

ELBERT COUNTY SCHOOL DISTRICT NO. 200
ELBERT COUNTY, COLORADO
BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2016



RECEIVED

By Justin L. Smith at 11:34 am, Dec 15, 2016

ELBERT COUNTY SCHOOL DISTRICT NO. 200
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Elbert County School District No. 200
Elbert, Colorado

I have audited the accompanying financial statements of the governmental activities, each major fund, of the Elbert County School District No. 200, Elbert County, Colorado (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund of the District 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.

Other Matters

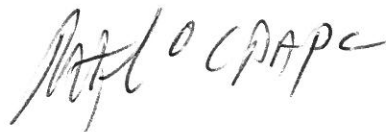
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability, the schedule of contributions and related ratios, and budgetary comparison information shown as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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. I 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The statements included in the other supplementary information section and Colorado Department of Education Auditor's Integrity Report are presented for additional analysis and are not a required part of the basic financial statements.

The other supplementary information and Colorado Department of Education Auditor's Integrity Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Colorado Springs, Colorado
September 15, 2016



Elbert School District #200
Year Ended June 30, 2016
Management's Discussion and Analysis 2015-16

As management of the Elbert School District #200, we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements, which immediately follow this section.

Financial Highlights

- The primary government has government-wide net position totaling over \$14,857,583 at the end of the current fiscal year. This is a decrease in net position of \$180,656 due to depreciation of existing assets that is not recorded in the fund financial statements.
- Governmental activities have an unrestricted net position (deficit) of \$2,945,681. As required by the Governmental Accounting Standards Board, much of this deficit is the result of the implementation of GASB 68 & 71 (Net Pension Liability).
- Fund balance of the District's governmental funds increased by \$201,155 in 2015-16. This increase was a fund balance increase across multiple funds.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the District's financial statements. The Elbert School District #200's basic financial statements are comprised of two components, Basic Financial Statements and Supplemental Information. The Basic Financial Statements have the three sections: 1) Government-wide Financial Statements and 2) Fund Financial Statements, and 3) Notes to the Financial Statements. The Other Supplementary Information is comprised of the combining and individual fund statements and schedules.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of Elbert School District #200's financial activities in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and liabilities. The difference between assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying events occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: levied but uncollected property taxes and earned but unused employee's vacation leave).

The government-wide financial statements consolidate governmental and internal service type activities that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or most of their costs through user fees and charges. Governmental activities consolidate all of the following Elbert School District #200 funds: General Fund, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Capital Projects Fund and Bond Redemption Fund.

Fund Financial Statements

These statements focus on individual parts of the District. The District's operations are in more detail than the government-wide statements.

Governmental Funds

The governmental funds statements show how basic services such as instruction were financed in the short-term as well as what remains (fund balances) for the future spending (budgeting).

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget.

Notes to the Financial Statements

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

Required Other Supplementary Information

In addition to the financial statements and accompanying notes, this report also contains required supplemental information concerning the District's Special Revenue Funds. The combining statements of the special revenue governmental funds are presented after the notes to the financial statements.

Government-wide Financial Analysis

Government-wide Net Position

The assets of Elbert School District #200 are classified as current assets and capital assets. Cash, property taxes receivables and governmental accounts receivables are the current assets. These assets are available to provide the resources for the near-term operations of the District. Capital assets are used in the operations of the District. These assets include land, buildings, equipment and vehicles.

The assets of the District exceed liabilities by \$14,857,583. The liabilities of the district 2015-16 school-year were accounts payable, accrued salaries and benefits, capital lease payable, net pension liability and matching bonds payable of \$7,886,347.

Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Total % Change</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2015-16</u>
Assets							
Current	\$ 1,840,817	\$ 1,659,596	0	0	\$ 1,840,817	\$ 1,659,596	+11%
Capital/Net depreciation	<u>\$20,153,923</u>	<u>\$20,672,393</u>	<u>0</u>	<u>0</u>	<u>\$20,153,923</u>	<u>\$20,672,393</u>	-3%
Total Assets	\$21,994,740	\$22,331,989	0	0	\$21,994,740	\$22,331,989	-2%
Deferred outflows of resources							
	\$ 852,294	233,868	0	0	\$ 852,294	233,868	264%
Liabilities							
Current	\$ 242,773	\$ 256,974	0	0	\$ 242,773	\$ 256,974	-5%
Noncurrent	<u>\$ 7,643,574</u>	<u>\$ 7,106,890</u>	<u>0</u>	<u>0</u>	<u>\$ 7,643,574</u>	<u>\$ 7,106,890</u>	+8%
Total Liabilities	\$ 7,886,347	\$ 7,363,864	0	0	\$ 7,886,347	\$ 7,363,864	+7%
Deferred inflows of resources							
	\$ 103,104	\$ 163,754	0	0	\$ 103,104	\$ 163,754	-37%
Net Position							
Invested in Capital	\$17,552,029	\$17,948,388	0	0	\$17,552,029	\$17,948,388	-2%
Restricted	\$ 251,235	\$ 237,149	0	0	\$ 251,235	\$ 237,149	+6%
Unrestricted	<u>\$-2,945,681</u>	<u>\$-3,147,298</u>	<u>0</u>	<u>0</u>	<u>\$-2,945,681</u>	<u>\$-3,147,298</u>	+6%
Total Net Position	<u>\$14,857,583</u>	<u>\$15,038,239</u>	<u>0</u>	<u>0</u>	<u>\$14,857,583</u>	<u>\$15,038,239</u>	-1%

The major change in the net position from 2014-15 to 2015-16 is that total assets increased by \$337,249 and liabilities increased by about \$522,483.

