

**PEYTON SCHOOL DISTRICT 23JT  
PEYTON, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORTS**

**FOR THE YEAR ENDED  
JUNE 30, 2016**



**RECEIVED**

*By Justin L. Smith at 9:33 am, Mar 01, 2017*

PEYTON SCHOOL DISTRICT 23JT

PEYTON, COLORADO

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2016

BOARD OF EDUCATION

Jim Frohbieter - President

Tracy Lee - Vice President

Bart Hanks - Secretary

Ed Holmes - Treasurer

Jim Eckelberry - BOCES Representative

ADMINISTRATIVE STAFF

Tim Kistler - Superintendent

Melissa Kirchner - Business Manager

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## **FINANCIAL SECTION**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information - Unaudited)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**Required Supplementary Information (RSI)**  
**June 30, 2016**

The discussion and analysis of Peyton School District 23JT's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

**Financial Highlights**

The district's budget continues to remain fairly constant. Any increases in revenue are generally used to offset the cost of salary and benefits for additional staff and/or programs. The District continues to maintain a healthy fund balance in the General Fund. The District budgets sufficient contingencies greater than required by law to cover any unanticipated operational needs. Overall District net position decreased \$633,137 to (\$2,586,823). General Fund equity decreased \$305,197 to \$1,7122,124.

**Using the Basic Financial Statements**

The basic financial statements consist of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities that the District operates as a business. For our District this activity is the Food Service Fund. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Financial Analysis of the District as a Whole**

The District's total net position was (\$2,586,823) as of June 30, 2016.

The District's Governmental net position decreased by \$633,137 from 2015. This is primarily due to the implementation of the Wood's Manufacturing Program and decrease in anticipated State Funds. The district's liabilities for governmental activities, including long term debt and net pension liability, exceeds assets, including capital assets (land, buildings, and equipment), in fiscal year 2016 by \$2,586,823 (deficit net position). The deficit is a result of the Governmental Accounting Standards Board (GASB) Statement 68 which requires all entities contributing to the Public Employees Retirement Association (PERA) to record their share of the net liability on the Statement of Net Position beginning the 2014-

2015 fiscal year. More information on GASB Statement 68 can be found in the notes to the financial statements.

The remaining statements are Fund Financial Statements that focus on individual parts of the District's operations in more detail. The Governmental Fund statements tell how general District services were financed in the short term as well as what remains for future spending.

Fiduciary Fund Statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others whom the resources in question belong.

The District's total net position was (\$2,586,823) as of June 30, 2016. The District has a negative unrestricted net position of \$8,733,963 this is a result of the inclusion of the PERA liability of \$11,658,791 as described in the Notes to the Financial Statements.

### **Government-Wide Financial Statements**

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

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the School District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, food service, pupil transportation and extracurricular activities.

Most of the district's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are primarily amounts legally restricted for TABOR emergencies, debt repayment and capital construction.

A condensed summary of the Districts Net position is as follows:

	<b>Governmental Activities</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>
Current and Other Assets	\$ 3,675,331	\$ 3,918,737
Capital Assets	<u>7,214,513</u>	<u>6,851,911</u>
Total Assets	<u>10,889,844</u>	<u>10,770,648</u>
Deferred Outflows of Financial Resources	<u>1,406,119</u>	<u>609,513</u>
Current Liabilities	736,031	681,682
Long-Term Liabilities	<u>14,342,381</u>	<u>12,651,527</u>
Total Liabilities	<u>15,078,412</u>	<u>13,333,209</u>
Deferred Inflows of Financial Resources	<u>(195,626)</u>	<u>638</u>
Net Investment in Capital Assets	4,865,492	4,475,609
Restricted Net Position	1,281,648	1,209,483
Unrestricted Net Position	<u>(8,733,963)</u>	<u>(7,638,778)</u>
<b>Total Net Position (Deficit)</b>	<b><u>\$ (2,586,823)</u></b>	<b><u>\$ (1,953,686)</u></b>

A condensed Statement of Activities and Changes in Net position is as follows:

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
<b>Program Revenues:</b>		
Charges for Services	\$ 180,235	\$ 128,909
Operating Grants	464,179	662,800
Capital Grants	15,380	30
Total Program Revenues	<u>659,794</u>	<u>791,739</u>
<b>General Revenues:</b>		
Taxes	1,388,907	1,277,809
State Equalization	3,687,940	3,753,447
Investment Income	7,433	10,515
Gain (Loss) on Capital Asset Disposals	18,135	5,273
Insurance Proceeds	198,827	17,544
Miscellaneous	233,580	(34,320)
Total General Revenues	<u>5,534,822</u>	<u>5,030,268</u>
<b>Total Revenues</b>	<u>6,194,616</u>	<u>5,822,007</u>
<b>Expenses</b>		
Instruction	3,892,172	3,476,679
Supporting Services	2,876,164	2,900,879
Debt Service Interest	59,417	40,485
<b>Total Expenses</b>	<u>6,827,753</u>	<u>6,418,043</u>
<b>Change in Net Position</b>	<u>(633,137)</u>	<u>(596,036)</u>
<b>Net Position - Beginning</b>	(1,953,686)	7,588,411
Prior Period Restatement	-	(8,946,061)
<b>Net Position - Beginning (As Restated)</b>	<u>(1,953,686)</u>	<u>(1,357,650)</u>
<b>Net Position (Deficit) - Ending</b>	<u>\$ (2,586,823)</u>	<u>\$ (1,953,686)</u>

The District's Governmental net position decreased by \$633,137 from 2015 to 2016. The largest changes were described above. The Special Revenue net position reflects an increase of \$6,881 from 2015 to 2016.

### Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 6. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General, Bond Redemption, Building.

**Governmental Funds.** Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Capital Reserve, Bond Redemption, Building and Food Service Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Capital Reserve Fund account for the District's statutorily required allocation of per pupil funding for capital needs. The Bond Redemption Fund accounts for the repayment of the District's bonded debt, and the Building Fund will accumulate costs related to the District's debt financed construction.

**Component Unit-**The government-wide financial statements include not only the District itself (known as the "primary government") but also the legally separate charter school as a component unit of the District. Financial information for this component is reported separately from the financial information presented for the primary government itself with the exception of mandated fiscal allocations from the primary government to the component unit.

**Fiduciary Funds.** Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's fiduciary fund is the Pupil Activity Agency Fund. The Pupil Activity Agency Fund accounts for student funded activities.

### **Fund Financial Statements**

As of June 30, 2016, the District's governmental funds reported a combined fund balance of \$2,937,575, which is a decrease of \$303,099 from the June 30, 2015 balance. The following is additional information by fund which contributed to the change.

General Fund equity decreased \$305,197 from 2015 to 2016. Overall revenues increased by \$99,016 from the prior year while expenditures increased as well by \$47,292.

Capital Reserve Capital Project Fund equity decreased by \$64,108 from 2015 to 2016. This was due to additional costs of reopening the Old Middle School which is now the Career Technical Education Facility (CTEF) building.

Bond Redemption Fund equity increased by \$59,385.

## Capital Assets

As of June 30, 2016 the District had \$7,214,513 invested in a broad range of capital assets, including buildings and improvements, transportation and other equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$362,602 from last year. A summary of the District's Capital Assets is as follows:

	<u>Balance 6/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/16</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital Assets:				
Buildings	\$ 11,695,258	\$ 424,575	\$ -	\$ 12,119,833
Equipment	39,982	21,143	-	61,125
Food Service Equipment	20,211	-	-	20,211
Transportation Equipment	<u>1,163,210</u>	<u>193,749</u>	-	<u>1,356,959</u>
Total Capital Assets	<u>12,918,661</u>	<u>639,467</u>	-	<u>13,558,128</u>
Less: Accumulated Depreciation				
Buildings	(5,450,728)	(213,612)	-	(5,664,340)
Equipment	(9,583)	(6,623)	-	(16,206)
Food Service Equipment	(20,211)	-	-	(20,211)
Transportation Equipment	<u>(586,228)</u>	<u>(56,630)</u>	-	<u>(642,858)</u>
Total Accumulated Depreciation	<u>(6,066,750)</u>	<u>(276,865)</u>	-	<u>(6,343,615)</u>
<b>Net Capital Assets</b>	<b><u>\$ 6,851,911</u></b>	<b><u>\$ 362,602</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,214,513</u></b>

## Debt Administration

As of June 30, 2016 the District had total outstanding long-term obligations as follows:

	<u>Balance July 1 2015</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance June 30 2016</u>	<u>Current Portion</u>
General Obligation Bonds:					
Series 2011	\$ 2,320,000	\$ -	\$ 220,000	\$ 2,100,000	\$ 230,000
Capital Leases	56,302	230,850	38,131	249,021	17,621
PERA Pension Liability	9,902,711	1,756,080	-	11,658,791	-
Compensated Absences	91,801	-	11,326	80,475	-
<b>Total Long-Term Obligations</b>	<b><u>\$ 12,370,814</u></b>	<b><u>\$ 1,986,930</u></b>	<b><u>\$ 269,457</u></b>	<b><u>\$ 14,088,287</u></b>	<b><u>\$ 247,621</u></b>
<b>Unamortized Bond Premiums</b>	<b><u>\$ 280,713</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 26,619</u></b>	<b><u>\$ 254,094</u></b>	<b><u>\$ 27,829</u></b>

Additional information related to the District's debt can be found in Note 7 to the financial statements.

