 3.65% to 4.30% per annum with an average interest rate of 2.26%. Payments of interest are due each June 1 and December 1, with principal payments due each December 1 through December 1, 2023. The Bonds are not subject to redemption prior to their respective maturity dates.

The annual debt service requirements for the Series 2014 bonded debt are as follows:

Fiscal-Year Ending June 30.	Principal	Interest	Total
2017	\$ 55,000	\$ 67,200	\$ 122,200
2018	50,000	66,150	116,150
2019	55,000	65,100	120,100
2020	55,000	64,000	119,000
2021	50,000	62,950	112,950
2022-2024	2,775,000	98,725	2,873,725
	<u>\$ 3,040,000</u>	<u>\$ 424,125</u>	<u>\$ 3,464,125</u>

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE F – LONG-TERM OBLIGATIONS – CONTINUED

Capital Leases

In November 2014 the District entered into a \$124,000 lease agreement for copiers. Payments on the lease began November 15, 2014 and continue until October 15, 2018. Debt service payments are subject to an annual appropriation. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The value of capital assets held under capital lease is \$124,000.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

Fiscal-Year Ending June 30,	
2017	\$ 33,024
2018	33,024
2019	<u>11,008</u>
	77,056
Less amount representing interest	<u>(2,627)</u>
Present value of net minimum lease payments	<u>\$ 74,429</u>

In July 2014 the District entered into a \$299,182 lease agreement for computers. Payments on the lease began July 20, 2014 and were to continue annually until July 20, 2016. Debt service payments were subject to an annual appropriation. The lease was paid off during fiscal year June 30, 2016.

NOTE G – 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 available comprehensive annual financial report that can be obtained at 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G – DEFINED BENEFIT PENSION PLAN – CONTINUED

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

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

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

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

In all cases the service retirement benefit is limited to 100% 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% or 100% 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, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% 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% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) 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.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G – DEFINED BENEFIT PENSION PLAN – CONTINUED

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% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

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

¹Rates 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 \$3,500,973 for the year ended June 30, 2016. The Delta-Montrose Technical College, a component unit of the District, recognized employer contributions of \$262,268 for the same period.

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

At June 30, 2016, the District (including the College) reported a liability of \$73,175,613 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion (including the College) was 0.478450%, which was a decrease of 0.026536 from its proportion measured as of December 31, 2014.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G – DEFINED BENEFIT PENSION PLAN – CONTINUED

For the year ended June 30, 2016, the District (not including the College) recognized pension expense of \$4,126,854. At June 30, 2016, the District (including the College) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 966,292	\$ 3,218
Changes of assumptions or other inputs	-	1,034,101
Net difference between projected and actual earnings on pension plan investments	6,284,009	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,212	5,571,985
Contributions subsequent to the measurement date	<u>1,955,468</u>	<u>-</u>
Total	<u>\$ 9,215,981</u>	<u>\$ 6,609,304</u>

\$1,955,468 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, 2016:	
2017	(1,083,513)
2018	(561,760)
2019	1,020,598
2020	1,275,884
2021	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2013 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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G – DEFINED BENEFIT PENSION PLAN – CONTINUED

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.

- 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.

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.

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.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G – DEFINED BENEFIT PENSION PLAN – CONTINUED

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

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

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

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. 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%.
- 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G – DEFINED BENEFIT PENSION PLAN – CONTINUED

- 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 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%, 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 (6.5%) or 1-percentage point higher (8.5%) than the current rate:

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G – DEFINED BENEFIT PENSION PLAN – CONTINUED

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$94,856,980	\$73,175,613	\$55,140,759

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/investment/pera-financial-reports.

NOTE H – POST-EMPLOYMENT HEALTHCARE BENEFITS

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/investment/pera-financial-reports.

Funding policy. The District is required to contribute at a rate of 1.02% 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. The District’s contributions to HCTF for the years ended June 30, 2016, 2015, and 2014, were \$201,339, \$195,800 and \$203,701 respectively, equal to the required contributions for each year. The Delta-Montrose Technical College, a component unit of the District, also participates in the HCTF, disclosures for which are available in their separately issued financial report.