Total Liabilities Net Position 2015-16

	Governmental	Business-Type	Total
Total Liabilities, Deferred inflows and Net Position	\$22,847,034	\$0	\$22,847,034

Total Liabilities Net Position 2014-15

	Governmental	Business-Type	Total
Total Liabilities and Net Position	\$22,565,857	\$0	\$22,565,857

Government Activities/Business Type

The governmental activities decreased the net position of the District by \$180,656 during the current fiscal year ended June 30, 2016 mainly because of depreciation that is recorded in the government-wide financial statements. There is now a \$5,173,428 net pension liability on the District's Statement of Net Position.

	Governmental	Business-Type	Total
Net position, July 1, 2015	\$15,038,239		\$15,038,239
Net position, June 30, 2016	\$14,857,583		\$14,857,583
Net position, July 1, 2014	\$15,970,820		\$15,970,820
Net position, June 30, 2015	\$15,038,239		\$15,038,239

The beginning net position at July 1, 2014 was restated by \$4,345,717 as a result of the implementation of GASB 68 & 71 and the reclassification of the Food Service Fund from a business-type fund to a special revenue governmental fund.

The following is a comparison of the District's general revenues, program revenues and governmental activities for the years 2014-15 and 2015-16:

Comparison of Revenues and Expenses			
	<u>2015-2016</u>	<u>2014-2015</u>	<u>Increase(decrease)</u>
General Revenues:			
Local property taxes	\$ 616,146	\$ 548,191	\$ 67,955
Specific ownership taxes	101,194	95,440	5,754
State equalization	1,992,459	1,978,133	14,326
Other	79,128	-507,578	586,706
Program Revenues:			
Charges for svcs.-govt	72,850	74,021	-1,171
Charges for svcs.-food	23,732	26,872	-3,140
Operating grant -food	21,938	26,876	-4,938
Operating grant-inst.	110,570	56,452	54,118
Operating grant-transp.	23,556	25,760	-2,204
Capital grant/ contrib.	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 3,041,573</u>	<u>\$ 2,324,167</u>	<u>\$ 717,406</u>
Expenses:			
Instruction	\$ 1,799,736	\$ 1,824,777	\$ -25,041
Pupil/Instructional	338,657	339,717	-1,060
Administration/Business	471,351	457,781	13,570
Operations/Maintenance	231,321	233,398	-2,077
Transportation	166,202	142,027	24,175
Other	44,646	86,132	-41,486
Facility Acquisitions	0	0	0
Debt Service -Interest	80,423	81,507	-1,084
Food services	<u>89,893</u>	<u>91,409</u>	<u>-1,516</u>
Total Expenses	<u>\$ 3,222,229</u>	<u>\$ 3,256,748</u>	<u>\$ -36,035</u>
Change in Net Position	(180,656)	(932,581)	
Net Position begin of year	<u>15,038,239</u>	<u>15,970,820</u>	
Net Position end of year	<u>\$ 14,857,583</u>	<u>\$ 15,038,239</u>	

Financial Analysis of the Government's Funds

Elbert School District #200 uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal, and state requirements.

The General Fund is the primary major governmental fund (General Fund, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Capital Projects Fund and Bond Redemption Fund) for Elbert School District #200. The ending fund balance for the General Fund 2015-16 is \$1,345,462. Tabor reserves of \$78,000 are set aside. The fund balance is an increase from 14-15 of \$153,590.

The Special Revenue funds (Food Service Fund, Pupil Activity and Designated Purpose Grants Fund), Building Fund, Capital Projects Fund and the Bond Redemption Fund are the remaining funds that make up the major governmental fund.

The Designated Purpose Grants Fund is for our Title programs and the REAP grant.

The Pupil Activity Fund balance was increased by \$3,525. The end of the year fund balance was \$68,033.

The Capital Project Fund balance was increased by \$43,850. This increase was from a transfer from General Fund as a savings for future equipment and building expenses.

The Food Service fund is funded by the sale of lunches and monies from the federal lunch program. The fund balance decreased by \$13,768.

General Fund Budgetary Highlights

The District budget is prepared according to Colorado law. The most significant budgeted fund is the General Fund.

Elbert School District #200 began budget development for the 2015-16 budgets in February of 2015. In February all teaching staff and department heads are given budget request for their input into the needs of the District.

A mid-year analysis for 2015-16 is completed in early March and enrollment projections and revenues estimated to begin a preliminary budget, which is submitted in first draft form to the Board of Education. The Accountability Committee, representing students, staff and citizens of the community review budget prior to a Budget Workshop held in May. The Board has budget discussion on the draft proposed budget in April, May and June. Adoption of the 2015-16 District budget occurred in June of 2015.

No additional budget appropriations were made during the fiscal year to the General Fund budget.

The 2015-16 Budget included the following:

- Received Rural Education Achievement Program grant of \$24,764 which allowed for enhancing teacher/staff development, enhanced educational programs, i.e., Summer school, educational information technology between staff and students. Other uses of these funds have been used for, Safe and Drug-free schools and innovative programs.
- A lease purchase of 20 chrome books was entered in 2015 to help complete the secondary students to a ratio of 1 to 1, allowing for a computer device for every student from 3rd through 12th grade. This will be paid in 3 annual installments.
- A lease purchase of 6 years was entered into in the 14-15 school year to upgrade to old buses with newer low mileage buses. The district purchased two route buses. A payment in 15-16 now has the lease down to 4 more annual payments.
- The school website was updated and enhanced for student, staff and community contact. The State passed the Public School Financial Transparency Act, Article 44 of Title 22, C.R.S. Part 3 which has various reports, statements and document on the school website for public viewing.
- The District purchased a used replacement van for the old high mileage Chrysler van which cost \$8,095. A van to transport a special needs student was also purchased for \$6,500. This van is wheel chair accessible.

