

**GENOA-HUGO SCHOOL DISTRICT NO. C-113
HUGO, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

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



RECEIVED

By Justin L. Smith at 9:01 am, Dec 09, 2016

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

HUGO, COLORADO

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2016

BOARD OF EDUCATION

Terry Graham - President
Becky Ravenkamp - Vice President
Robert Kraxberger - Secretary
Rick Lockhart - Treasurer
Julie Boger - Member

ADMINISTRATIVE STAFF

Franklin Reeves
Superintendent of Schools

Kara Emmerling
Business Manager

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

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

The discussion and analysis of Genoa-Hugo School District No. C-113'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 fund balance in the general fund exceeds the three months of operating expenditures for the year ending June 30, 2016. This is a continual goal for the district.

Using the Basic Financial Statements

The basic financial statements consist of the Management 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. 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 \$4,156,883 as of June 30, 2016. The District has a negative unrestricted net position of \$1,946,510 this is a result of the inclusion of the PERA liability of \$4,167,357 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 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.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

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

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

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Current Assets	\$ 3,350,746	\$ 3,185,806
Other Assets	<u>11,060,943</u>	<u>11,069,219</u>
Total Assets	<u>14,411,689</u>	<u>14,255,025</u>
Deferred Outflows of Financial Resources	<u>517,818</u>	<u>180,764</u>
Current Liabilities	336,284	347,821
Long-Term Liabilities	<u>10,298,476</u>	<u>10,269,623</u>
Total Liabilities	<u>10,634,760</u>	<u>10,617,444</u>
Deferred Inflows of Financial Resources	<u>137,874</u>	<u>45,763</u>
Net Investment in Capital Assets	4,958,630	4,593,588
Restricted Net Position	1,145,763	1,176,243
Unrestricted Net Position	<u>(1,963,260)</u>	<u>(1,997,248)</u>
Total Net Position (Deficit)	<u>\$ 4,141,133</u>	<u>\$ 3,772,583</u>

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 to finance future purchases or capital projects as planned by the District for debt repayment and by statute.

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

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Program Revenues:		
Charges for Services	\$ 47,380	\$ 45,911
Operating Grants	216,993	227,618
Capital Grants	<u>581</u>	<u>(196,123)</u>
Total Program Revenues	<u>264,954</u>	<u>77,406</u>
General Revenues:		
Taxes	2,687,983	2,680,081
State Equalization	214,285	199,536
Investment Income	4,344	4,107
Miscellaneous	<u>24,562</u>	<u>200,879</u>
Total General Revenues	<u>2,931,174</u>	<u>3,084,603</u>
Total Revenues	<u>3,196,128</u>	<u>3,162,009</u>
Expenses		
Instruction	1,592,193	1,529,967
Supporting Services	1,029,268	1,082,784
Interest on Long Term Debt	<u>190,367</u>	<u>200,232</u>
Total Expenses	<u>2,811,828</u>	<u>2,812,983</u>
Change in Net Position	384,300	349,026
Net Position - Beginning	<u>3,772,583</u>	<u>3,423,557</u>
Net Position (Deficit) - Ending	<u>\$ 4,156,883</u>	<u>\$ 3,772,583</u>

The District's primary revenue source is per pupil funding which is a combination of State Equalization and local property taxes. The District's per pupil funding and total governmental activity revenues remained relatively stable for the 2016 fiscal year. Overall, there was an increase in revenue generated at the federal and local levels and steady revenue generated from state sources. (Left the same?) Total expenditures from governmental activities decreased \$1,155 from the previous year. While revenues increased \$34,119.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General, and Bond Redemption Funds.

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 major governmental funds consist of the General, Bond Redemption and Capital Reserve Projects Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Bond Redemption Fund accounts for the repayment of the District's general obligation debt and the Capital Reserve Projects Fund accounts for the District's routine capital projects.

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 funds are the Pupil Activity Fund and Scholarship Fund. The Pupil Activity Fund and Scholarship Fund generally accounts for student generated or scholarship revenues and expenditures related to non-classroom activities.

Fund Financial Statements

As of June 30, 2016, the District's governmental funds reported a combined fund balance of \$3,029,820 which is an increase of \$175,530 from the June 30, 2015 balance. The following is additional information by fund which contributed to the change.

General Fund revenues decreased \$156,028, primarily due to a decrease in tax revenues. General Fund expenditures decreased \$79,681 with most of the decrease in operations and maintenance expenditures. The ending fund balance for the general fund was \$1,994,620.