NOTE I – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan description. The Delta County School District 50J Employee Benefit Plan is administered by Delta County School District 50J. The plan was implemented by the District in 1990 to provide affordable healthcare coverage to its retirees and their dependents. To enroll in the Plan, an employee must have reached age 57 and have a minimum of 20 years of service. Spouses of eligible employees and dependent children may also enroll in the plan. The plan is provided through a combination of insured and partially self-funded benefits and the administration is provided through a Third Party Claims Administrator. The funding for the benefits is derived from the funds of the Employer and the contributions made by covered employees.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE I – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS – CONTINUED

Funding policy. The level of any Employee contributions is set by the District. Retirees must pay 100% of the premium to enroll in the plan. Contribution rates are effective July 1 of each year. The monthly premium rates for the 2016 fiscal year were \$505 for an individual, \$963 for an individual and children, \$1,022 for an individual and spouse, and \$1,400 for family coverage.

Annual OPEB Cost and Net OPEB Obligation. The District’s annual other post employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation.

	Retiree <u>Healthcare Plan</u>
Annual required contribution (ARC)	\$ 137,959
Interest on net OPEB obligation	30,659
Adjustment to ARC	<u>(46,017)</u>
Annual OPEB cost (expense)	122,601
Contributions made	<u>(36,101)</u>
Increase in net OPEB obligation	86,500
Net OPEB obligation – July 1, 2014	<u>875,964</u>
Net OPEB obligation – June 30, 2015	<u>\$ 962,464</u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014	\$ 146,465	25.84%	\$ 768,462
June 30, 2015	145,349	26.04%	875,964
June 30, 2016	122,601	29.45%	962,464

Funded Status and Funding Progress. As of June 30, 2015, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$1,186,650, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,186,650. The covered payroll (annual payroll of active employees covered by the plan) was \$12,005,040 and the ratio of the UAAL to the covered payroll was 9.88%.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE I – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS – CONTINUED

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the fund status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the benefits the plan is expected to provide are assigned to appropriate accounting periods using the projected unit credit cost method as described under Governmental Accounting Standards Board Statement No. 45. For each participant, an actuarial present value of benefit total payments is determined as of the measurement date. The actuarial assumptions include a 3.50% discount rate based on Moody's Aa bond rate as of the valuation date. An annual medical inflation rate of 8.0% was used in the valuation and is graded down to 5% per year over a number of years. These rates reflect that growth in health care costs is expected to moderate over time. The medical inflation rate is used to project the benefit costs for current and future retirees.

NOTE J – CONTINGENCIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government.

The District is subject to various claims arising from events occurring in its ordinary operations. District management believes that the disposition of these matters will not have a material adverse effect on the financial position of the District.

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE K – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District maintains commercial insurance for all risks of loss. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three years.

NOTE L – TAX, SPENDING AND DEBT LIMITATION

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer’s Bill of Rights (TABOR). TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all Colorado local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service, expenditures of Federal Awards, and others). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$1,158,728 for the District and \$60,125 for the College as of June 30, 2016. In November 1999 the District’s electorate passed a ballot issue allowing the District to collect, retain and expend revenues not withstanding any of TABOR’S revenue limitations.

The District’s management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification of a fund as an Enterprise Fund) will require judicial interpretation.

NOTE M – FIDUCIARY FUND APPROPRIATIONS

The schedule below is presented to demonstrate compliance with School District Budget Law.

	<u>Appropriation</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Private Purpose Trust (District)	\$ 531,128	\$ 473,946	\$ 57,182
Private Purpose Trust (College)	100,000	4,000	96,000
Student Activity Fund (College)	30,000	7,619	22,381
	<u>6/30/15</u>	<u>Increases</u>	<u>Decreases</u>
Student Activity Fund activity	\$ 22,983	\$ 7,843	\$ 7,619
			<u>6/30/16</u> \$ 23,207

Delta County Joint School District No. 50J

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE N – BUDGET COMPLIANCE

There were no funds that had expenditures in excess of budgeted appropriations during the year ended June 30, 2016.