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental as of June 30, 2016 amounts to \$20,153,923. Additional information on the District's capital assets and capital lease payable can be found in the notes of the Basic Financial Statements of this report. The Matching Bonds payable balance at June 30, 2016 is \$2,543,113 with \$116,804 due in the 2016/2017 fiscal year end.

Economic Factors and Next Year's Budgets

The ever changing financial crisis of the school funding in Colorado has caused the Elbert School District 200 Board of Education to be very conservative with all funding and expenditures.

According to the Education Act of 2009 (SB09-163), the State issues Performance Framework ratings for every public school in the state. The PF ratings gives each school a performance grade based on the state of Colorado Measures of Academics (CMAS) and PARCC tests given to all students third through eleventh grades. School receiving an unsatisfactory grade for two or more years will be turned into a charter school under state law. Elbert School District #200 continues to be accredited.

The student population at the school has been relatively stable. No surges in growth have occurred in any given year except in the year, 2003-04 when the funded pupil count increased by 16 students. The 2004-05 budget year student count decreased by 5 students. The 2005-06 year funded population was 269.5. The 2006-07 year saw another year of declining enrollment in which the October 1 funded pupil count was 238. The 2007-08 funded pupil count was 235.5 which was a decrease of 2.5 students from the year prior. The 2008-09 funded pupil count was 252.5 which was an increase of 17 from 07-08. The 2009-10 funded pupil count was 223 which is a decrease of 29.5 from 08-09. The 2010-11 funded pupil count was 233.9 which is an increase of 10.9 from 09-10. The 2011-12 funded pupil count was 222.4 which is a decrease of 11.5 from 10-11. The 2012-13 funded pupil count was 214.3 which is a decrease of 8.1 from 2011-12. The enrollment for 2013-14 of the funded pupil count was 200.4. The enrollment for the 2014-15 of the funded pupil count was 209.6. Enrollment for 2015-16 of the funded pupil count was 205.1.

Contacting the District's Financial Management

This report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, contact the Business Management Office, Elbert School District #200, 24489 Main St., Elbert, CO 80106.

**BASIC FINANCIAL
STATEMENTS**

Elbert County School District No. 200
Statement of Net Position
June 30, 2016

	Primary Government
	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,133,925
Cash with county treasurer	5,325
Investments	694,314
Property taxes receivable	3,160
Accounts receivable other governments	916
Grants receivable	-
Inventories - food service	1,373
Inventories - USDA commodities	1,804
Total current assets	1,840,817
Capital assets:	
Land and construction in progress	335,215
Depreciable assets	21,368,692
Accumulated depreciation	(1,549,984)
Capital assets, net of depreciation	20,153,923
Total assets	21,994,740
Deferred outflows of resources: See note 6	852,294
Liabilities	
Current liabilities:	
Deficit cash	-
Accounts payable	11,280
Accrued salaries and benefits	99,745
Capital lease payable - current	14,944
Matching bonds payable - current	116,804
Total current liabilities	242,773
Noncurrent liabilities:	
Capital lease payable	43,837
Net pension liability	5,173,428
Matching bonds payable	2,426,309
Total noncurrent liabilities	7,643,574
Total liabilities	7,886,347
Deferred inflows of resources: See note 6	103,104
Net position	
Invested in capital assets, net of related debt	17,552,029
Restricted for:	
TABOR	78,000
Inventories	3,177
Debt service	170,058
Unrestricted (deficit)	(2,945,681)
Total net position	\$ 14,857,583

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Activities
Fiscal year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position in Net Position Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Regular instruction	\$ 1,799,736	\$ 3,276	\$ 110,570	\$ -	\$ (1,685,890)
Cocurricular activities	176,019	69,574	-	-	(106,445)
Student services	30,815	-	-	-	(30,815)
Instructional staff	131,823	-	-	-	(131,823)
General administration	154,951	-	-	-	(154,951)
School administration	209,367	-	-	-	(209,367)
Support services - business	65,385	-	-	-	(65,385)
Operations and maintenance	231,321	-	-	-	(231,321)
Student transportation	166,202	-	23,556	-	(142,646)
Support services - central	41,648	-	-	-	(41,648)
Food service operations	89,893	23,732	21,938	-	(44,223)
Pike Peak BOCES	38,146	-	-	-	(38,146)
District-wide facility acquisitions	6,500	-	-	-	(6,500)
Debt service - interest	80,423	-	-	-	(80,423)
Total primary government	\$ 3,222,229	\$ 96,582	\$ 156,064	\$ -	\$ (2,969,583)

General revenues

Taxes:	
Local property taxes	\$ 616,146
Specific ownership taxes	101,194
State equalization	1,992,459
Other local sources	76,735
Interest on investments	2,393
Loss on disposal of assets	-
Transfers	-
Total general revenues and transfers	2,788,927
Change in net position	(180,656)