Bond Redemption Fund revenues decreased \$7,623, while the total fund balance decreased \$21,324 primarily to due to collecting less in taxes that sufficient funds are already collected to pay the bond installments. The repayment of the older bonds is scheduled for the year 2019, while the new debt matures in 2033.

Capital Assets

As of June 30, 2016, the District had \$1,448,071 invested in a broad range of governmental capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deletions, and depreciation) of \$8,276 which is primarily represented by the districts overall depreciation and deletions. The District's most significant addition was the purchase of a new bus.

A summary of the District's capital assets is as follows:

	<u>Restated Balance 7/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/16</u>
Governmental activities				
Capital assets being depreciated:				
Buildings	\$ 2,454,520	\$ -	\$ -	\$ 2,454,520
Equipment	71,307	27,937	13,661	85,583
Food Service equipment	21,645	-	-	21,645
Transportation equipment	<u>430,758</u>	<u>91,848</u>	<u>-</u>	<u>522,606</u>
Total capital assets being depreciated	<u>2,978,230</u>	<u>119,785</u>	<u>13,661</u>	<u>3,084,354</u>
Accumulated Depreciation				
Buildings	(1,189,264)	(77,530)	-	(1,266,794)
Equipment	(23,309)	(10,172)	(12,295)	(21,186)
Food Service equipment	(21,645)	-	-	(21,645)
Transportation equipment	<u>(287,665)</u>	<u>(40,494)</u>	<u>(1,501)</u>	<u>(326,658)</u>
Total accumulated depreciation	<u>(1,521,883)</u>	<u>(128,196)</u>	<u>(13,796)</u>	<u>(1,636,283)</u>
Net Capital Assets	<u>\$ 1,456,347</u>	<u>\$ (8,411)</u>	<u>\$ (135)</u>	<u>\$ 1,448,071</u>

The District does not maintain separate infrastructure assets as all infrastructure has been included with the related capital asset.

Long-Term Liabilities

The following is a summary of the District's outstanding long term liabilities:

	<u>Balance 7/1/15</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 6/30/16</u>	<u>Current Portion</u>
General obligation bonds, Series 2012	\$ 6,108,041	\$ -	\$ 260,728	\$ 5,847,313	\$ 260,728
General obligation bonds, Series 2009	365,000	-	110,000	255,000	110,000
Capital Leases Payable	2,590	-	2,590	-	-
PERA Net Pension Liability	3,770,027	397,330	-	4,167,357	-
Accrued compensated absences	<u>23,964</u>	<u>4,842</u>	<u>-</u>	<u>28,806</u>	<u>-</u>
Total	<u>\$ 10,269,622</u>	<u>\$ 402,172</u>	<u>\$ 373,318</u>	<u>\$10,298,476</u>	<u>\$ 370,728</u>

The change in liability balances from June 30, 2015 to 2016 reflects principal payments made during the fiscal year as well as actuarially determined adjustments required for the District's pension plan. Additional information regarding the District's liabilities can be found in Note 6 to the financial statements on page 22.

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 Future of the District

For fiscal year 2016, the District will continue to maintain a minimum of three months operating expenditures. We will continue expenditures for the transportation fleet.

Requests for Information

This financial report is designed to provide a general overview of the Genoa-Hugo School District No. C-113'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 and/or Business Manager, P O Box 247, Hugo, Colorado 80821.

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

Board of Education
Genoa-Hugo School District No. C-113
Hugo, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Genoa-Hugo School District No. C-113, Colorado, as of and for the year ended June 30, 2016, 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 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 audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Genoa-Hugo School District No. C-113, 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 Genoa-Hugo School District No. C-113's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 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.

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-M6 and pension schedules on pages 36-37 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 38-40 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 41-49 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' Electronic Financial Data Integrity Check Figures and Bolded Balance Sheet reports pages 50-53 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.

Holscher, Mayberry + Company, LLC

Englewood, CO
November 21, 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.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