## General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made in October when student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The majority of changes to the General Fund budget are in the area of salary and benefits due to staff changes. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is a combination of Property Tax, State Equalization and Specific Ownership Tax.

General Fund revenues were \$90,199 less than the amount budgeted, with the main differences related to delayed reimbursement grant funds.

### **The Future of the District**

The factors that will affect next year's budget are the state mandated negative factor, fluctuating enrollment and enrollment in our Career Technical Education Facility.

While the economy is improving, the monies coming from the State are decreasing. Since 2011, the negative factor has taken over 5 million dollars from what Peyton School District would have received. In 2016, Peyton's portion of the state budget was decreased by over \$800,000.

The Peyton Woods Manufacturing, Auto and Hybrid Online School has helped bring in students from out of district, which, in turn, brought in additional income for the District. 2017-2018 should be the first year that these programs will bring in more revenue than expenditures.

The Peyton School District has partnered with the Widefield School District in opening a 46,000 sq ft facility to house the National Woods Manufacturing Center. This facility will house over \$800,000 worth of high end CNC technology, which will be donated by Industry. High School students, college students, businesses and military will be trained with the latest technology in lean manufacturing.

The student count projection for the 2015-2016 school year was estimated to be fewer than 575, and after dropping to 550 students, our funding average has been helpful. There was a fear that, in balancing the loss, the District's four year average would decrease significantly and layoffs would be needed, but the Board of Education voted to decrease the fund balance for the 2015-2016 school year to keep low classroom student numbers. Therefore, we were able to retain our current FTE.

Our primary grades are showing significant decrease in numbers so we are currently looking into combination classes and single class situations.

Economically, our district is not projecting any growth. While homes have been selling in our area, it seems that families are not moving into Peyton.

### **Requests for Information**

This financial report is designed to provide a general overview of the Peyton School District 23JT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent, 13990 Bradshaw Road, Peyton, Colorado 80831-9003.

# Holscher, Mayberry & Company, LLC

## Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Education  
Peyton School District 23JT  
Peyton, Colorado

### Independent Auditors' Report

#### Report on the Financial Statements

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 Peyton School District 23JT, Colorado, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the The Career Building Academy – Peyton, the discretely presented component unit, whose statements reflect total revenues constituting 8 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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

**Opinion**

In our opinion, based on our audits and the report of the other auditors, 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 Peyton School District 23JT, Colorado, as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Peyton School District 23JT's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 14, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Emphasis of Matter**

The District is aware that the amounts presented in the audited financial statements for the discretely presented component unit, as audited by other auditors, do not accurately reflect the activity between the District and the discretely presented component unit. These differences are not considered material at the District level, but may be material to the discretely presented component unit presentation.

**Other Matters**

***Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)***

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M7 and pension schedules on 35 - 36 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.

**Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 37 - 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and individual fund schedules on pages 41 - 46 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports on pages 47 - 50 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Englewood, CO  
December 5, 2016

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## **BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2016.

**PEYTON SCHOOL DISTRICT 23JT**  
**Statement of Net Position**  
**June 30, 2016**

	<b>Primary Govt</b>	
	<b>Governmental</b>	<b>Component Unit</b>
	<b>Activities</b>	<b>Component Unit</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Investments	\$ 3,569,159	\$ -
Cash with Fiscal Agent	17,863	-
Taxes Receivable	45,013	-
Grants Receivable	1,888	-
Other Accounts Receivable	31,609	-
Inventory	2,278	-
Prepaid Expenses	7,521	-
<b>Total Current Assets</b>	<b>3,675,331</b>	<b>-</b>
<b>Noncurrent Assets</b>		
Capital Assets, being depreciated	7,214,513	-
<b>TOTAL ASSETS</b>	<b>10,889,844</b>	<b>-</b>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>		
Contributions Subsequent to Measurement Date	260,839	14,384
Difference Between Actual and Expected Experience - net	153,956	8,805
Difference Between Projected and Actual Returns on Pension Plan Investments - net	991,324	56,697
Change in Component Unit's Proportionate Share of the Net Pension Liability - net	-	428,566
<b>TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<b>1,406,119</b>	<b>508,452</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 12,295,963</b>	<b>\$ 508,452</b>
<b>LIABILITIES, DEFERRED INFLOWS OF FINANCIAL RESOURCES AND NET POSITION</b>		
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 138,716	\$ 9,968
Accrued Interest	3,348	-
Accrued Salaries & Benefits	593,967	28,872
Due to Affiliate	-	9,175
Due to Related Party	-	24,244
<b>Total Current Liabilities</b>	<b>736,031</b>	<b>72,259</b>
<b>Non-Current Liabilities</b>		
Due Within One Year	247,621	-
Due In More Than One Year	14,094,760	666,804
<b>Total Noncurrent Liabilities</b>	<b>14,342,381</b>	<b>666,804</b>
<b>TOTAL LIABILITIES</b>	<b>15,078,412</b>	<b>739,063</b>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>		
Difference Between Projected and Actual Pension Plan Experience - net	485	28
Changes of Assumptions - net	164,759	9,423
Change in District's Proportionate Share of Net Pension Liability - net	(365,943)	-
Deferred Inflows - Other	5,073	-
<b>Total Deferred Inflows of Financial Resources</b>	<b>(195,626)</b>	<b>9,451</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,865,492	-
Restricted Net Position	1,281,648	15,000
Unrestricted Net Position (Deficit)	(8,733,963)	(255,062)
<b>TOTAL NET POSITION</b>	<b>(2,586,823)</b>	<b>(240,062)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 12,295,963</b>	<b>\$ 508,452</b>

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



**PEYTON SCHOOL DISTRICT 23JT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**  
**(With Comparative Totals for June 30, 2015)**

	<u>Debt Service</u>			<u>Totals</u>	
	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Other Governmental Funds</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>					
Cash and Investments	\$ 2,363,649	\$ 1,079,052	\$ 126,459	\$ 3,569,159	\$ 3,797,012
Cash with Fiscal Agent	17,075	788	-	17,863	20,671
Taxes Receivable	39,305	5,708	-	45,013	23,539
Interfund Accounts Receivable	-	-	12,817	12,817	12,817
Grants Receivable	1,888	-	-	1,888	4,838
Other Accounts Receivable	31,361	-	247	31,609	432
Inventory	-	-	2,278	2,278	2,547
Prepaid Expenses	7,521	-	-	7,521	69,698
<b>TOTAL ASSETS</b>	<u>\$ 2,460,799</u>	<u>\$ 1,085,548</u>	<u>\$ 141,801</u>	<u>\$ 3,688,148</u>	<u>\$ 3,931,554</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
<b>Liabilities</b>					
Interfund Accounts Payable	\$ 12,817	\$ -	\$ -	\$ 12,817	\$ 12,817
Accounts Payable	138,715	-	-	138,716	104,589
Accrued Salaries & Benefits	587,143	-	6,824	593,967	568,553
<b>Total Liabilities</b>	<u>738,675</u>	<u>-</u>	<u>6,824</u>	<u>745,500</u>	<u>685,959</u>
<b>Deferred Inflows of Financial Resources</b>					
Deferred Inflows of Resources	-	-	5,073	5,073	4,921
<b>Fund Balance</b>					
Nonspendable Fund Balance	7,521	-	2,278	9,799	72,245
Restricted Fund Balance					
Restricted for Debt Service	-	1,085,548	-	1,085,548	1,026,163
Restricted for TABOR Emergencies	169,000	-	-	169,000	157,000
Restricted for Colorado Preschool Program	27,100	-	-	27,100	26,320
Committed Fund Balance					
Assigned Fund Balance					
Assigned for Fund Purpose	-	-	127,626	127,626	187,190
Unassigned Fund Balance	1,518,503	-	-	1,518,503	1,771,756
<b>Total Fund Balance</b>	<u>1,722,124</u>	<u>1,085,548</u>	<u>129,904</u>	<u>2,937,576</u>	<u>3,240,674</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 2,460,799</u>	<u>\$ 1,085,548</u>	<u>\$ 141,801</u>	<u>\$ 3,688,149</u>	<u>\$ 3,931,554</u>