Delta County Joint School District No. 50J

SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT RETIREE HEALTHCARE PLAN

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Total Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2011	June 30, 2011	\$ -	\$ 2,241,788	\$ 2,241,788	0.00%	\$ 15,485,075	14.48%
2012	June 30, 2011	-	2,241,788	2,241,788	0.00%	15,485,075	14.48%
2013	June 30, 2013	-	1,330,478	1,330,478	0.00%	14,795,534	8.99%
2014	June 30, 2013	-	1,330,478	1,330,478	0.00%	14,795,534	8.99%
2015	June 30, 2014	-	1,186,650	1,186,650	0.00%	12,005,040	9.88%
2016	June 30, 2014	-	1,186,650	1,186,650	0.00%	12,005,040	9.88%

Delta County Joint School District No. 50J

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

June 30, 2016

<u>Measurement date:</u>	<u>Employer proportion of NPL</u>	<u>Employer proportionate share of NPL</u>	<u>Employer covered payroll</u>	<u>Employer proportionate share of NPL as a percentage of covered payroll</u>	<u>Pension plan's fiduciary net position as a percentage of total pension liability</u>
December 31, 2014	0.504986%	\$ 68,442,521	\$ 21,074,383	325%	63%
December 31, 2015	0.478450%	73,175,613	20,790,060	352%	59%

Delta County Joint School District No. 50J

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

June 30, 2016

	Required employer contribution	Employer contributions recognized by the plan	Difference	Employer covered payroll	Contributions as a percentage of employer covered payroll
June 30, 2015	\$ 3,492,919	\$ 3,492,919	\$ -	\$ 20,693,616	16.88%
June 30, 2016	3,763,241	3,763,241	-	21,217,277	17.74%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Factors that Significantly Affect Trends in the Amounts Reported

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or assumptions used that significantly affect trends in the amounts reported.

Delta County Joint School District No. 50J

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Grants Fund	Food Service Fund	Student Activities Fund	Capital Reserve Fund	
ASSETS					
Cash and cash equivalents	\$ -	\$ 309,674	\$ 454,693	\$ 2,075,432	\$ 2,839,799
Accounts receivable	-	366	-	16,522	16,888
Grants receivable	102,334	-	-	-	102,334
Inventory	-	144,103	-	-	144,103
Total assets	\$ 102,334	\$ 454,143	\$ 454,693	\$ 2,091,954	\$ 3,103,124
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,757	\$ -	\$ -	\$ 55,465	\$ 57,222
Accrued salaries and benefits	35,945	140,782	-	-	176,727
Due to other funds	64,632	-	4,097	-	68,729
Total liabilities	102,334	140,782	4,097	55,465	302,678
Fund balances					
Nonspendable	-	144,103	-	-	144,103
Assigned					
Food service	-	169,258	-	-	169,258
Student activities	-	-	450,596	-	450,596
Capital projects	-	-	-	2,036,489	2,036,489
Total fund balances	-	313,361	450,596	2,036,489	2,800,446
Total liabilities and fund balances	\$ 102,334	\$ 454,143	\$ 454,693	\$ 2,091,954	\$ 3,103,124

Delta County Joint School District No. 50J

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2016

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Grants Fund	Food Service Fund	Student Activities Fund	Capital Reserve Fund	
Revenues					
Intergovernmental:					
Local sources	\$ -	\$ -	\$ -	\$ 22,354	\$ 22,354
State sources	-	32,450	-	277,609	310,059
Federal sources	1,109,891	1,385,128	-	-	2,495,019
Interest and other revenues	-	361,627	1,342,465	-	1,704,092
Total revenues	1,109,891	1,779,205	1,342,465	299,963	4,531,524
Expenditures					
Current					
Instructional services	794,080	-	-	-	794,080
Supporting services	315,811	-	-	-	315,811
School support services	-	-	1,431,547	-	1,431,547
Food service	-	1,699,182	-	-	1,699,182
Debt service					
Principal	-	-	-	808,304	808,304
Interest	-	-	-	108,920	108,920
Capital outlay	-	-	-	1,693,391	1,693,391
Total expenditures	1,109,891	1,699,182	1,431,547	2,610,615	6,851,235
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	-	80,023	(89,082)	(2,310,652)	(2,319,711)
Other financing sources (uses)					
Transfers in (out)	-	30,000	93,841	3,518,000	3,641,841
	-	30,000	93,841	3,518,000	3,641,841
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES					
	-	110,023	4,759	1,207,348	1,322,130
Fund balances beginning of year	-	203,338	445,837	829,141	1,478,316
Fund balances end of year	\$ -	\$ 313,361	\$ 450,596	\$ 2,036,489	\$ 2,800,446