Statement of Net Position

June 30, 2016

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Cash and Investments	\$ 3,293,829
Taxes Receivable	26,841
Grants Receivable	28,867
Other Accounts Receivable	869
Inventory	350
Capital Assets, being depreciated	1,448,071
Long-Term BEST Grant Receivable	9,416,691
Total Assets	<u>14,215,518</u>
Deferred Outflows of Financial Resources	
Contributions Subsequent to Measurement Date	108,446
Difference Between Actual and Expected Experience - net	55,030
Difference Between Projected and Actual Returns on Pension Plan Investments - net	354,342
Total Deferred Outflows of Financial Resources	<u>517,818</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>14,733,336</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
Liabilities	
Accounts Payable	17,114
Accrued Interest	15,348
Accrued Salaries & Benefits	222,831
Payroll Taxes & Deductions Payable	8,443
Non-Current Liabilities	
Due Within One Year	370,728
Due In More Than One Year	9,927,748
Total Liabilities	<u>10,562,212</u>
Deferred Inflows of Financial Resources	
Difference Between Projected and Actual Pension Plan Experience - net	174
Change of Assumptions - net	58,892
Change in District's Proportionate Share of Net Pension Liability - net	78,808
Deferred Inflows Grants	72,548
Total Deferred Inflows of Financial Resources	<u>210,422</u>
Net Position	
Net Investment in Capital Assets	4,762,449
Restricted Net Position	1,161,513
Unrestricted Net Position	(1,963,260)
Total Net Position	<u>3,960,702</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSTION	<u>\$ 14,733,336</u>

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Statement of Activities
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	Program Revenues				<u>Net (Expense) Revenue and Change in Net Position</u>
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental Activities					
Instruction	\$ 1,592,193	\$ 17,841	\$ 160,641	\$ -	\$ (1,413,711)
Supporting Services	1,029,268	29,539	56,352	(195,600)	(1,138,977)
Interest on Long Term Debt	190,367	-	-	-	(190,367)
Total Primary Government	\$ 2,811,828	\$ 47,380	\$ 216,993	\$ (195,600)	(2,743,055)
General Revenues					
Property Taxes					2,687,983
Specific Ownership Taxes					214,285
Investment Earnings					4,344
Insurance Proceeds					6,439
Other Revenues					18,123
Total General Revenues and Transfers					2,931,174
Change in Net Position					188,119
Beginning Net Position					3,772,583
Ending Net Position					\$ 3,960,702

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Balance Sheet
Governmental Funds
June 30, 2016
(With Comparative Totals for June 30, 2015)

	Debt Service		Capital Projects		Totals	
	General Fund	Bond	Project Fund	Other	2016	2015
		Redemption Fund				
ASSETS						
Cash and Investments	\$ 2,178,559	\$ 1,003,040	\$ 92,853	\$ 19,377	\$ 3,293,829	\$ 3,116,260
Taxes Receivable	21,864	4,977	-	-	26,841	28,005
Interfund Accounts Receivable	5,474	-	41,336	-	46,810	20,526
Grants Receivable	9,371	-	-	19,496	28,867	38,668
Other Accounts Receivable	-	210	-	659	869	2,165
Inventory	-	-	-	350	350	709
TOTAL ASSETS	<u>\$ 2,215,268</u>	<u>\$ 1,008,227</u>	<u>\$ 134,189</u>	<u>\$ 39,882</u>	<u>\$ 3,397,566</u>	<u>\$ 3,206,333</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE						
Liabilities						
Interfund Accounts Payable	\$ 41,336	\$ -	\$ -	\$ 5,474	\$ 46,810	\$ 20,526
Accounts Payable	16,719	-	-	395	17,114	107,640
Accrued Salaries & Benefits	204,150	-	-	18,681	222,831	223,063
Payroll Taxes & Deductions Payable	8,443	-	-	-	8,443	-
Total Liabilities	<u>270,648</u>	<u>-</u>	<u>-</u>	<u>24,550</u>	<u>295,198</u>	<u>351,229</u>
Deferred Inflows of Financial Resources						
Deferred Inflows	-	-	-	-	-	814
Deferred Inflows Grants	-	-	72,548	-	72,548	-
Total Deferred Inflows of Financial Resources	<u>-</u>	<u>-</u>	<u>72,548</u>	<u>-</u>	<u>72,548</u>	<u>814</u>
Fund Balance						
Nonspendable Fund Balance	-	-	-	350	350	709
Restricted Fund Balance						
Restricted for Debt Service	-	1,008,227	-	-	1,008,227	1,029,551
Restricted for TABOR Emergencies	76,000	-	-	-	76,000	75,000
Restricted for Colorado Preschool Program	61,536	-	-	-	61,536	71,692
Restricted for BEST Capital Renewal Reserve	-	-	15,750	-	15,750	-
Assigned Fund Balance						
Other Assigned Fund Balance	-	-	45,891	14,982	60,873	33,245
Unassigned Fund Balance	1,807,084	-	-	-	1,807,084	1,644,093
Total Fund Balance	<u>1,944,620</u>	<u>1,008,227</u>	<u>61,641</u>	<u>15,332</u>	<u>3,029,820</u>	<u>2,854,290</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 2,215,268</u>	<u>\$ 1,008,227</u>	<u>\$ 134,189</u>	<u>\$ 39,882</u>	<u>\$ 3,397,566</u>	<u>\$ 3,206,333</u>