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

**PEYTON SCHOOL DISTRICT 23JT**  
**Reconciliation of Governmental Fund Balances**  
**to Governmental Activities Net Position**  
**June 30, 2016**

Fund Balance - Governmental Funds	\$ 2,937,575
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	
Capital assets, being depreciated	13,558,128
Accumulated depreciation	(6,343,615)
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds	
Bond premiums - net of amortization	(254,094)
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds	
Contributions subsequent to measurement date	260,839
Difference Between Actual and Expected Experience	212,272
Amortization of Experience Difference	(58,316)
Difference between projected and actual investment returns on the pension plan	1,313,404
Amortization of the investment return difference	(322,080)
Net pension liability	(11,658,791)
Difference between projected and actual pension plan experience	(1,057)
Amortization of the experience difference	572
Change of Assumptions	(227,168)
Amortization of Change in Assumptions	62,409
Change in District proportionate share of the net pension liability	553,977
Amortization of the change in proportion	(188,034)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.	
Bonds payable	(2,100,000)
Capital leases payable	(249,021)
Accrued interest payable	(3,348)
Accrued compensated absences	(80,475)
	(2,432,844)
Total Net Position - Governmental Activities	\$ (2,586,823)

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

**PEYTON SCHOOL DISTRICT 23JT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	Debt Service			Totals	
	General Fund	Bond Redemption Fund	Other Governmental Funds	2016	2015
<b>REVENUES</b>					
Local Sources	\$ 1,231,260	\$ 364,385	\$ 250,128	\$ 1,845,773	\$ 1,465,524
Intermediate Sources	51	-	-	51	60
State Sources	4,117,114	-	2,243	4,119,357	4,129,442
Federal Sources	145,267	-	84,168	229,435	279,880
<b>TOTAL REVENUES</b>	<u>5,493,692</u>	<u>364,385</u>	<u>336,539</u>	<u>6,194,616</u>	<u>5,874,906</u>
<b>EXPENDITURES</b>					
Instruction	3,249,718	-	-	3,249,718	3,110,432
Pupil Support	162,317	-	-	162,317	141,924
Staff Support	61,213	-	-	61,213	65,419
General Administration	247,930	-	-	247,930	532,384
School Administration	338,894	-	-	338,894	396,215
Business Services	360,549	-	20	360,569	275,559
Operations and Maintenance	573,146	-	8,375	581,521	515,692
Transportation	422,791	-	140,850	563,641	450,819
Risk Management	134,645	-	-	134,645	91,721
Food Service	-	-	130,911	130,911	132,537
Facilities	27,686	-	525,082	552,768	256,797
Debt Service	-	305,000	39,438	344,438	309,900
<b>TOTAL EXPENDITURES</b>	<u>5,578,889</u>	<u>305,000</u>	<u>844,676</u>	<u>6,728,565</u>	<u>6,279,399</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>(85,197)</u>	<u>59,385</u>	<u>(508,137)</u>	<u>(533,949)</u>	<u>(404,493)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Proceeds	-	-	230,850	230,850	-
Transfer In (Out) - net	(220,000)	-	220,000	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(220,000)</u>	<u>-</u>	<u>450,850</u>	<u>230,850</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	(305,197)	59,385	(57,287)	(303,099)	(404,493)
<b>BEGINNING FUND BALANCE</b>	2,027,321	1,026,163	187,190	3,240,674	3,645,167
<b>ENDING FUND BALANCE</b>	<u>\$ 1,722,124</u>	<u>\$ 1,085,548</u>	<u>\$ 129,903</u>	<u>\$ 2,937,575</u>	<u>\$ 3,240,674</u>

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

**PEYTON SCHOOL DISTRICT 23JT**  
**Reconciliation of Governmental Changes in Fund Balance**  
**to Governmental Activities Change in Net Position**  
**For the Year Ended June 30, 2016**

Change in Fund Balance - Governmental Funds	\$	(303,099)
<p>Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level</p>		
Capitalized Asset Purchases		639,467
Depreciation Expense		(276,865)
<p>Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.</p>		
Change in contributions subsequent to the measurement date		(27,146)
Change in the difference between actual and expected experience		212,272
Change in the amortization of experience difference		(58,316)
Current year projected to actual investment return difference		1,085,542
Current year amortization of overall investment return differences		(299,294)
Change in net pension liability		(1,756,080)
Current year projected to actual pension plan experience difference		(318)
Current year amortization of overall pension plan experience differences		471
Change in the changes in assumptions		(227,168)
Change in the amortization of change in assumptions		62,409
Current year change in proportionate share of cost-sharing plan liability		419,138
Current year amortization of overall proportionate share differences		(169,647)
<p>Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level</p>		
Proceeds from debt issuances		(230,850)
Principal payments on bonds payable		220,000
Principal payments on capital leases		38,131
Change in accrued interest payable		271
Amortization of premiums and discounts		26,619
Change in accrued compensated absences		11,326
		11,326
Changes in Net Position	\$	(633,137)

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

**PEYTON SCHOOL DISTRICT 23JT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**Pupil Activity Fund**  
**June 30, 2016**  
**(With Comparative Totals for June 30, 2015)**

	<b>Totals</b>	
	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Cash and Investments	\$ 88,708	\$ 65,730
<b>NET POSITION</b>		
Restricted Net Position	\$ 88,708	\$ 65,730

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

**PEYTON SCHOOL DISTRICT 23JT**  
**Balance Sheet - Governmental Funds**  
**Discretely Presented Component Unit**  
**The Career Building Academy**  
**June 30, 2016**  
**(With Comparative Totals for June 30, 2015)**

	<u>Totals - The Career Building Academy 2016</u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 9,968
Accrued Salaries & Benefits	28,872
Due to Affiliate	9,175
Due to Related Party	<u>24,244</u>
<b>Total Liabilities</b>	<u>72,259</u>
<b>Fund Balance</b>	
Restricted Fund Balance	
Restricted for TABOR Emergencies	15,000
Unrestricted Fund Balance	<u>(87,259)</u>
<b>Total Fund Balance</b>	<u>(72,259)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>
 <b>TOTAL FUND BALANCE - GOVERNMENTAL FUND</b>	 \$ (72,259)
 Amounts reported for governmental activities in the statement of net position are different because:	
 Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds	
Net pension liability	(666,804)
Deferred Outflows Related to Pensions	508,452
Deferred Inflows Related to Pensions	<u>(9,451)</u>
 <b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	 <u>\$ (240,062)</u>

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

**PEYTON SCHOOL DISTRICT 23JT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Fund - Discretely Presented Component Unit**  
**The Career Building Academy**  
**For the Year Ended June 30, 2016**

	<b>Totals - The Career Building Academy</b>
	<b>2016</b>
<b>REVENUES</b>	
Local Sources	\$ 511,105
State and Federal Sources	15,380
<b>TOTAL REVENUES</b>	<b>526,485</b>
 <b>EXPENDITURES</b>	
Instruction	239,030
Supporting Services	359,714
<b>TOTAL EXPENDITURES</b>	<b>598,744</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(72,259)</b>
<b>BEGINNING FUND BALANCE</b>	-
<b>ENDING FUND BALANCE</b>	<b>\$ (72,259)</b>
 <b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (72,259)</b>
 Amounts reported for governmental activities in the statement of net position are different because:	
Deferred Charges related to pensions are not recognized in the governmental funds. However, in the government-wide statements these amounts are capitalized and amortized.	(167,803)
<b>CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES</b>	<b>\$ (240,062)</b>

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

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Peyton School District 23JT (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Following is a summary of the more significant policies:

**Reporting Entity**

For financial reporting purposes, the District includes all activities and funds for which the District exercises financial accountability. The school board members are elected by the public, have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. Certain units of local government, over which the District exercises no financial accountability, such as the county, city, other independently elected special districts within the District, are excluded from the financial statements. These units are considered separate reporting entities and issue financial statements separate from that of the District. The District is not a component unit of any other entity.

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Codification Section 2100 "Defining the Financial Reporting Entity". Based upon the application of these criteria, The Career Building Academy – Peyton charter school is includable within the District's reporting entity as a discretely presented component unit. Additional information related to the charter school can be obtained from The Career Building Academy – Peyton, 410 Tia Juana St., Colorado Springs, CO 80909

**Basis of Presentation**

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, 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. General revenues consist of taxes and others sources not described above.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

The District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service (Bond Redemption) Fund – This fund is used to account for the repayment of the District's general obligation indebtedness.

The District reports the following non-major governmental funds:

Special Revenue Fund (Food Service Fund) – The Food Service Fund accounts for the District's food service program.