Net position July 1, 2015
Net position June 30, 2016

	15,038,239
	\$ 14,857,583

See accompanying notes to basic financial statements

Elbert County School District No. 200
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Designated Purpose Grants Fund	Pupil Activity Fund	Food Service Fund	Capital Projects Fund	Bond Redemption Fund	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 840,580	\$ 2,741	\$ 48,571	\$ 4,711	\$ 69,033	\$ 168,289	\$ 1,133,925
Cash with county treasurer	3,556	-	-	-	-	1,769	5,325
Investments	605,534	-	-	-	88,780	-	694,314
Receivables from other governments	916	-	-	-	-	-	916
Property taxes receivable	3,160	-	-	-	-	-	3,160
Due from other funds	-	-	19,462	-	-	-	19,462
Inventories	-	-	-	3,177	-	-	3,177
Grants receivable	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,453,746</u>	<u>\$ 2,741</u>	<u>\$ 68,033</u>	<u>\$ 7,888</u>	<u>\$ 157,813</u>	<u>\$ 170,058</u>	<u>\$ 1,860,279</u>
Liabilities and Fund Balances							
Liabilities:							
Deficit cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	11,280	-	-	-	-	-	11,280
Accrued salaries and benefits	97,004	2,741	-	-	-	-	99,745
Due to other funds	-	-	-	-	19,462	-	19,462
Total liabilities	<u>108,284</u>	<u>2,741</u>	<u>-</u>	<u>-</u>	<u>19,462</u>	<u>-</u>	<u>130,487</u>
Fund Balances - spendable, reported in:							
Restricted fund balance:							
Inventories	-	-	-	3,177	-	-	3,177
Debt service	-	-	-	-	-	170,058	170,058
TABOR	78,000	-	-	-	-	-	78,000
Assigned fund balance:							
Other assigned fund balance	-	-	68,033	4,711	138,351	-	211,095
Unassigned fund balance:							
General fund	1,267,462	-	-	-	-	-	1,267,462
Total fund balances	<u>1,345,462</u>	<u>-</u>	<u>68,033</u>	<u>7,888</u>	<u>138,351</u>	<u>170,058</u>	<u>1,729,792</u>
Total Liabilities and Fund Balances	<u>\$ 1,453,746</u>	<u>\$ 2,741</u>	<u>\$ 68,033</u>	<u>\$ 7,888</u>	<u>\$ 157,813</u>	<u>\$ 170,058</u>	<u>\$ 1,860,279</u>

See accompanying notes to basic financial statements

Elbert County School District No. 200
Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Position
June 30, 2016

Governmental funds total fund balances	\$	1,729,792
Add:		
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds		21,703,907
Deferred outflows of resources		852,294
Deduct:		
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition		(1,549,984)
Deferred inflows of resources		(103,104)
Net pension liability		(5,173,428)
Matching bonds payable		(2,543,113)
Capital lease payable		(58,781)
Governmental activities net position	<u>\$</u>	<u>14,857,583</u>

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
Fiscal Year Ended June 30, 2016

	General Fund	Designated Purpose Grants Fund	Pupil Activity Fund	Food Service Fund	Capital Projects Fund	Bond Redemption Fund	Total Governmental Funds
Revenues							
Local sources	\$ 593,142	-	\$ 69,574	\$ 23,732	\$ 350	\$ 206,252	\$ 893,050
State sources	2,081,414	-	-	600	-	-	2,082,014
Federal sources	-	45,171	-	21,338	-	-	66,509
Total revenues	2,674,556	45,171	69,574	45,670	350	206,252	3,041,573
Expenditures							
Current:							
Regular instruction	1,234,339	45,171	-	-	-	-	1,279,510
Cocurricular activities	110,614	-	66,049	-	-	-	176,663
Student services	30,998	-	-	-	-	-	30,998
Instructional staff	132,489	-	-	-	-	-	132,489
General administration	155,885	-	-	-	-	-	155,885
School administration	210,987	-	-	-	-	-	210,987
Support services - business	65,898	-	-	-	-	-	65,898
Operations and maintenance	242,125	-	-	-	-	-	242,125
Student transportation	166,744	-	-	-	-	-	166,744
Support services - central	40,898	-	-	-	-	750	41,648
Food service operations	-	-	-	90,291	-	-	90,291
Pikes Peak BOCES	38,146	-	-	-	-	-	38,146
District-wide facility acquisitions	-	-	-	-	6,500	-	6,500
Debt service:							
Principal retirements	2,117	-	-	-	12,619	113,396	128,132
Interest and fiscal charges	-	-	-	-	2,275	78,148	80,423
Total expenditures	2,431,240	45,171	66,049	90,291	21,394	192,294	2,846,439
Excess(deficiency) of revenues over(under)							
Expenditures	243,316	-	3,525	(44,621)	(21,044)	13,958	195,134
Other financing sources (uses)							
Proceeds from issuance of capital leases	6,021	-	-	-	-	-	6,021
Transfer in	-	-	-	30,853	64,894	-	95,747
Transfer (out)	(95,747)	-	-	-	-	-	(95,747)
Total other financing sources (uses)	(89,726)	-	-	30,853	64,894	-	6,021
Net change in fund balances	153,590	-	3,525	(13,768)	43,850	13,958	201,155
Fund balances at beginning of year	1,191,872	-	64,508	21,656	94,501	156,100	1,528,637
Fund balances at end of year	\$ 1,345,462	\$ -	\$ 68,033	\$ 7,888	\$ 138,351	\$ 170,058	\$ 1,729,792

See accompanying notes to basic financial statements

Elbert County School District No. 200
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Governmental funds changes in fund balances	\$	201,155
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Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.

		10,079
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

		(528,549)
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Governmental funds report pension expenses as expenditures when paid. Pension obligations in the statement of activities is allocated and expensed for future pension costs.

		14,548
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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:

Proceeds from capital lease		(6,021)
Principal payments on general obligation bonds payable		113,396
Principal payments on capital lease		14,736

Change in net position of governmental activities	\$	<u>(180,656)</u>
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See accompanying notes to basic financial statements

ELBERT COUNTY SCHOOL DISTRICT NO. 200
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 - **Summary of Significant Accounting Policies**

The Elbert County School District No. 200 (the District) was formed in 1880 encompassing approximately 141 square miles of southern Elbert County, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 200 students.