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2016

Fund Balance - Governmental Funds	\$ 3,029,820
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	
Capital assets, being depreciated	3,084,354
Accumulated depreciation	(1,636,283)
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	108,446
Difference between actual and expected experience	75,875
Amortization of experience difference	(20,845)
Difference between projected and actual investment returns on the pension plan	469,467
Amortization of the investment return difference	(115,125)
Net pension liability	(4,167,357)
Difference between projected and actual pension plan experience	(378)
Amortization of the pension plan experience difference	204
Changes of assumptions	(81,200)
Amortization of change in assumptions	22,308
Change in District proportionate share of the net pension liability	(127,977)
Amortization of the change in proportion	49,169
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds	
Long-Term BEST Grant Receivable	9,416,691
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.	
Bonds payable	(6,102,313)
Accrued interest payable	(15,348)
Accrued compensated absences	(28,806)
	(44,457)
Total Net Position - Governmental Activities	\$ 3,960,702

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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)

	<u>Debt Service</u>			<u>Capital Projects</u>	<u>Totals</u>	
	<u>General Fund</u>	<u>Bond</u>		<u>Capital Reserve</u>	<u>Other</u>	
		<u>Redemption</u>	<u>Fund</u>		<u>Project Fund</u>	<u>Governmental</u>
					<u>2016</u>	<u>2015</u>
REVENUES						
Local Sources	\$ 2,396,572	\$ 539,817	\$ 31	\$ 46,734	\$ 2,983,154	\$ 3,143,232
Intermediate Sources	581	-	-	-	581	58
State Sources	815	-	41,336	2,170	44,321	9,380
Federal Sources	55,806	-	-	112,366	168,172	209,620
TOTAL REVENUES	<u>2,453,774</u>	<u>539,817</u>	<u>41,367</u>	<u>161,270</u>	<u>3,196,228</u>	<u>3,362,290</u>
EXPENDITURES						
Instruction	1,318,998	-	-	94,895	1,413,893	1,379,526
Pupil Support	61,916	-	-	-	61,916	60,839
Staff Support	18,537	-	-	-	18,537	24,539
General Administration	166,549	500	-	8,351	175,400	172,613
School Administration	136,208	-	-	-	136,208	131,645
Business Services	98,141	-	-	-	98,141	95,360
Operations and Maintenance	221,017	-	-	-	221,017	398,202
Transportation	108,339	-	55,348	-	163,687	151,317
Risk Management	43,298	-	-	-	43,298	43,934
Food Service	-	-	-	95,715	95,715	93,626
Facilities	28,245	-	-	-	28,245	-
Debt Service	4,000	560,641	-	-	564,641	567,142
TOTAL EXPENDITURES	<u>2,205,248</u>	<u>561,141</u>	<u>55,348</u>	<u>198,961</u>	<u>3,020,698</u>	<u>3,118,743</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	248,526	(21,324)	(13,981)	(37,691)	175,530	243,547
OTHER FINANCING SOURCES (USES)						
Transfer In (Out) - net	(95,400)	-	55,400	40,000	-	-
CHANGE IN FUND BALANCE	153,126	(21,324)	41,419	2,309	175,530	243,547
BEGINNING FUND BALANCE	<u>1,791,494</u>	<u>1,029,551</u>	<u>20,222</u>	<u>13,023</u>	<u>2,854,290</u>	<u>2,610,743</u>
ENDING FUND BALANCE	<u>\$ 1,944,620</u>	<u>\$ 1,008,227</u>	<u>\$ 61,641</u>	<u>\$ 15,332</u>	<u>\$ 3,029,820</u>	<u>\$ 2,854,290</u>

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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	\$	175,530
<p>Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level</p>		
Capitalized Asset Purchases		106,124
Depreciation Expense		(114,400)
<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		5,755
Change in the difference between actual and expected experience		75,875
Change in the amortization of experience difference		(20,845)
Current year projected to actual investment return difference		382,719
Current year amortization of overall investment return differences		(106,450)
Change in net pension liability		(397,330)
Current year projected to actual pension plan experience difference		(97)
Current year amortization of overall experience differences		166
Change in the changes of assumptions		(81,200)
Change in the amortization of the change in assumptions		22,308
Current year change in proportionate share of cost-sharing plan liability		(75,270)
Current year amortization of overall proportionate share differences		41,982
<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>		
Principal payments on bonds payable		370,728
Principal payments on capital leases		2,590
Change in accrued interest payable		956
Change in accrued compensated absences		(4,841)
		(4,841)
Change in Net Position - Governmental Activities	\$	188,119