Capital Projects Fund (Capital Reserve Fund) – These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

The District reports the following fiduciary fund:

Agency Fund (Pupil Activity Fund) – This fund is used to account for the money held in trust by the District for student organizations and for scholarships. These funds are custodial and do not measure the results of operations. There is no formal trust agreement related to this fund.

**Measurement Focus and Basis of Accounting**

**Government-Wide and Fiduciary Fund Financial Statements**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus and Basis of Accounting** (Continued)

**Government-Wide and Fiduciary Fund Financial Statements** (Continued)

Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements**

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end. The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at year end.
- Public hearings are conducted by the Board of Education to obtain comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Budgets and Budgetary Accounting** (Continued)

- Budgeted amounts reported in the accompanying financial statements are as originally adopted or as revised by the Board of Education.
- Encumbrance accounting is not utilized.

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**

Cash and Investments – The District pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. The amount contributed to the cash pool is recorded in each fund. Interest earnings from the pool are allocated monthly to each fund based on average daily balances of equity in the pool. For reporting purposes, the investment pool is stated at fair value.

For the purposes of the statement of cash flows, the District considers cash and cash equivalents to be all cash on hand, cash on demand deposit and highly liquid investments with a maturity of three months or less when purchased.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories – Inventories consist of expendable supplies and commodities held for consumption. Supplies inventories are stated at cost on a first-in, first-out basis. Commodities inventories are stated at the USDA's assigned values which approximate fair market value at the date of receipt on a first-in, first-out basis.

Expenditures for food items are also recorded when used. The federal government donates surplus commodities to supplement the National School Lunch Programs. Commodity contributions received by the District are recorded as revenues when consumed.

Due To and From Other Funds – Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. In the fund financial statements, these receivables and payables are classified as "Due From Other Funds", or "Due to Other Funds. In the government-wide financial statements, all internal balances have been substantially eliminated.

Capital Assets – Capital assets, which include sites, site improvements, buildings and improvements, transportation, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**  
(Continued)

Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	25-50 years
Vehicles	10-20 years
Other Equipment	5-10 years

Unearned Revenues – Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

Long-Term Debt – Governmental activities long-term obligations of the District are reported in the government-wide financial statements. These obligations are not reported in the governmental funds and are therefore listed as a reconciling item between the two presentations.

Accumulated unpaid sick and vacation pay and amounts due to other governments are serviced from other revenues in the General Fund. The unpaid sick and vacation pay are reflected in the government-wide statement and shown as long-term obligations as no significant portion will be paid with current resources.

Compensated Absences – The District's policy allows all certified employees to accumulate up to 50 days of sick leave that can be paid upon separation. These compensated absences are recognized as current salary costs when and when paid in the Governmental Fund Type. This obligation is shown in the non-current liability section of the government-wide Statement of Net Position.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has items that qualify for reporting in this category, all related to outstanding pension obligations and further described in Note 9.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**  
(Continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows for prepaid student meal accounts and pension related deferrals as further described in Note 9.

**Net Position/Fund Balances**

In the government-wide financial statements and for the proprietary fund statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “non-spendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The District currently does not have any non-spendable fund balances.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, and at their highest level of action are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund is presented as unassigned.

**Net Position/Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Revenues and Expenditures/Expenses**

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on December 10. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November. Due to the funding nature of Colorado school districts, all uncollected property taxes milled for 2015 are deemed receivable at June 30, 2016. District property taxes are accounted for in the General and Bond Redemption Funds.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

**NOTE 2: CASH AND INVESTMENTS**

**DEPOSITS**

**Custodial Credit Risk – Deposits.** In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

**PEYTON SCHOOL DISTRICT 23JT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**DEPOSITS**

At June 30, 2016, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not in District's name)	2,219,241	2,160,294
Petty Cash	-	100
<b>Total</b>	<b><u>\$ 2,469,241</u></b>	<b><u>\$ 2,410,394</u></b>

**INVESTMENTS**

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2016 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Weighted Average Maturity</u>
Investment Pools - Bond Redemption	\$ -	\$ 1,079,052	\$ -	\$ 1,079,052	-
Investment Pools - Unrestricted	-	168,421	-	168,421	-
<b>Total Investments</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,247,473</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,247,473</u></b>	<b><u>-</u></b>

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- **Investment Pools:** Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2016, there were no changes in methods or assumptions utilized to derive the fair value of the District's assets and liabilities.

**Credit Risk.** Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 2: CASH AND INVESTMENTS** (Continued)

**INVESTMENTS** (Continued)

During the year ended June 30, 2016, the District invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation.

**Custodial Credit Risk – Investments.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2016, the District's Bond Redemption investments were held in safekeeping.

The District's cash and investment balances are as follows:

Cash in Bank	\$ 2,410,294
Petty Cash	100
Investments	<u>1,247,473</u>
<b>Total Cash and Investments</b>	<b><u>\$ 3,657,867</u></b>
Unrestricted - Government-wide	\$ 3,569,159
Unrestricted - Agency	<u>88,708</u>
<b>Total</b>	<b><u>\$ 3,657,867</u></b>

**NOTE 3: INVENTORIES**

Food Service Fund inventory as of June 30, 2016 of \$2,278 consisted of purchased and donated commodities of \$2,204 and \$74 respectively. Purchase inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

**PEYTON SCHOOL DISTRICT 23JT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 4: CAPITAL ASSETS**

Activity for governmental activities capital assets which are capitalized by the District is summarized below:

	<b>Balance 6/30/15</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/16</b>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital Assets:				
Buildings	\$ 11,695,258	\$ 424,575	\$ -	\$ 12,119,833
Equipment	39,982	21,143	-	61,125
Food Service Equipment	20,211	-	-	20,211
Transportation Equipment	1,163,210	193,749	-	1,356,959
Total Capital Assets	<u>12,918,661</u>	<u>639,467</u>	<u>-</u>	<u>13,558,128</u>
Less: Accumulated Depreciation				
Buildings	(5,450,728)	(213,612)	-	(5,664,340)
Equipment	(9,583)	(6,623)	-	(16,206)
Food Service Equipment	(20,211)	-	-	(20,211)
Transportation Equipment	<u>(586,228)</u>	<u>(56,630)</u>	<u>-</u>	<u>(642,858)</u>
Total Accumulated Depreciation	<u>(6,066,750)</u>	<u>(276,865)</u>	<u>-</u>	<u>(6,343,615)</u>
<b>Net Capital Assets</b>	<b><u>\$ 6,851,911</u></b>	<b><u>\$ 362,602</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,214,513</u></b>

Governmental activities depreciation is allocated in the Statement of Activities as follows:

<b>Depreciation Allocation</b>	
Instruction	\$ 140,933
Supporting Services	135,932
<b>Total Depreciation</b>	<b><u>\$ 276,865</u></b>

**NOTE 5: INTERNAL ACTIVITY**

The District had the following internal balances as of June 30, 2016:

General Fund Due to Other Funds	\$ (12,817)
Capital Reserve Project Fund Due from Other Funds	12,817
<b>Net Internal Balances</b>	<b><u>\$ -</u></b>

In addition, the District recorded \$200,000 and \$20,000 in transfers from the General Fund to the Capital Reserve Projects and Food Service Funds to provide resources for capital projects and food operations, respectively.

**PEYTON SCHOOL DISTRICT 23JT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 6: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2016, are \$593,967, accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund of \$587,143 and Food Service Fund of \$6,824.

**NOTE 7: LONG-TERM DEBT**

The following is a summary of general long-term obligation transactions of the District for the year ended June 30, 2016:

	<b>Balance July 1 2015</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance June 30 2016</b>	<b>Current Portion</b>
General Obligation Bonds: Series 2011	\$ 2,320,000	\$ -	\$ 220,000	\$ 2,100,000	\$ 230,000
Capital Leases	56,302	230,850	38,131	249,021	17,621
PERA Pension Liability	9,902,711	1,756,080	-	11,658,791	
Compensated Absences	91,801	-	11,326	80,475	-
<b>Total Long-Term Obligations</b>	<b><u>\$ 12,370,814</u></b>	<b><u>\$ 1,986,930</u></b>	<b><u>\$ 269,457</u></b>	<b><u>\$ 14,088,287</u></b>	<b><u>\$ 247,621</u></b>
<b>Unamortized Bond Premiums</b>	<b><u>\$ 280,713</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 26,619</u></b>	<b><u>\$ 254,094</u></b>	<b><u>\$ 27,829</u></b>

**Bonds Payable**

**2011 General Obligation / Capital Appreciation Bonds.** In September, 2011, the District issued \$2,815,000 of General Obligation Bonds and \$25,000 of Capital Appreciation Bonds for the purpose of discharging the outstanding 1994 Bonds in the amount of \$400,000 and discharging the outstanding 2003 bonds that mature on and after December 2014 in the amount of \$2,440,000. The 2011 Bonds bear interest at rates varying from 1% to 4%. The bonds require annual principal payments on December 15 and semi-annual interest payments on June 15 and December 15. The Capital Appreciation Bonds were repaid during the 2015 fiscal year.