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

Reporting Entity

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

The District is not included in any other governmental "reporting entity" as defined in GASB No. 14. As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units. The District's reporting entity reflects no component units.

Government-wide and Fund 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. The effect of inter-fund 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.

The statement of activities 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.

Separate financial statements are provided for governmental fund. Major individual governmental funds (General Fund, Food Service Fund, Pupil Activity Fund, Bond Redemption Fund, Building Fund and Capital Projects Fund) are reported as separated columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items re recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

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

Fund Accounting

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

- **Major Governmental Funds**

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund. Fund balance is unassigned except for Tabor, which is restricted.
2. Food Service Fund (Special Revenue Fund) – this fund accounts for all financial activities associated with the District’s school breakfast and lunch programs
3. Designated Purpose Grants Fund (Special Revenue Fund) – used to account for revenues and expenditures associated with federal grants.
4. Pupil Activity (Special Revenue Fund) – used to account for the resources to be used in various student athletic and co-curricular organizations. Fund balance is assigned as it is neither restricted nor committed.
5. Capital Projects Fund – used to account for the resources that are restricted or committed to be used for the acquisition or construction of building improvements. Fund balance is assigned as it is neither restricted nor committed.
6. Bond Redemption Fund – This fund accounts for the collection of property taxes and payments of principal and interest of general obligation bonds.

Cash and Cash Equivalents

Cash of some funds are pooled into common pooled accounts in order to maximize investment opportunities. An individual fund’s pooled Cash and Cash Investments are available upon demand and are considered to be “cash equivalents”. Negative balances incurred in pooled cash at year-end are treated as a liability of that fund.

Investments

The District’s investments consist of short-term maturities with Colotrust where the carrying value approximates fair market value.

Inventories

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

Capital Assets

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

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

The monetary threshold for capitalization of assets is \$3,000. The District’s capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used by the proprietary fund is charged as an expense against their operations. Estimate useful lives are:

Vehicles	8 years
Furniture, fixtures and equipment	5 to 20 years
Buildings and improvements	20 to 50 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period and so will not be recognized as an outflow of the resources (expenditure) until that time. In addition to liabilities, the statement of financial position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenues) until that time.

Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. The District records long-term debt of governmental funds at the face value. The District’s general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as expense and liability of these funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. During the current year, the District recorded no liability, as the amount is immaterial.

Fund Equity

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net position are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net assets are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” 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.

Fund balance should be 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, should be 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, should be 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.

For the classification of fund and net asset balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

Net Position

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

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of

the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgeting Accounting

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

1. Prior to April 1, the District submits to the Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The District is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total expenditures of any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Bond Redemption Fund, and Capital Projects Fund.
6. Budgets for the General Fund, Special Revenue Funds, Bond Redemption Fund, Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2 -

Deposits and Investments

Deposits

The District's investment policies are approved by the Board of Education and governed by Colorado statute. The Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District is authorized by Colorado State statutes to invest in the following:

- Obligations of the United States government and certain government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Guaranteed investment contracts
- Checking with interest savings accounts

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At year-end the District's bank balance was \$1,263,687. Of the bank balance, \$500,000 was covered by FDIC insurance, and

\$763,687 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA. The District's carrying balance as of June 30, 2016 was \$1,133,925. The difference between the District's bank balance and carrying balance is outstanding checks.

Investments

The District had invested \$694,314 (fair value) in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Interest Rate Risk – State statutes limits investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State law limits investments to those with specified ratings, as provided by nationally recognized statistical rating organizations, depending on the investment type.

Note 3 - **Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 15 and are payable in full by April 30 or in two equal installments due February 28 and June 15 of the following year. Elbert County Treasurer bills and collects the District's property tax. District property tax revenues are accounted for in the General Fund. Property taxes at the fund level are recorded as receivable and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Note 4 - **Capital Assets**

A summary of changes in capital assets follows:

Governmental Activities

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>
Non-depreciable assets:				
Land	\$ 335,215	\$ -	\$ -	\$ 335,215
Construction in Prog.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-depreciable	<u>\$ 335,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,215</u>

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Depreciable Assets:				
Buildings & Sites	\$ 19,257,284	\$ -	\$ -	\$ 19,257,284
Equipment Furniture And Fixtures	1,555,309	10,079	-	1,565,388
Vehicles	<u>546,020</u>	<u>-</u>	<u>-</u>	<u>546,020</u>
Total Depreciable Assets	<u>\$ 21,358,613</u>	<u>\$ 10,079</u>	<u>\$ -</u>	<u>\$ 21,368,692</u>
Less accumulated depreciation for:				
Buildings & Sites	\$ (388,120)	\$ (385,615)	\$ -	\$ (773,735)
Equipment Furniture And Fixtures	(170,119)	(121,900)	-	(292,019)
Vehicles	<u>(463,196)</u>	<u>(21,034)</u>	<u>-</u>	<u>(484,230)</u>
Total Accumulated Depreciation	<u>\$ (1,021,435)</u>	<u>\$ (528,549)</u>	<u>\$ -</u>	<u>\$ (1,549,984)</u>
Total Capital Assets, Net	<u>\$ 20,672,393</u>	<u>\$ (518,470)</u>	<u>\$ -</u>	<u>\$ 20,153,923</u>

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

Governmental activities:

Regular instruction \$ 528,549

Note 5 - **Long Term Debt**

Following is a summary of long-term debt transactions for the year ended June 30, 2016:

<u>Governmental Activities</u>	<u>Balances 7/01/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 6/30/2016</u>
Matching Money Bonds	\$ 2,656,509	\$ -	\$ 113,396	\$ 2,543,113
Capital Leases	<u>67,496</u>	<u>6,021</u>	<u>14,736</u>	<u>58,781</u>
Total	<u>\$ 2,724,005</u>	<u>\$ 6,021</u>	<u>\$ 128,132</u>	<u>\$ 2,601,894</u>

Total amount of matching money bonds due within one year is \$116,804.