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016
(With Comparative Totals for June 30, 2015)

	<u>Scholarship</u>	<u>Pupil Activity</u>	<u>Totals</u>	
	<u>Agency Fund</u>	<u>Agency Fund</u>	<u>2016</u>	<u>2015</u>
ASSETS				
Cash and Investments	\$ 1,951	\$ 50,307	\$ 52,258	\$ 51,843
NET POSITION				
Restricted Net Position	<u>\$ 1,951</u>	<u>\$ 50,307</u>	<u>\$ 52,258</u>	<u>\$ 51,843</u>

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Genoa-Hugo School District No. C-113 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting 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") Statement No. 14, "The Financial Reporting Entity."

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

Jointly Governed Organizations

The District is a participant among fourteen districts in a jointly governed organization to operate the East Central 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. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 820 2nd Street, P.O. Box 910, Limon, CO 80828-0910. The District paid total assessments of \$78,787 to the BOCES for the year ended June 30, 2016.

Basis of Presentation

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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

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, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise 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) – This fund is used to account for the repayment of the District's general obligation indebtedness.

Capital Project (Capital Reserve) – This fund accounts for the District's routine capital projects.

In addition, the District reports the following nonmajor governmental funds:

Special Revenue (Food Service, Designated Grants and Athletic) Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The District reports the following fiduciary funds:

Agency Funds (Pupil Activity and Scholarship Funds) – These funds are 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.

Government-Wide Financial Statements

The government-wide 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. 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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

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 within thirty days after the beginning of the fiscal year.
- Budgets may be revised until January 31st of the budget year.
- 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 as originally adopted and amended by the Board of Education.
- Encumbrance accounting is not utilized.

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

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 – Inventory of the proprietary fund is valued at the lower of cost (first-in, first-out) or market.

Due To and Due From Other Funds – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE 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 – 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 disbursement 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	10-80 years
Vehicles	10-25 years
Other Equipment	5-15 years

Taxes Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2015 property taxes were both measurable and available at June 30, 2016, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2016 but not collected by June 30, 2016.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2016, the District has recorded accrued leave as disclosed in Note 6.

Long-Term Debt – The District's general obligation bonds are accounted for in the Bond Redemption Fund. Principal repayments are shown as expenditures in the fund level financial statements. The District's capital leases are paid through the General Fund and are shown as expenditures in that fund.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE 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)

For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

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 two items that qualify for reporting in this category, both related to outstanding pension obligations and further described in Note 7.

In addition to liabilities, the statement of financial position will sometimes report 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 related to pension liabilities as further described in Note 7.

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 "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 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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE 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)

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 other remaining governmental balances are reported as unassigned.

Net Position/ Fund Balance and 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.

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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on August 17. 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.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic 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

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

Deposits	\$ 3,350,823
Cash with fiscal agent	(5,036)
Cash on hand	300
Total	<u>\$ 3,346,087</u>
Government-wide - unrestricted	\$ 3,298,864
Government-wide - w/ fiscal agent	(5,036)
Fiduciary	52,259
Total	<u>\$ 3,346,087</u>

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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits (Continued)

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 by 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. 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.

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA collateralized*	3,096,032	3,098,305
Cash with fiscal agent	-	(5,036)
Cash on hand	-	300
Total	<u>\$ 3,346,032</u>	<u>\$ 3,343,569</u>

*Not in District's name

Investments

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk (Continued)

- 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. For the fiscal year ended June 30, 2016, the District did not have any investments requiring disclosure.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

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 did not have any investments requiring safekeeping.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3: INVENTORIES

Food Service Fund inventory of \$350 as of June 30, 2016, consisted of \$33 of purchased food. Purchased 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.

NOTE 4: CAPITAL ASSETS

Activity for capital assets is summarized below:

	<u>Balance</u> <u>7/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/16</u>
Governmental activities				
Capital assets being depreciated:				
Buildings	\$ 2,454,520	\$ -	\$ -	\$ 2,454,520
Equipment	71,307	27,937	13,661	85,583
Food Service equipment	21,645	-	-	21,645
Transportation equipment	<u>430,758</u>	<u>91,848</u>	<u>-</u>	<u>522,606</u>
Total capital assets being depreciated	<u>2,978,230</u>	<u>119,785</u>	<u>13,661</u>	<u>3,084,354</u>
Accumulated Depreciation				
Buildings	(1,189,264)	(77,530)	-	(1,266,794)
Equipment	(23,309)	(10,172)	(12,295)	(21,186)
Food Service equipment	(21,645)	-	-	(21,645)
Transportation equipment	<u>(287,665)</u>	<u>(40,494)</u>	<u>(1,501)</u>	<u>(326,658)</u>
Total accumulated depreciation	<u>(1,521,883)</u>	<u>(128,196)</u>	<u>(13,796)</u>	<u>(1,636,283)</u>
Net Capital Assets	<u>\$ 1,456,347</u>	<u>\$ (8,411)</u>	<u>\$ (135)</u>	<u>\$ 1,448,071</u>
Instruction		\$ 56,551		
Supporting services		<u>48,047</u>		
Total depreciation		<u>\$ 128,196</u>		

The District capitalizes assets with an original value of at least \$5,000 and a useful life in excess of one year. Depreciation is computed on a straight-line basis over the expected use life of the underlying asset.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5: 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 is reflected as a liability in the respective funds in the accompanying financial statements as follows:

General Fund	\$ 204,150
Designated Grants Fund	9,519
Food Service Fund	<u>9,162</u>
Total Accrued Salaries and Benefits	<u>\$ 222,831</u>

NOTE 6: LONG-TERM DEBT

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

	<u>Balance</u> <u>7/1/15</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/16</u>	<u>Current</u> <u>Portion</u>
General obligation bonds, Series 2012	\$ 6,108,041	\$ -	\$ 260,728	\$ 5,847,313	\$ 260,728
General obligation bonds, Series 2009	365,000	-	110,000	255,000	110,000
Capital Leases Payable	2,590	-	2,590	-	-
PERA Net Pension Liability	3,770,027	397,330	-	4,167,357	-
Accrued compensated absences	<u>23,964</u>	<u>4,842</u>	<u>-</u>	<u>28,806</u>	<u>-</u>
Total	<u>\$ 10,269,622</u>	<u>\$ 402,172</u>	<u>\$ 373,318</u>	<u>\$10,298,476</u>	<u>\$ 370,728</u>

An interest summary of the District's long-term debt is as follows:

	<u>Accrued</u> <u>Interest</u>	<u>Interest</u> <u>Paid</u>	<u>Interest</u> <u>Expense</u>
General obligation bonds, Series 2009	\$ 701	\$ 10,230	\$ 9,927
General obligation bonds, Series 2012	14,647	179,683	179,030
Capital Leases Payable	<u>-</u>	<u>1,410</u>	<u>1,410</u>
Total	<u>\$ 15,348</u>	<u>\$ 191,323</u>	<u>\$ 190,367</u>

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6: LONG-TERM DEBT(Continued)

General Obligation Bonds

In 2009, the District issued \$985,000 of general obligation bonds to refund bonds issued in 1999. Principal is due annually on December 1, and interest at rates from 1.50% to 3.30% is due semiannually on June 1 and December 1. The District realized \$45,385 of net present value savings on this refinancing. Payments are made through the Bond Redemption Fund of the District. Bond payments, to maturity, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 115,000	\$ 6,518	\$ 121,518
2018	120,000	2,640	122,640
2019	20,000	330	20,330
Total	\$ 255,000	\$ 9,488	\$ 264,488

In 2013, the District issued \$6,609,572 of general obligation bonds which were used for an escrow match to a BEST grant received. These bonds, along with the grant proceeds, were used to partially replace District facilities. Principal is due annually on December 1, and interest at a rate of 3.02% is due semiannually on June 1, and December, 1. Payments are made through the Building Fund of the District. Bond payments, to maturity, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 268,565	\$ 171,728	\$ 440,293
2018	276,638	163,534	440,172
2019	284,953	155,093	440,046
2020	293,519	146,399	439,918
2021	302,341	137,444	439,785
2022-2026	1,653,616	543,177	2,196,793
2027-2031	1,917,543	275,283	2,192,826
2032-2033	850,138	25,743	875,881
Total	\$ 5,847,313	\$ 1,618,401	\$ 7,465,714

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 6: LONG-TERM DEBT(Continued)

Capital Leases

In 2012, the District entered into a capital lease agreement for the purchase of two office copiers. The lease requires 60 monthly payments beginning December 2011 of \$266, including interest at 6.9%. The office copiers were removed in June 2016 and a new lease was entered beginning August 2016 for replacement copiers.

NOTE 7: 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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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:

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

January 1 st through December 31 st	2014 ¹	2015 ¹
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%
Total employer contribution rate to the SCHDTF	16.43%	17.33%

¹ 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 \$199,461 for the plan year ended December 31, 2015 and \$210,305 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 \$4,167,357 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.