**PEYTON SCHOOL DISTRICT 23JT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 7: LONG-TERM DEBT** (Continued)

**Summary of Debt Service Requirements.** The annual requirement to amortize the bonds outstanding as of June 30, 2016, follows:

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/2017	\$ 230,000	\$ 78,250	\$ 308,250
6/30/2018	235,000	70,100	305,100
6/30/2019	245,000	60,500	305,500
6/30/2020	255,000	50,500	305,500
6/30/2021	270,000	40,000	310,000
2022 to 2026	865,000	52,900	917,900
<b>Total</b>	<b>\$ 2,100,000</b>	<b>\$ 352,250</b>	<b>\$ 2,452,250</b>

**Capital Leases.** In 2014, the District entered into a capital lease arrangement for the purchase of a school bus. The lease was for \$59,473 and requires three annual payments through 2016, of \$21,228 including 3.5% interest. The District has capitalized assets of \$53,525 related to this lease. Payments were made by the Capital Reserve Projects Fund. This lease was repaid during the current fiscal year.

In 2015, the District entered into a capital lease arrangement for the purchase of a school bus. The lease was for \$52,899 and requires three annual payments through 2017, of \$18,695 including 3% interest. The District has capitalized assets with a remaining basis of \$47,609 related to this lease. Payments are expected to be made by the Capital Reserve Projects Fund.

In 2016, the District entered into a capital lease arrangement for the purchase of two school buses. The lease was for \$140,850 and requires five annual payments through 2020 of \$30,938 including 4.34% interest. The District has capitalized assets of \$140,850 related to this lease. Payments are expected to be made by the Capital Reserve Projects Fund.

The future minimum lease payments are as follows:

<u>Year</u>	<u>2015 Lease Payment</u>	<u>2016 Lease Payment</u>	<u>Total</u>
2017	\$ 18,695	\$ 30,938	\$ 49,633
2018	-	30,938	30,938
2019	-	30,938	30,938
2020	-	30,938	30,938
2021	-	30,938	30,938
Total Payments	18,695	154,690	173,385
Interest at 3.5%/4.34%	(524)	(13,840)	(14,364)
<b>Present Value of Payments</b>	<b>\$ 18,171</b>	<b>\$ 140,850</b>	<b>\$ 159,021</b>

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 7: LONG-TERM DEBT** (Continued)

**Capital Leases** (Continued)

In 2016, the District entered into a capital lease arrangement for the purchase of HVAC equipment. The lease was for \$90,000 and requires ten annual payments through 2026 of \$11,185 including 4% interest. The District has capitalized assets of \$90,000 related to this lease. Payments are expected to be made by the Capital Reserve Projects Fund.

The future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 11,185
2018	11,185
2019	11,185
2020	11,185
2021	11,185
2022-2026	<u>55,924</u>
Future Minimum Lease Payments	111,849
Interest at 4%	<u>(21,849)</u>
<b>Present Value of Future Payments</b>	<b><u>\$ 90,000</u></b>

**NOTE 8: JOINTLY GOVERNED ORGANIZATIONS**

The District is a participant in a jointly governed organization to operate the Pikes Peak Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. The District made contributions to the BOCES of \$257,550 for the year ended June 30, 2016. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 2883 South Circle Dr., Colorado Springs, CO 80906.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

*Pensions.* The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

*Benefits provided.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

**General Information about the Pension Plan** (Continued)

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

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

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

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

**PEYTON SCHOOL DISTRICT 23JT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

<b>January 1<sup>st</sup> through December 31<sup>st</sup></b>	<b>2014<sup>1</sup></b>	<b>2015<sup>1</sup></b>
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%
<b>Total employer contribution rate to the SCHDTF</b>	<b>16.43%</b>	<b>17.33%</b>

<sup>1</sup> Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$575,715 for the plan year ended December 31, 2015 and \$590,383 for the fiscal year ended June 30, 2016.

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

At June 30, 2016, the District reported a liability of \$11,658,791 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 District's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

**PEYTON SCHOOL DISTRICT 23JT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

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

At December 31, 2015, the District's proportion was .07623%, which was an increase of .00422% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016 the District recognized pension expense of \$1,158,808. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 153,956	\$ (485)
Changes of assumptions or other inputs	\$ -	\$ (164,759)
Net difference between projected and actual earnings on pension plan investments	\$ 991,324	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ 365,943
Contributions subsequent to the measurement date	\$ 260,839	\$ -
<b>Total</b>	<b>\$ 1,406,119</b>	<b>\$ 200,699</b>

\$260,839 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	\$ (409,893)
2018	(399,047)
2019	(333,757)
2020	(203,282)
<b>Total</b>	<b>\$ (1,345,979)</b>

**PEYTON SCHOOL DISTRICT 23JT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

Actuarial cost method	Entry Age
Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increase, including wage inflation	3.90-10.10%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1//07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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.

**PEYTON SCHOOL DISTRICT 23JT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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

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

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those 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.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	\$ (15,113,201)	\$ (11,658,791)	\$ (8,785,367)

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

**NOTE 10: DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2016 program members contributed \$25,062.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS**

Health Care Trust Fund

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

*Funding Policy* – The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014 each of the two preceding, the District contributions to the HCTF were \$34,064, \$32,707 and \$30,308, respectively, equal to their required contributions for each year.

**NOTE 12: RISK MANAGEMENT**

**Property and Liability Coverage.** The District belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2016.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the District resulting from claims not covered by the pool is not readily determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

**Workers Compensation.** The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 13: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

Claims and Judgments - The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Tabor Amendment.

Fiscal year 1993 provided the basis for limits in future years to which may be applied allowable increases for inflation and assessed valuation. Revenue received in excess of the limitations may be required to be refunded unless the District's electorates vote to retain the revenue. The Tabor Amendment is subject to many interpretations, but the District believes it is in compliance with the Amendment.

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2016, the District's reserve of \$169,000 was recorded as restricted fund balance in the General Fund.

In November 2014, the District's voters approved an election question which authorizes the District to retain and spend excess revenues from any source collected during 2014-2015 and for seven fiscal years thereafter, ending with the 2021-2022 fiscal year, from any source and use the excess revenue for capital expenditures.

The District has reported the following restrictions and assignments of its governmental fund and activity equity:

**NOTE 14: NET POSITION DEFICIT**

The Governmental Activities has an overall net position deficit of \$2,586,823 and an unrestricted net position deficit of \$8,733,963, primarily due to adding the PERA net pension liability of \$11,658,791, as further described in Note 9. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Pension Schedules - Unaudited)**

PEYTON SCHOOL DISTRICT 23JT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)  
PERA Pension Plan  
Last 10 Fiscal Years<sup>(1)</sup>

	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
District's proportion of the net pension asset (liability)	0.076230%	0.073065%	0.072007%
District's proportionate share of the net pension asset (liability)	\$ (11,658,791)	\$ (9,902,711)	\$ (9,184,534)
District's covered-employee payroll	\$ 3,322,072	\$ 3,060,884	\$ 2,902,851
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	59.16%	62.84%	64.07%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**PEYTON SCHOOL DISTRICT 23JT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
PERA Pension Plan  
Last 10 Fiscal Years<sup>(1)</sup>**

	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
Contractually required contributions	\$ 575,715	\$ 502,903	\$ 450,813
Actual contributions	<u>(575,715)</u>	<u>(502,903)</u>	<u>(450,813)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,322,072	\$ 3,060,884	\$ 2,902,851
Contributions as a percentage of covered-employee payroll	17.33%	16.43%	15.53%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
(Budgetary Comparison Schedules)