In November of 2012, the District authorized issuance of its General Obligation Bond Series 2012 (Matching Money Bonds) to the State of Colorado in the aggregate principal amount of \$ 2,874,635. Interest payments are due semi-annually on June 1 and December 1, commencing on June 1, 2013 at a rate of 3.0059%. Principal payments are due annually on December 1, with a final payment due on December 1, 2032.

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 116,804	\$ 74,688	\$ 191,492
2018	120,315	71,125	191,440
2019	123,932	67,453	191,385
2020	127,657	63,672	191,329
2021	131,494	59,777	191,271
2022	135,447	55,765	191,212
2023	139,518	51,632	191,150
2024-2028	763,077	191,693	954,770
2029-2032	<u>884,869</u>	<u>68,069</u>	<u>952,938</u>
Total	<u>\$2,543,113</u>	<u>\$ 703,874</u>	<u>\$3,246,987</u>

In 2015, the District entered into a capital lease agreement with Kansas State Bank of Manhattan for the acquisition of two school busses. The agreement requires annual lease payments of \$14,894 beginning in November of 2014 and ending in November 2019. Capital lease amount due within one year is \$13,045.

Minimum lease payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	
2017	\$ 14,894
2018	14,894
2019	14,894
2020	<u>14,894</u>
Total payments under capital lease	59,576
Less: Interest portion of payments	<u>(4,700)</u>
Net obligation under capital lease	<u>\$ 54,876</u>

In 2016, the District entered into a capital lease agreement with Dell Financial Services for the acquisition of twenty Chromebooks. The agreement requires annual lease payments of \$2,117 beginning in November of 2015 and ending in November 2017. Capital lease amount due within one year is \$1,899.

Minimum lease payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	
2017	\$ 2,117
2018	<u>2,117</u>
Total payments under capital lease	4,234
Less: Interest portion of payments	<u>(329)</u>
Net obligation under capital lease	<u>\$ 3,905</u>

Note 6 - **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.

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50

percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

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:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF ¹	16.43%	17.33%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$264,138 for the year ended June 30, 2016.

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

At June 30, 2016 the District reported a liability of \$5,173,428 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 proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District proportion was 0.0338258712%, which was an increase of 0.0005581054 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of (\$14,548). At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 73,325	\$ 212
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	\$ 585,969	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 54,861	\$ 102,892
Contributions subsequent to the measurement date	\$ 138,139	N/A
Total	\$ 852,294	\$ 103,104

\$138,139 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a

reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2016:	
June 30, 2017	\$ 140,879
June 30, 2018	\$ 159,074
June 30, 2019	\$ 184,046
June 30, 2020	\$ 127,052
June 30, 2021	\$ -
Thereafter	\$ -

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

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

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of

geometric real rates of return for each major asset class are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate 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.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$6,725,456	\$5,173,428	\$3,880,071

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.

Note 7 - **Post-employment Healthcare Benefits**

Plan Description. The Elbert County School District No. 200 contributes to the Health Care Fund (HCF), a cost sharing multiple employer post-employment healthcare plans administered by the PERA. The HCF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for HCF. That report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372) or Denver metro area 303-832-9550.

Funding Policy. The Elbert County School District No. 200 is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Elbert County School District No. 200 are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The Elbert County School District No. 200's contributions to HCF for the years ending June 30, 2016, 2015 and 2014 were \$15,187, \$14,850 and \$14,096 respectively, equal to their required contributions for each year.

Note 8 - **Defined Contribution Pension Plan**

Plan Description. The (CSSDTF) members of the Elbert County School District No. 200 may voluntarily contribute to the Voluntary Investment Program 401(k) Plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

Funding Policy. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$18,000 in 2015 and \$18,000 in 2016). Beginning January 1, 2001, an employer match was legislated, which would match 100% of a member's eligible tax deferred retirement program contributions limited by 3.0% in 2002, 2.0% in 2003 and 1.0% in 2004 per payroll of the PERA-includable salary. Effective July 1, 2004, the State Legislature rescinded the matchmaking provision of this plan. The 401(k) Plan member contributions from the District for the year ended June 30, 2016 were \$ 55,092. There were no employer contributions to the 401(k) Plan from the District for the year ended June 30, 2016.

Note 9 - **Joint Ventures**

The District participates in with the Pikes Peak Board of Cooperative Educational Services (BOCES). The District has one member on the Board, which is selected by

participating districts. This Board has final authority for all budgeting and financing of the joint venture. The District's June 30, 2016 contribution amounted to \$38,146.

The District's share of annual contributions to the joint venture was approximately 8% for the year ended June 30, 2016.

Complete financial statements for BOCES can be obtained at their administrative offices at 2883 South Circle Drive, Colorado Springs, Colorado 80906.

Note 10 - **Auditor's Integrity Report**

The Colorado Department of Education requires the inclusion of the Auditor's Integrity Report as a supplemental schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

Note 11- **Risk Management**

The District participates in Colorado School District Self-Insurance Pool. The pool is a separate legal entity established by the member school districts pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution. In 1985, the District Board approved a resolution that authorized the District to participate in the pool. The District has participated each year since then.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability or loss to the limit of the financial resources of the Pool.

It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverage at reasonable cost. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members.

The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

The District is exposed to various risks of loss related to torts, thefts of damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability and public official bond. The District did not have any claim settlements in excess of coverage for the last three years. Complete financial statements for the Pool can be obtained at their offices.