At December 31, 2015, the District's proportion was .0272%, which was a decrease of .0010% from its proportion measured as of December 31, 2014.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2016 the District recognized pension expense of \$414,208. 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	\$ 55,030	\$ (174)
Changes of assumptions or other inputs		\$ (58,892)
Net difference between projected and actual earnings on pension plan	\$ 354,341	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (78,808)
Contributions subsequent to the measurement date	\$ 108,446	
Total	\$ 517,817	\$ (137,874)

\$108,446 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:	Totals
2017	\$ (57,405)
2018	(7,749)
2019	(69,317)
2020	(72,660)
Total	\$ (207,131)

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: 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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: 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:

Asset Class	Target Allocation	10 Year Expected Geometric 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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: 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)	\$ (5,402,113)	\$ (4,167,357)	\$ (3,140,271)

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 8: 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.

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 \$12,703.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9: 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.

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, the District contributions to the HCTF were \$12,096, \$12,052 and \$11,751, respectively, equal to their required contributions for each year.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 10: 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 recently 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.

Health Insurance

The District partially self-insured for employee health coverage in prior years. All potential claims from that coverage have now been settled. The District currently carries commercial insurance for employee health coverage with risk of loss transferred to the carrier.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11: 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 (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. In the November 1996 election, the District's electorate allowed the District to collect, retain and expand all revenues collected, notwithstanding the limits of the Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$75,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

NOTE 12: INTERFUND ACTIVITY

The District has recorded the following routine operating transfers through June 30, 2016.

General Fund	
Transfer to Pupil Activity Fund	\$ (14,000)
Transfer to Capital Reserve Project Fund	(55,400)
Transfer to Food Service Fund	<u>(26,000)</u>
Net General Fund	(95,400)
Athletic Activity Fund	
Transfer from General Fund	14,000
Capital Reserve Projects Fund	
Transfer from General Fund	55,400
Food Service Fund	
Transfer from General Fund	<u>26,000</u>
Net Interfund Transfers	<u>\$ -</u>

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12: INTERFUND ACTIVITY (Continued)

As of June 30, 2016, the District Grant Fund had a negative allocation of the District's pooled cash of \$5,474. This represents grant expenditures that had not been reimbursed as of the end of the fiscal year. For the financial statement presentation, this amount is shown as a balance owned between the General and Grants Funds at the fund level and has been eliminated on the government activity statements.

NOTE 13: BEST GRANT/FACILITY IMPROVEMENTS

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced during fiscal year 2013 with the District providing an upfront match payment held in escrow of \$6,609,572. The State is funding their portion of this program, \$9,809,053, through Certificate of Participation issuances. The State will coordinate the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurs. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

The improvements completed by the BEST grant totaled \$15,794,007 and have a depreciated value of \$15,162,247 as of June 30, 2016. The remaining value of the State's contribution was as of June 30, 2016. As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil based on the annual October student count, beginning with the June 30, 2016 fiscal year.

NOTE 14: DEFICIT UNRESTRICTED NET POSTION

The Governmental Activities has a deficit unrestricted net position of \$1,946,510, primarily due to adding the PERA net pension liability of \$4,167,357, further described in Note 7. As the District has no control over pension benefits or contribution rates, we expect this deficit to continue going forward.

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REQUIRED SUPPLEMENTARY INFORMATION

Pension Schedules (Unaudited)

GENOA-HUGO SCHOOL DISTRICT NO. C-113

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

	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
District's proportion of the net pension asset (liability)	0.027248%	0.027816%	0.028229%
District's proportionate share of the net pension asset (liability)	\$ (4,167,357)	\$ (3,770,027)	\$ (3,600,654)
District's covered-employee payroll	\$ 1,187,453	\$ 1,165,299	\$ 1,138,017
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.

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

See the accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
Contractually required contributions	\$ 205,786	\$ 191,459	\$ 176,734
Actual contributions	<u>(205,786)</u>	<u>(191,459)</u>	<u>(176,734)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,187,453	\$ 1,165,299	\$ 1,138,017
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.

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

See the accompanying Independent Auditors' Report.