**PEYTON SCHOOL DISTRICT 23JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2015 Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 862,397	\$ 862,397	\$ 897,363	\$ 34,966	\$ 795,455
Specific Ownership Taxes	91,628	91,628	125,248	33,620	128,595
Delinquent Taxes	1,635	1,635	1,110	(525)	1,619
Other Taxes	50	50	356	306	-
Tuition From Individuals	1,000	1,000	4,447	3,447	2,240
Tuition Within the BOCES	39,636	39,636	53,443	13,807	51,194
Transportation Fees	7,200	7,200	11,574	4,374	8,896
Investment Earnings	7,000	7,000	7,608	608	8,603
Pupil Activity Revenues	100	100	-	(100)	58
Community Service Revenue	1,000	1,000	-	(1,000)	-
Rent Revenue	9,475	9,475	11,659	2,184	12,169
Donations	-	-	4,113	4,113	4,791
Sale of Capital Assets	12,557	12,557	18,135	5,578	5,273
Services to Charter School	-	-	47,759	47,759	-
Overhead Cost Revenue	-	-	-	-	4,453
Insurance Proceeds	-	-	349	349	17,544
Other Local	20,000	20,000	48,095	28,095	18,187
<b>Total Local Sources</b>	<b>1,053,678</b>	<b>1,053,678</b>	<b>1,231,259</b>	<b>177,581</b>	<b>1,059,077</b>
<b>Intermediate Sources</b>					
Mineral Leases	51	51	51	-	60
<b>State Sources</b>					
State Equalization	3,838,621	3,838,621	3,687,940	(150,681)	3,753,447
Transportation	91,711	91,711	95,450	3,739	91,357
State Grants from CDE					
Capital Construction - Charter Schools	-	-	15,380	15,380	-
State ECEA	2,470	2,470	2,693	223	2,072
State ELPA	1,660	1,660	1,810	150	1,387
State Share - Colorado Preschool Program	171,007	171,006	-	(171,006)	-
BOCES Grant Writing	124,576	124,576	127,191	2,615	163,230
Read Act	9,964	9,964	9,965	1	8,829
Library Grant	3,500	3,500	3,500	-	3,000
National Board Certified Teachers Grant	-	-	1,600	1,600	-
Small Rural Schools Grant	-	-	167,734	167,734	-
Addtl At-Risk Funding Grant	-	-	2,658	2,658	-
State Grants Provided through BOCES	110,553	110,553	1,194	(109,359)	103,147
<b>Total State Sources</b>	<b>4,354,062</b>	<b>4,354,061</b>	<b>4,117,115</b>	<b>(236,946)</b>	<b>4,126,469</b>
<b>Federal Sources</b>					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs	116,602	116,602	116,609	7	128,560
NCLB Title VIII - Impact Aid	-	-	4,171	4,171	20,728
NCLB Title II, Part A - Teacher & Principal Training	18,295	18,295	3,063	(15,232)	18,578
Other Federal Grants	-	-	2	2	-
Direct Federal Revenue					
NCLB Title VI, Part B - REAP/Rural Education	41,204	41,204	21,422	(19,782)	41,204
<b>Total Federal Sources</b>	<b>176,101</b>	<b>176,101</b>	<b>145,267</b>	<b>(30,834)</b>	<b>209,070</b>
<b>TOTAL REVENUES</b>	<b>5,583,892</b>	<b>5,583,891</b>	<b>5,493,692</b>	<b>(90,199)</b>	<b>5,394,676</b>

(Continued)

See the accompanying Independent Auditors' Report

**PEYTON SCHOOL DISTRICT 23JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	2,436,921	2,455,087	2,378,524	76,563	2,236,867
Benefits	661,185	662,703	604,525	58,178	581,443
PS - Professional	12,540	12,540	20,561	(8,021)	23,223
PS - Property	21,605	21,605	16,117	5,488	17,860
PS - Other	83,098	83,098	68,645	14,453	88,407
Supplies	132,077	132,122	119,909	12,213	106,208
Property	34,858	34,858	37,500	(2,642)	43,200
Other Expenses	6,185	6,185	3,938	2,247	4,578
Total Instruction	<u>3,388,469</u>	<u>3,408,198</u>	<u>3,249,719</u>	<u>158,479</u>	<u>3,101,786</u>
<b>Supporting Services</b>					
<b>Pupil Support</b>					
Salaries	132,452	132,452	124,130	8,322	110,079
Benefits	40,140	40,140	33,978	6,162	27,827
PS - Other	930	930	1,266	(336)	401
Supplies	4,226	4,226	2,828	1,398	1,718
Property	-	-	-	-	1,834
Other Expenses	250	250	114	136	65
Total Pupil Support	<u>177,998</u>	<u>177,998</u>	<u>162,316</u>	<u>15,682</u>	<u>141,924</u>
<b>Staff Support</b>					
Salaries	39,551	39,551	39,704	(153)	42,323
Benefits	12,270	12,270	11,206	1,064	10,151
PS - Professional	890	890	465	425	1,181
PS - Other	1,100	1,100	372	728	2,151
Supplies	9,000	9,000	7,776	1,224	7,854
Property	2,500	2,500	1,690	810	1,759
Total Staff Support	<u>65,311</u>	<u>65,311</u>	<u>61,213</u>	<u>4,098</u>	<u>65,419</u>
<b>General Administration</b>					
Salaries	121,762	121,762	120,021	1,741	118,002
Benefits	58,270	58,270	52,384	5,886	50,048
PS - Professional	18,140	18,140	7,034	11,106	11,046
PS - Property	10,000	10,000	-	10,000	10,000
PS - Other	88,095	88,095	50,826	37,269	329,407
Supplies	6,300	6,300	7,974	(1,674)	4,755
Property	5,813	5,813	813	5,000	725
Other Expenses	14,630	14,630	8,878	5,752	8,401
Total General Administration	<u>323,010</u>	<u>323,010</u>	<u>247,930</u>	<u>75,080</u>	<u>532,384</u>
<b>School Administration</b>					
Salaries	231,383	231,383	244,182	(12,799)	276,293
Benefits	55,522	55,522	60,096	(4,574)	74,975
PS - Property	7,500	7,500	9,353	(1,853)	11,982
PS - Other	20,962	20,962	17,110	3,852	25,040
Supplies	7,500	7,500	6,103	1,397	6,532
Property	3,240	3,240	1,280	1,960	570
Other Expenses	1,120	1,120	770	350	823
Total School Administration	<u>327,227</u>	<u>327,227</u>	<u>338,894</u>	<u>(11,667)</u>	<u>396,215</u>

(Continued)

See the accompanying Independent Auditors' Report

**PEYTON SCHOOL DISTRICT 23JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016		Actual	Variance with Final Budget	2015 Actual
	Original Budget	Final Budget			
(Continued)					
<b>EXPENDITURES (Continued)</b>					
<b>Supporting Services (Continued)</b>					
<b>Business Services</b>					
Salaries	84,912	84,912	75,398	9,514	83,153
Benefits	30,840	16,741	19,713	(2,972)	15,876
PS - Professional	2,250	2,150	2,273	(123)	2,422
PS - Other	289,149	290,350	260,217	30,133	165,079
Supplies	2,500	2,500	2,948	(448)	9,029
Total Business Services	<u>409,651</u>	<u>396,653</u>	<u>360,549</u>	<u>36,104</u>	<u>275,559</u>
<b>Operations and Maintenance</b>					
Salaries	225,011	225,011	223,075	1,936	212,970
Benefits	76,881	76,881	63,207	13,674	57,438
PS - Property	14,046	14,046	14,339	(293)	4,174
PS - Other	53,730	53,730	53,134	596	33,719
Supplies	188,474	188,474	216,871	(28,397)	207,391
Property	5,050	5,050	2,520	2,530	-
Total Operations and Maintenance	<u>563,192</u>	<u>563,192</u>	<u>573,146</u>	<u>(9,954)</u>	<u>515,692</u>
<b>Transportation</b>					
Salaries	254,641	254,641	258,647	(4,006)	244,048
Benefits	82,499	82,499	72,959	9,540	70,230
PS - Property	12,946	12,946	11,957	989	11,405
PS - Other	4,250	4,250	2,522	1,728	1,600
Supplies	109,500	109,500	67,756	41,744	79,240
Property	16,250	16,250	8,742	7,508	4,031
Other Expenses	1,500	1,500	208	1,292	343
Total Transportation	<u>481,586</u>	<u>481,586</u>	<u>422,791</u>	<u>58,795</u>	<u>410,897</u>
<b>Risk Management</b>					
PS - Other	<u>99,548</u>	<u>129,548</u>	<u>134,645</u>	<u>(5,097)</u>	<u>91,721</u>
<b>Facilities/Capital Outlay</b>					
Equipment	-	-	27,686	(27,686)	-
Contingency	<u>1,512,900</u>	<u>1,518,489</u>	-	<u>1,518,489</u>	-
<b>TOTAL EXPENDITURES</b>	<u>7,348,892</u>	<u>7,391,212</u>	<u>5,578,889</u>	<u>1,812,323</u>	<u>5,531,597</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(1,765,000)	(1,807,321)	(85,197)	1,722,124	(136,921)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	<u>(220,000)</u>	<u>(220,000)</u>	<u>(220,000)</u>	-	<u>(219,074)</u>
<b>CHANGE IN FUND BALANCE</b>	(1,985,000)	(2,027,321)	(305,197)	1,722,124	(355,995)
<b>BEGINNING FUND BALANCE</b>	1,985,000	2,027,321	2,027,321	-	2,383,316
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,722,124</u>	<u>\$ 1,722,124</u>	<u>\$ 2,027,321</u>

See accompanying Independent Auditors' Report.