Note 12 - **Accrued Teachers' Salaries and Employee Benefits**

Teacher contracts are for a nine or ten-month period; but are paid in twelve equal payments. At the end of the fiscal year an accrual exists for the difference between the amounts due on the contract and the amounts paid.

Note 13 - **Interfund Transactions**

The following identifies amounts due to the Pupil Activity Fund at June 30, 2016:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
Pupil Activity Fund	\$ 19,462	
Building Fund		\$ 19,462

Due To/Due From other funds are recorded at the fund level and are eliminated at the government-wide level. During the year District's General Fund transferred \$30,853 to the Food Service Fund and \$64,894 to the Capital Reserve Projects Fund.

Note 14 - **Commitments and Contingencies**

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

Tabor Amendment - In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments, including school districts. The District's financial activity provides the basis for calculation of future limitations adjusted for allowable increases tied to inflation and enrollment growth. Subsequent to 1992, revenues in excess of the District's "spending limit" must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

On November 6, 2001, the voters of the district approved a referendum for Elbert County School District No. 200. The voters authorized the district to collect, retain and expend all revenues and other funds collected during 2002 and each subsequent year from any source notwithstanding the limitations of Article X, section 20 of the Colorado constitution, effective January 1, 2002, provided however, that no property tax mill levy shall be increased at any time nor shall any new tax be imposed without the prior approval of the voters of Elbert County School District No. 200.

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2016, the District's reserve of \$78,000 was recorded as a reservation of Government Activities Net Position.

Note 15- **Evaluation of Subsequent Events**

The District's management has evaluated subsequent events through September 15, 2016 (the date of the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Elbert County School District No. 200
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Local sources				
Property taxes	\$ 367,612	\$ 367,612	\$ 410,255	\$ 42,643
Specific ownership taxes	60,578	60,578	101,194	40,616
Delinquent taxes and interest	2,000	2,000	805	(1,195)
Tuition	3,000	3,000	3,276	276
Other local sources	35,000	35,000	75,856	40,856
Interest on investments	1,000	1,000	1,756	756
Total local sources	<u>469,190</u>	<u>469,190</u>	<u>593,142</u>	<u>123,952</u>
State sources				
State equalization	2,073,082	2,073,082	1,992,459	(80,623)
Transportation	25,000	25,000	23,556	(1,444)
Other state sources	-	-	65,399	65,399
Total state sources	<u>2,098,082</u>	<u>2,098,082</u>	<u>2,081,414</u>	<u>(16,668)</u>
Federal sources				
Other federal sources	-	-	-	-
Total federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,567,272</u>	<u>2,567,272</u>	<u>2,674,556</u>	<u>107,284</u>
Expenditures				
Instruction and supporting services				
Regular instruction	1,214,554	1,214,554	1,234,339	(19,785)
Cocurricular activities	138,258	138,258	110,614	27,644
Student services	37,719	37,719	30,998	6,721
Instructional staff	114,652	114,652	132,489	(17,837)
General administration	148,517	148,517	155,885	(7,368)
School administration	213,456	213,456	210,987	2,469
Support services - business	66,544	66,544	65,898	646
Operations and maintenance	245,265	245,265	242,125	3,140
Student transportation	139,735	139,735	166,744	(27,009)
Support services - central	55,500	55,500	40,898	14,602
Pikes Peak BOCES	50,000	50,000	38,146	11,854
Debt service	-	-	2,117	(2,117)
Contingency	1,152,072	1,152,072	-	1,152,072
Total instruction and supporting services	<u>3,576,272</u>	<u>3,576,272</u>	<u>2,431,240</u>	<u>1,145,032</u>
Excess(deficiency) of revenues over expenditures	<u>(1,009,000)</u>	<u>(1,009,000)</u>	<u>243,316</u>	<u>1,252,316</u>
Other financing sources (uses)				
Proceeds from issuance of capital leases	-	-	6,021	6,021
Transfer in	-	-	-	-
Transfer out	(90,000)	(90,000)	(95,747)	(5,747)
Total other financing sources (uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(89,726)</u>	<u>274</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(1,099,000)</u>	<u>(1,099,000)</u>	<u>153,590</u>	<u>1,252,590</u>
Fund balances at beginning of year	1,099,000	1,099,000	1,191,872	92,872
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,462</u>	<u>\$ 1,345,462</u>

See the accompanying independent auditors' report

Elbert County School District No. 200
Designated Purpose Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal sources				
REAP grant	\$ 32,275	\$ 32,275	\$ 24,764	\$ (7,511)
Title I grant	18,009	18,009	18,009	-
Title II grant	2,398	2,398	2,398	-
Total federal sources	<u>52,682</u>	<u>52,682</u>	<u>45,171</u>	<u>(7,511)</u>
Expenditures				
Instruction and supporting services				
Regular instruction	52,682	52,682	45,171	7,511
Supporting services	-	-	-	-
Total instructional and supporting services	<u>52,682</u>	<u>52,682</u>	<u>45,171</u>	<u>7,511</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report

Elbert County School District No. 200
Pupil Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Student activities	\$ 150,000	\$ 150,000	\$ 69,574	\$ (80,426)
Interest on investments	-	-	-	-
Total local sources	<u>150,000</u>	<u>150,000</u>	<u>69,574</u>	<u>(80,426)</u>
Expenditures				
Current:				
Cocurricular activities	135,000	135,000	66,049	68,951
District-wide	-	-	-	-
Contingency	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>66,049</u>	<u>83,951</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,525</u>	<u>3,525</u>
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>-</u>	<u>-</u>	<u>3,525</u>	<u>3,525</u>
Fund balances at beginning of year	-	-	64,508	64,508
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,033</u>	<u>\$ 68,033</u>