Delta County Joint School District No. 50J

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GRANTS FUND - BUDGET AND ACTUAL

Year ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental:				
Federal sources	\$ 1,089,175	\$ 1,158,471	\$ 1,109,891	\$ (48,580)
Expenditures				
Current				
Instructional services	753,348	796,290	794,080	2,210
Supporting services	335,827	362,181	315,811	46,370
Total expenditures	<u>1,089,175</u>	<u>1,158,471</u>	<u>1,109,891</u>	<u>48,580</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
Fund balance beginning of year	-	-	-	-
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Delta County Joint School District No. 50J

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOOD SERVICE FUND - BUDGET AND ACTUAL

Year ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Food sales	\$ 381,000	\$ 381,000	\$ 361,627	\$ (19,373)
Intergovernmental:				
State sources	33,000	33,000	32,450	(550)
Federal sources	1,225,424	1,225,424	1,385,128	159,704
Total revenues	<u>1,639,424</u>	<u>1,639,424</u>	<u>1,779,205</u>	<u>139,781</u>
Expenditures				
Food service	1,646,041	1,646,041	1,699,182	(53,141)
Contingency	178,409	226,721	-	226,721
Total expenditures	<u>1,824,450</u>	<u>1,872,762</u>	<u>1,699,182</u>	<u>173,580</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(185,026)	(233,338)	80,023	313,361
Other financing sources (uses)				
Transfers in	30,000	30,000	30,000	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(155,026)	(203,338)	110,023	313,361
Fund balance at beginning of year	<u>155,026</u>	<u>203,338</u>	<u>203,338</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,361</u>	<u>\$ 313,361</u>

Delta County Joint School District No. 50J

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STUDENT ACTIVITIES FUND - BUDGET AND ACTUAL

Year ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Student activity revenue	\$ 1,450,382	\$ 1,450,382	\$ 1,342,465	\$ (107,917)
Expenditures				
Current				
School support services	1,594,351	1,594,351	1,431,547	162,804
Contingency	355,649	395,709	-	395,709
Total expenditures	<u>1,950,000</u>	<u>1,990,060</u>	<u>1,431,547</u>	<u>558,513</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(499,618)	(539,678)	(89,082)	450,596
Other financing sources (uses)				
Transfers in (out)	84,752	84,752	93,841	9,089
Total other financing sources (uses)	<u>84,752</u>	<u>84,752</u>	<u>93,841</u>	<u>9,089</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(414,866)	(454,926)	4,759	459,685
Fund balance beginning of year	<u>414,866</u>	<u>454,926</u>	<u>445,837</u>	<u>(9,089)</u>
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,596</u>	<u>\$ 450,596</u>

Delta County Joint School District No. 50J

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL RESERVE FUND - BUDGET AND ACTUAL

Year ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental:				
Local sources	\$ 472,912	\$ 400,000	\$ 22,354	\$ (377,646)
State sources	299,533	299,533	277,609	(21,924)
Total revenues	772,445	699,533	299,963	(399,570)
Expenditures				
Capital outlay	1,754,746	1,950,334	1,693,391	256,943
Debt service				
Principal	808,278	808,278	808,304	(26)
Interest	108,921	108,921	108,920	1
Contingency	-	429,141	-	429,141
Total expenditures	2,671,945	3,296,674	2,610,615	686,059
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,899,500)	(2,597,141)	(2,310,652)	286,489
Other financing sources (uses)				
Transfers in (out)	1,899,500	2,168,000	3,518,000	1,350,000
Total other financing sources (uses)	1,899,500	2,168,000	3,518,000	1,350,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(429,141)	1,207,348	1,636,489
Fund balance beginning of year	-	429,141	829,141	400,000
Fund balance end of year	\$ -	\$ -	\$ 2,036,489	\$ 2,036,489

Delta County Joint School District No. 50J

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BOND REDEMPTION FUND - BUDGET AND ACTUAL