PEYTON SCHOOL DISTRICT 23JT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund which budgets on a cash basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end. The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets are required to be filed with the Commissioner of Education before October 31.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are amended from the originally adopted budget by the Board of Education.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund equity at fiscal year end because they have lapsed and are pending reinstatement.

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## **OTHER SUPPLEMENTARY INFORMATION**

**PEYTON SCHOOL DISTRICT 23JT**  
**Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2016**  
**(With Comparative Totals for June 30, 2015)**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Capital Reserve Project Fund</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>				
Cash and Investments	\$ 20,483	\$ 105,976	\$ 126,459	\$ 183,687
Interfund Accounts Receivable	-	12,817	12,817	12,817
Grants Receivable	-	-	-	4,838
Other Accounts Receivable	247	-	247	432
Inventory	2,278	-	2,278	2,547
<b>TOTAL ASSETS</b>	<u>\$ 23,008</u>	<u>\$ 118,793</u>	<u>\$ 141,801</u>	<u>\$ 204,321</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 5,082
Accrued Salaries & Benefits	6,824	-	6,824	7,128
<b>Total Liabilities</b>	<u>6,824</u>	<u>-</u>	<u>6,824</u>	<u>12,210</u>
<b>Deferred Inflows of Financial Resources</b>				
Deferred Inflows of Resources	5,073	-	5,073	4,921
<b>Fund Balance</b>				
Nonspendable Fund Balance	2,278	-	2,278	2,547
Restricted Fund Balance				
Assigned Fund Balance				
Assigned for Fund Purposes	8,833	118,793	127,626	187,190
Unassigned Fund Balance	-	-	-	(2,547)
<b>Total Fund Balance</b>	<u>11,111</u>	<u>118,793</u>	<u>129,904</u>	<u>187,190</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 23,008</u>	<u>\$ 118,793</u>	<u>\$ 141,801</u>	<u>\$ 204,321</u>

See accompanying Independent Auditors' Report.

**PEYTON SCHOOL DISTRICT 23JT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Capital Reserve Project Fund</u>	<u>2016</u>	<u>2015</u>
<b>REVENUES</b>				
Local Sources	\$ 51,381	\$ 270	\$ 51,651	\$ 53,232
State Sources	2,243	-	2,243	2,973
Federal Sources	64,168	20,000	84,168	70,810
<b>TOTAL REVENUES</b>	<u>117,792</u>	<u>20,270</u>	<u>138,062</u>	<u>127,015</u>
<b>EXPENDITURES</b>				
Instruction	-	-	-	8,646
Business Services	-	20	20	-
Operations and Maintenance	-	8,375	8,375	-
Transportation	-	140,850	140,850	39,922
Food Service	130,911	-	130,911	132,538
Facilities	-	326,604	326,604	256,796
Debt Service	-	39,438	39,438	-
<b>TOTAL EXPENDITURES</b>	<u>130,911</u>	<u>515,287</u>	<u>646,198</u>	<u>437,902</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>(13,119)</u>	<u>(495,017)</u>	<u>(508,136)</u>	<u>(310,887)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds	-	230,850	230,850	-
Transfer In (Out) - net	20,000	200,000	220,000	219,074
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>20,000</u>	<u>430,850</u>	<u>450,850</u>	<u>219,074</u>
<b>CHANGE IN FUND BALANCE</b>	6,881	(64,167)	(57,286)	(91,813)
<b>BEGINNING FUND BALANCE</b>	4,230	182,960	187,190	279,003
<b>ENDING FUND BALANCE</b>	<u>\$ 11,111</u>	<u>\$ 118,793</u>	<u>\$ 129,904</u>	<u>\$ 187,190</u>

See accompanying Independent Auditors' Report.

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## **SPECIAL REVENUE FUND**

This fund accounts for all financial activities associated with the District school lunch program.

Food Service Fund

**PEYTON SCHOOL DISTRICT 23JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Food Service Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>REVENUES</b>					
<b>Local Sources</b>					
Food Service Revenue	\$ 78,200	\$ 78,200	\$ 51,354	\$ (26,846)	\$ 49,899
Donations	-	-	-	-	2,104
Other Local	300	300	27	(273)	-
Total Local Sources	<u>78,500</u>	<u>78,500</u>	<u>51,381</u>	<u>(27,119)</u>	<u>52,003</u>
<b>State Sources</b>					
State Grants from CDE					
State Match - Child Nutrition	2,000	2,000	1,418	(582)	1,480
State K-2 Reduced Lunch	500	500	825	325	1,464
Total State Sources	<u>2,500</u>	<u>2,500</u>	<u>2,243</u>	<u>(257)</u>	<u>2,944</u>
<b>Federal Sources</b>					
Federal Grants from CDE					
Special Milk Program	400	400	354	(46)	443
National School Lunch Program	44,675	44,675	52,014	7,339	58,733
Federal Grants from Other State Agencies					
Commodities	-	-	11,800	11,800	11,634
Total Federal Sources	<u>45,075</u>	<u>45,075</u>	<u>64,168</u>	<u>19,093</u>	<u>70,810</u>
<b>TOTAL REVENUES</b>	<u>126,075</u>	<u>126,075</u>	<u>117,792</u>	<u>(8,283)</u>	<u>125,757</u>
<b>EXPENDITURES</b>					
<b>Supporting Services</b>					
<b>Food Service</b>					
Salaries	51,000	51,000	52,470	(1,470)	52,224
Benefits	14,530	14,530	12,121	2,409	11,509
PS - Professional	-	-	253	(253)	-
PS - Other	4,009	4,009	268	3,741	446
Supplies	3,000	3,000	4,412	(1,412)	8,720
Food	56,328	58,328	48,604	9,724	46,909
Commodities	12,000	12,000	11,786	214	12,656
Property	1,250	1,250	-	1,250	-
Other Expenses	3,958	3,974	997	2,977	74
Total Food Service	<u>146,075</u>	<u>148,091</u>	<u>130,911</u>	<u>17,180</u>	<u>132,538</u>
Contingency	-	2,214	-	2,214	-
<b>TOTAL EXPENDITURES</b>	<u>146,075</u>	<u>150,305</u>	<u>130,911</u>	<u>19,394</u>	<u>132,538</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(20,000)	(24,230)	(13,119)	11,111	(6,781)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	15,000	20,000	20,000	-	19,074
<b>CHANGE IN FUND BALANCE</b>	(5,000)	(4,230)	6,881	11,111	12,293
<b>BEGINNING FUND BALANCE</b>	5,000	4,230	4,230	-	(8,063)
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,111</u>	<u>\$ 11,111</u>	<u>\$ 4,230</u>

See accompanying Independent Auditors' Report.

## **DEBT SERVICE FUND**

Debt Service Funds are used to service the general obligation debt of the District.

The District has the following debt service fund:

### **Bond Redemption Fund**

This fund is used to account for the accumulation of resources and for the payment of principal, interest and other costs associated with the District's general obligation debt.

**PEYTON SCHOOL DISTRICT 23JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Bond Redemption Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<b>2016</b>		<b>Variance with Final Budget</b>	<b>2015</b>	
	<b>Final Budget</b>	<b>Actual</b>		<b>Budget</b>	<b>Actual</b>
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 390,750	\$ 360,878	\$ (29,872)	\$ 351,325	
Specific Ownership Taxes	-	3,490	3,490	-	
Delinquent Taxes	-	461	461	816	
Investment Earnings	11,000	(444)	(11,444)	1,074	
<b>TOTAL REVENUES</b>	<u>401,750</u>	<u>364,385</u>	<u>(37,365)</u>	<u>353,215</u>	
<b>EXPENDITURES</b>					
<b>Debt Service</b>					
Principal	220,000	220,000	-	220,000	
Interest	89,900	85,000	4,900	89,900	
Total Debt Service	<u>309,900</u>	<u>305,000</u>	<u>4,900</u>	<u>309,900</u>	
<b>Contingency</b>	<u>1,118,013</u>	-	<u>1,118,013</u>	-	
<b>TOTAL EXPENDITURES</b>	<u>1,427,913</u>	<u>305,000</u>	<u>1,122,913</u>	<u>309,900</u>	
<b>CHANGE IN FUND BALANCE</b>	(1,026,163)	59,385	1,085,548	43,315	
<b>BEGINNING FUND BALANCE</b>	<u>1,026,163</u>	<u>1,026,163</u>	-	<u>982,848</u>	
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 1,085,548</u>	<u>\$ 1,085,548</u>	<u>\$ 1,026,163</u>	

See accompanying Independent Auditors' Report.