See the accompanying independent auditors' report

Elbert County School District No. 200
Food Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources	\$ 40,075	\$ 40,075	\$ 23,732	\$ (16,343)
State sources	600	600	600	-
Federal sources	19,500	19,500	21,338	1,838
Total sources	<u>60,175</u>	<u>60,175</u>	<u>45,670</u>	<u>(14,505)</u>
Expenditures				
Food service operations	102,513	102,513	90,291	12,222
Total Food service operations	<u>102,513</u>	<u>102,513</u>	<u>90,291</u>	<u>12,222</u>
Excess(deficiency) of revenues over expenditures	<u>(42,338)</u>	<u>(42,338)</u>	<u>(44,621)</u>	<u>(2,283)</u>
Other financing sources (uses)				
Transfers in	40,000	40,000	30,853	(9,147)
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>30,853</u>	<u>(9,147)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(2,338)</u>	<u>(2,338)</u>	<u>(13,768)</u>	<u>(11,430)</u>
Fund balances at beginning of year	<u>2,338</u>	<u>2,338</u>	<u>21,656</u>	<u>19,318</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,888</u>	<u>\$ 7,888</u>

See the accompanying independent auditors' report

Elbert County School District No. 200
Schedule of the District's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>
District' proportion (percentage) of the collective net pension liability	0.0338258712%	0.0332677658%
District's proportionate share of the collective pension liability	5,173,428	4,508,900
Employer's covered-employee payroll	1,497,960	1,427,922
District's proportionate share of the net pension liability as a percentage of it's employer's covered-employee payroll	28.95%	31.67%
Plan fiduciary net pension as a percentage of the total pension liability	59.20%	62.80%

The amounts presented for each fiscal year were determined as of December 31.

See the accompanying Independent Auditors' Report

Elbert School District No. 200
Schedule of Contributions and Related Ratios
Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>
As of June 30,		
Statutorily required contributions	\$ 264,138	\$ 246,288
Contributions in relation to the statutorily required contributions	<u>264,138</u>	<u>246,288</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	1,489,733	1,373,694
Contribution as a percentage of employer's covered-employee payroll	17.73%	17.93%

See the accompanying Independent Auditors' Report

**OTHER
SUPPLEMENTARY
INFORMATION**

Elbert County School District No. 200
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Other local sources	\$ -	\$ -	\$ 74	\$ 74
Interest on investments	500	500	276	(224)
Total local sources	<u>500</u>	<u>500</u>	<u>350</u>	<u>(150)</u>
Expenditures				
Current:				
Supporting services	-	-	-	-
District-wide facility acquisitions	102,500	102,500	6,500	96,000
Debt service	-	-	14,894	(14,894)
Contingency	-	-	-	-
Total expenditures	<u>102,500</u>	<u>102,500</u>	<u>21,394</u>	<u>81,106</u>
Excess(deficiency) of revenues over expenditures	<u>(102,000)</u>	<u>(102,000)</u>	<u>(21,044)</u>	<u>80,956</u>
Other financing sources (uses)				
Proceeds from issuance of capital leases	-	-	-	-
Transfer in	50,000	50,000	64,894	14,894
Transfer (out)	-	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>64,894</u>	<u>14,894</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(52,000)</u>	<u>(52,000)</u>	<u>43,850</u>	<u>95,850</u>
Fund balances at beginning of year	<u>52,000</u>	<u>52,000</u>	<u>94,501</u>	<u>42,501</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,351</u>	<u>\$ 138,351</u>

See the accompanying independent auditors' report

Elbert County School District No. 200
Bond Redemption Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Property taxes	\$ 199,000	\$ 199,000	\$ 205,891	\$ 6,891
Interest on investments	-	-	361	361
Total local sources	<u>199,000</u>	<u>199,000</u>	<u>206,252</u>	<u>7,252</u>
Expenditures				
Current:				
Supporting services	-	-	750	(750)
Debt service				
Principal	115,000	115,000	113,396	1,604
Interest	84,000	84,000	78,148	5,852
Contingency	-	-	-	-
Total expenditures	<u>199,000</u>	<u>199,000</u>	<u>192,294</u>	<u>6,706</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>13,958</u>	<u>13,958</u>
Other financing sources (uses)				
Proceeds from issuance of bonds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>-</u>	<u>-</u>	<u>13,958</u>	<u>13,958</u>
Fund balances at beginning of year	-	-	156,100	156,100
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,058</u>	<u>\$ 170,058</u>

See the accompanying independent auditors' report

COLORADO DEPARTMENT OF EDUCATION

AUDITOR'S INTEGRITY REPORT

Colorado Department of Education
Auditors Integrity Report
 District: 0950 - ELBERT 200
 Fiscal Year 2015-16
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund
Fund Type & Number

	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	1,191,872		2,594,230		2,431,239		1,345,462
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub-Total	1,191,872		2,594,230		2,431,239		1,345,462
11 Charter School Fund	0		0		0		0
20,25,29 Special Revenue Fund	0		0		0		0
21 Food Service Spec Revenue Fund	0		0		0		0
22 Govt Designated-Purpose Grants Fund	21,656		76,522		98,291		0
23 Pupil Activity Special Revenue Fund	0		45,171		45,171		7,886
24 Full Day Kindergarten Mill Levy Override	54,506		69,374		66,049		68,033
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Certificate of Participation (COP) Debt Service Fund	156,100		206,251		192,284		170,068
41 Bonding Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	94,501		65,244		21,464		0
Totals	1,528,637		3,047,382		2,846,437		1,725,797
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34 Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0
FINAL							0