Year ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 1,862,807	\$ 1,862,807	\$ 1,883,463	\$ 20,656
Interest and other revenues	1,500	1,500	10,884	9,384
Total revenues	<u>1,864,307</u>	<u>1,864,307</u>	<u>1,894,347</u>	<u>30,040</u>
Expenditures				
Contingency	2,771,999	2,751,545	-	2,751,545
Debt service				
Principal	1,415,000	1,415,000	1,415,000	-
Interest	404,700	404,700	404,700	-
Total expenditures	<u>4,591,699</u>	<u>4,571,245</u>	<u>1,819,700</u>	<u>2,751,545</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,727,392)	(2,706,938)	74,647	2,781,585
Fund balance beginning of year	<u>2,727,392</u>	<u>2,706,938</u>	<u>2,706,938</u>	<u>-</u>
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,781,585</u>	<u>\$ 2,781,585</u>

Delta County Joint School District No. 50J

COMBINING SCHEDULE OF NET POSITION -
FIDUCIARY FUNDS

June 30, 2016

	Private Purpose Trust (District)	Private Purpose Trust (College)	Agency Funds (College) Student Activity	Total
ASSETS				
Cash and cash equivalents	\$ 21,065	\$ 4,731	\$ 23,207	\$ 49,003
Total assets	<u>\$ 21,065</u>	<u>\$ 4,731</u>	<u>\$ 23,207</u>	<u>\$ 49,003</u>
LIABILITIES AND NET POSITION				
Liabilities				
Due to student groups	\$ -	\$ -	\$ 23,207	\$ 23,207
Total liabilities	-	-	23,207	23,207
Restricted for perpetuities	-	2,251	-	2,251
Restricted for scholarships	21,065	2,480	-	23,545
Total net position	<u>21,065</u>	<u>4,731</u>	<u>-</u>	<u>25,796</u>
Total liabilities and net position	<u>\$ 21,065</u>	<u>\$ 4,731</u>	<u>\$ 23,207</u>	<u>\$ 49,003</u>

Delta County Joint School District No. 50J

COMBINING SCHEDULE OF CHANGE IN NET POSITION -
FIDUCIARY FUNDS

Year ended June 30, 2016

	Private Purpose Trust (District)	Private Purpose Trust (College)	Total
ADDITIONS			
Investment income	\$ 54	\$ 3,011	\$ 3,065
Total additions	<u>54</u>	<u>3,011</u>	<u>3,065</u>
DEDUCTIONS			
Contributed to community foundation	463,066	120,451	583,517
Scholarships and fees	10,880	4,000	14,880
Total deductions	<u>473,946</u>	<u>124,451</u>	<u>598,397</u>
Change in net position	(473,892)	(121,440)	(595,332)
Net position, beginning	<u>494,957</u>	<u>126,171</u>	<u>621,128</u>
Net position, ending	<u>\$ 21,065</u>	<u>\$ 4,731</u>	<u>\$ 25,796</u>

SINGLE AUDIT SECTION

Delta County Joint School District No. 50J

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2016

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Pass-thru ID</u>	<u>2016 Amount of Award Expended</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Colorado Department of Education			
School Breakfast Program	10.553	4553	\$ 298,867
National School Lunch Program (Commodities are \$195,200)	10.555	4555	<u>1,086,261</u>
Child Nutrition Cluster			1,385,128
Passed through counties			
Schools and Roads – Grants to States	10.665		<u>93,810</u>
Total U.S. Department of Agriculture			1,478,938
U.S. DEPARTMENT OF EDUCATION			
Passed through Colorado Department of Education			
Title I Grants to Local Educational Agencies	84.010	4010	861,278
Special Education – Grants to States	84.027	4027	797,928
Special Education – Preschool Grants	84.173	4173	<u>46,150</u>
Special Education Cluster			844,078
Rehabilitation Services – Vocational Rehabilitation Grants			
To States	84.126	5126	80,540
Rural Education	84.358	7358	7,010
English Language Acquisition State Grants	84.365	4365	23,470
Improving Teacher Quality State Grants	84.367	4367	218,133
Race to the Top – Early Learning Challenge	84.412	5412	2,604
Passed through Colorado Community College and Occupational Education System			
Career and Technical Education – Basic Grants to States	84.048	4048	<u>37,113</u>
Total U.S. Department of Education			2,074,226
U.S. DEPARTMENT OF DEFENSE			
Direct			
Army Junior ROTC	12.XXX		<u>72,142</u>
Total federal awards expended			<u>\$ 3,625,306</u>