## **CAPITAL PROJECTS FUND**

Capital Project Funds are used to account for the construction of District facilities.

The District has the following capital project fund:

### Capital Reserve Projects Fund

This fund is used to account for the majority of the District's capital improvements.

**PEYTON SCHOOL DISTRICT 23JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Reserve Project Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<b>2016</b>		<b>Variance with Final Budget</b>	<b>2015</b>	
	<b>Final Budget</b>	<b>Actual</b>		<b>Budget</b>	<b>Actual</b>
<b>REVENUES</b>					
<b>Local Sources</b>					
Investment Earnings	\$ -	\$ 270	\$ 270	\$ 837	
Other Local	-	-	-	391	
Total Local Sources	-	270	270	1,228	
<b>State Sources</b>					
Best Capital Construction Program	-	-	-	30	
<b>Federal Sources</b>					
NCLB Title VI, Part B - REAP/Rural Education	20,602	20,000	(602)	-	
<b>TOTAL REVENUES</b>	<b>20,602</b>	<b>20,270</b>	<b>(332)</b>	<b>1,258</b>	
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Property	20,602	-	20,602	8,646	
<b>Supporting Services</b>					
<b>Business Services</b>					
PS - Professional	50	20	30	-	
<b>Operations and Maintenance</b>					
Supplies	-	8,375	(8,375)	-	
<b>Transportation</b>					
Property	-	-	-	39,922	
<b>Facilities/Capital Outlay</b>					
Land and Improvements	199,950	130,891	69,059	245,461	
Equipment	-	105,713	(105,713)	11,335	
Total Facilities/Capital Outlay	199,950	236,604	(36,654)	256,796	
<b>Debt Service</b>					
Principal	-	38,131	(38,131)	-	
Interest	-	1,307	(1,307)	-	
Total Debt Service	-	39,438	(39,438)	-	
<b>Contingency</b>					
	182,960	-	182,960	-	
<b>TOTAL EXPENDITURES</b>	<b>403,562</b>	<b>284,437</b>	<b>119,125</b>	<b>305,364</b>	
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(382,960)</b>	<b>(264,167)</b>	<b>118,793</b>	<b>(304,106)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	200,000	200,000	-	200,000	
<b>CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<b>(182,960)</b>	<b>(64,167)</b>	<b>118,793</b>	<b>(104,106)</b>	
Lease Proceeds	-	230,850	230,850	-	
Capital Outlay	-	(230,850)	(230,850)	-	
<b>CHANGE IN FUND BALANCE - GAAP BASIS</b>	<b>(182,960)</b>	<b>(64,167)</b>	<b>118,793</b>	<b>(104,106)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>182,960</b>	<b>182,960</b>	<b>-</b>	<b>287,066</b>	
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 118,793</b>	<b>\$ 118,793</b>	<b>\$ 182,960</b>	

See accompanying Independent Auditors' Report.

## **TRUST AND AGENCY FUNDS**

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups.

The District has established an agency fund to account for various student activity groups and contributions from private organizations. The agency funds are custodial in nature and do not involve measurement of results of operations.

**PEYTON SCHOOL DISTRICT 23JT**  
**Schedule of Revenues, Expenses and Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Pupil Activity Agency Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>2016</u>		<b>Variance with Final Budget</b>	<u>2015</u> <b>Actual</b>
	<b>Final Budget</b>	<b>Actual</b>		
<b>ADDITIONS</b>				
Local Sources	\$ 145,000	\$ 163,452	\$ 18,452	\$ 107,507
Transfers	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
<b>TOTAL ADDITIONS</b>	<u>155,000</u>	<u>163,452</u>	<u>8,452</u>	<u>107,507</u>
<b>DEDUCTIONS</b>				
Instruction	150,000	140,474	9,526	110,904
Contingency	<u>38,198</u>	<u>-</u>	<u>38,198</u>	<u>-</u>
<b>TOTAL DEDUCTIONS</b>	<u>188,198</u>	<u>140,474</u>	<u>47,724</u>	<u>110,904</u>
<b>CHANGE IN NET POSITION</b>	(33,198)	22,978	56,176	(3,397)
<b>BEGINNING NET POSITION</b>	<u>33,198</u>	<u>65,730</u>	<u>32,532</u>	<u>69,127</u>
<b>ENDING NET POSITION</b>	<u>\$ -</u>	<u>\$ 88,708</u>	<u>\$ 88,708</u>	<u>\$ 65,730</u>

See accompanying Independent Auditors' Report.

## **STATE COMPLIANCE**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1060 - PEYTON 23 JT  
 Fiscal Year 2015-16  
 Colorado School District/BOCES

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

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+		-	=
<b>Governmental</b>				
10 General Fund	2,027,321	5,289,073	5,594,269	1,722,124
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>2,027,321</b>	<b>5,289,073</b>	<b>5,594,269</b>	<b>1,722,124</b>
11 Charter School Fund	0	493,338	596,958	-103,620
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	4,230	137,791	130,910	11,111
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,026,163	364,385	305,000	1,085,548
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	182,960	451,119	515,287	118,792
<b>Totals</b>	<b>3,240,673</b>	<b>6,735,706</b>	<b>7,142,424</b>	<b>2,833,955</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	65,730	163,452	140,474	88,708
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>65,730</b>	<b>163,452</b>	<b>140,474</b>	<b>88,708</b>

FINAL

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



**Colorado Department of Education**

**Bolded Balance Sheet Report**

District: 1060 - PEYTON 23 JT

Fiscal Year 2015-16

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Cash and Investments (8100-8104,8111)	2,363,649	0	0	20,483	0	1,079,052	105,975	0	0	88,708	0	3,657,866		
Cash with Fiscal Agent (8105)	17,075	0	0	0	0	788	0	0	0	0	0	17,864		
Taxes Receivable (8121,8122)	39,305	0	0	0	0	5,708	0	0	0	0	0	45,013		
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	12,817	0	0	0	0	12,817		
Grants Accounts Receivable (8142)	1,888	0	0	0	0	0	0	0	0	0	0	1,888		
Other Receivables (8151-8154,8161)	31,360	0	0	247	0	0	0	0	0	0	0	31,607		
Inventories (8171,8172,8173)	0	0	0	2,278	0	0	0	0	0	0	0	2,278		
Prepaid Expenses 8181,8182)	7,521	0	0	0	0	0	0	0	0	0	0	7,521		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Assets</b>	<b>2,460,798</b>	<b>0</b>	<b>0</b>	<b>23,008</b>	<b>0</b>	<b>1,085,548</b>	<b>118,792</b>	<b>0</b>	<b>0</b>	<b>88,708</b>	<b>0</b>	<b>3,776,854</b>		

Fiduciary

Proprietary

Governmental

LIABILITIES & FUND EQUITY	Governmental										Proprietary			Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Interfund Payables (7401,7402)	12,817	0	0	0	0	0	0	0	0	0	0	0	12,817	
Other Payables (7421-7423)	138,714	41,329	0	0	0	0	0	0	0	0	0	0	180,042	
Accrued Expenses (7461)	587,143	28,872	0	6,824	0	0	0	0	0	0	0	0	622,839	
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Current Liabilities (7491,7492,7499)	0	33,419	0	0	0	0	0	0	0	0	0	0	33,419	
Deferred Inflow (7800)	0	0	0	5,073	0	0	0	0	0	0	0	0	5,073	
<b>Total Liabilities</b>	<b>738,674</b>	<b>103,620</b>	<b>0</b>	<b>11,897</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>854,191</b>	

**Governmental**

**Proprietary**

**Fiduciary**

<b>FUND EQUITY</b>	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	7,521	0	0	2,278	0	0	0	0	0	0	0	0	9,799
Restricted Fund Balance 6720	0	0	0	0	0	1,085,548	0	0	0	0	0	0	1,085,548
TABOR 3% Emergency Reserve 6721	169,000	15,000	0	0	0	0	0	0	0	0	0	0	184,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	27,100	0	0	0	0	0	0	0	0	0	0	0	27,100
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	8,833	0	0	118,792	0	0	0	0	0	127,625
Unassigned Fund Balance 6770	1,518,503	-118,620	0	0	0	0	0	0	0	0	88,708	0	1,488,592
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>1,722,124</b>	<b>-103,620</b>	<b>0</b>	<b>11,111</b>	<b>0</b>	<b>1,085,548</b>	<b>118,792</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,708</b>	<b>0</b>	<b>2,922,664</b>

<b>Total Liabilities &amp; Fund Equity</b>	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	2,460,798	0	0	23,008	0	1,085,548	118,792	0	0	0	88,708	0	3,776,855

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