Delta County Joint School District No. 50J

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2016

NOTE A – GENERAL

The accompanying schedule of expenditures of federal awards includes the amount of federal grants expended by Delta County Joint School District No. 50J, during the year ended June 30, 2016. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE B – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Non-cash expenditures are included in the schedule.

NOTE C – INDIRECT COST RATE

The District did not elect to use the 10 percent de minimus indirect cost rate.



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

November 4, 2016

Board of Education
Delta County Joint School District No. 50J
Delta, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Delta County Joint School District No. 50J, 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, and have issued our report thereon dated November 4, 2016. The financial statements of Vision Charter Academy were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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



Board of Education
Delta County Joint School District No. 50J
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta County Joint School District No. 50J's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Chadwick, Steinkirchner, Davis & Co., P.C.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

November 4, 2016

Board of Education
Delta County Joint School District No. 50J
Delta, Colorado

Report on Compliance for Each Major Federal Program

We have audited Delta County Joint School District No. 50J's compliance of with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. Delta County Joint School District No. 50J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's responsibility

Our responsibility is to express an opinion on compliance for each of Delta County Joint School District No. 50J's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Delta County Joint School District No. 50J's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Delta County Joint School District No. 50J's compliance.

Opinion on Each Major Federal Program

In our opinion, Delta County Joint School District No. 50J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.



Board of Education
Delta County Joint School District No. 50J
Page Two

Report on Internal Control over Compliance

Management of Delta County Joint School District No. 50J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Delta County Joint School District No. 50J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Chadwick, Steinkirchner, Davis & Co., P.C.

Delta County Joint School District No. 50J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<u>Unmodified Opinion</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/> _____ none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/> _____ none reported

Type of auditor's report issued on compliance for major programs:	<u>Unmodified Opinion</u>		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/> _____ yes _____ no

Delta County Joint School District No. 50J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

**SECTION II - FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING
STANDARDS**

There were no findings required to be reported under Generally Accepted Government Auditing Standards.

SECTION III - FINDINGS AND QUESTIONED COSTS UNDER THE UNIFORM GUIDANCE

There were no findings or questioned costs for federal awards as defined in the Uniform Guidance.

Delta County Joint School District No. 50J

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended June 30, 2016

There were no prior year findings or questioned costs noted that were reportable under the Uniform Guidance criteria.

Colorado Department of Education
Auditors Integrity Report
 District: 0870 - DELTA COUNTY 50(J)
 Fiscal Year 2015-16
 Colorado School District/BOCES

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	8,834,453	31,756,231	32,564,086	10,026,608
18 Risk Mgmt Sub-Fund of General Fund	183,565	-183,565	0	0
19 Colorado Preschool Program Fund	668,677	974,259	1,209,957	232,969
Sub-Total	9,486,705	34,546,935	33,774,053	10,259,576
11 Charter School Fund	340,980	2,887,764	2,831,067	397,177
20.26-29 Special Revenue Fund	801,875	3,047,208	2,922,224	936,760
21 Food Service Spec Revenue Fund	203,138	1,809,206	1,699,192	313,352
22 Govt Designated Purpose Grants Fund	0	1,109,891	1,109,891	0
23 Pupil Activity Special Revenue Fund	445,837	1,436,306	1,431,547	450,597
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	2,706,938	1,094,347	1,819,700	2,781,585
39 Certificate of Participation (CO?) 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	829,141	3,817,963	2,610,615	2,036,489
Totals:	14,814,814	50,549,111	48,198,378	17,165,546
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60.65-69 Other Internal Service Funds	0	0	0	0
Totals:	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	623,129	3,066	558,397	25,797
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	22,983	7,243	7,619	23,207
79 GASB 38 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals:	646,111	10,999	606,016	49,004
		FINAL		

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