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BUDGETARY COMPARISON SCHEDULES

(Required Supplementary Information)

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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 and			2015
	Final	Actual	Variance with Final	Actual
	Budget	Actual	Budget	Actual
REVENUES				
Local Sources				
Property Taxes	\$ 2,245,847	\$ 2,188,630	\$ (57,217)	\$ 2,182,750
Specific Ownership Taxes	98,526	174,556	76,030	149,900
Delinquent Taxes	1,600	1,039	(561)	1,259
Tuition From Individuals	4,000	692	(3,308)	2,732
Investment Earnings	2,500	2,538	38	2,364
Donations	2,000	1,500	(500)	4,395
Sale of Fixed Assets	-	100	100	4,100
Insurance Proceeds	-	6,439	6,439	169,565
Other Local	16,400	21,078	4,678	35,537
Total Local Sources	<u>2,370,873</u>	<u>2,396,572</u>	<u>25,699</u>	<u>2,552,602</u>
Intermediate Sources				
Impact Fee Revenue	<u>300</u>	<u>581</u>	<u>281</u>	<u>58</u>
State Sources				
State Equalization	40,434	-	(40,434)	-
Transportation	40,000	(327)	(40,327)	(874)
State Grants from CDE				
State ECEA	-	(38,750)	(38,750)	(18,014)
State Gifted and Talented	-	(3,318)	(3,318)	(16,498)
READ Act Grant	3,000	8,153	5,153	7,063
Library Grant	-	3,500	3,500	3,000
Addtl At Risk Funding	-	714	714	-
Other CDE State Grants	(90,000)	-	90,000	-
State Vocational Education	9,000	(271)	(9,271)	(223)
State Grants Provided through BOCES	<u>29,725</u>	<u>31,114</u>	<u>1,389</u>	<u>32,933</u>
Total State Sources	<u>32,159</u>	<u>815</u>	<u>(31,344)</u>	<u>7,387</u>
Federal Sources				
Federal Grants from CDE				
RTTT Readiness	-	125	125	100
Direct Federal Revenue				
NCLB Title VI, Part B - REAP/Rural Education	10,000	18,679	8,679	8,550
Federal Provided through BOCES	<u>40,000</u>	<u>37,002</u>	<u>(2,998)</u>	<u>41,105</u>
Total Federal Sources	<u>50,000</u>	<u>55,806</u>	<u>5,806</u>	<u>49,755</u>
TOTAL REVENUES	<u>2,453,332</u>	<u>2,453,774</u>	<u>442</u>	<u>2,609,802</u>

(Continued)

See the accompanying Independent Auditors' Report

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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		Variance with Final Budget	2015 Actual
	Original and Final Budget	Actual		
	(Continued)			
EXPENDITURES				
Instruction				
Salaries	854,402	833,260	21,142	820,601
Benefits	347,955	317,901	30,054	272,785
PS - Professional	6,800	1,726	5,074	2,350
PS - Property	5,000	-	5,000	30
PS - Other	100,175	73,417	26,758	74,696
Supplies	73,900	81,465	(7,565)	65,104
Property	16,550	8,504	8,046	8,884
Other Expenses	2,500	2,725	(225)	1,985
Total Instruction	<u>1,407,282</u>	<u>1,318,998</u>	<u>88,284</u>	<u>1,246,435</u>
Supporting Services				
Pupil Support				
Salaries	14,500	-	14,500	-
Benefits	3,075	2,672	403	5,029
PS - Professional	300	-	300	-
PS - Other	31,750	51,514	(19,764)	45,396
Supplies	8,000	7,730	270	10,414
Total Pupil Support	<u>57,625</u>	<u>61,916</u>	<u>(4,291)</u>	<u>60,839</u>
Staff Support				
Salaries	8,000	7,505	495	6,966
Benefits	700	1,545	(845)	1,380
PS - Professional	400	-	400	-
PS - Other	500	370	130	-
Supplies	5,750	9,117	(3,367)	15,954
Property	250	-	250	239
Total Staff Support	<u>15,600</u>	<u>18,537</u>	<u>(2,937)</u>	<u>24,539</u>
General Administration				
Salaries	82,864	88,666	(5,802)	80,450
Benefits	32,704	34,252	(1,548)	29,903
PS - Professional	13,100	10,525	2,575	26,968
PS - Property	850	912	(62)	847
PS - Other	21,500	23,105	(1,605)	19,212
Supplies	2,850	4,599	(1,749)	2,338
Property	100	1,005	(905)	119
Other Expenses	4,200	3,485	715	3,592
Total General Administration	<u>158,168</u>	<u>166,549</u>	<u>(8,381)</u>	<u>163,429</u>
School Administration				
Salaries	83,342	84,132	(790)	81,688
Benefits	40,389	40,245	144	36,964
PS - Professional	500	110	390	147
PS - Other	1,000	735	265	395
Supplies	12,700	10,986	1,714	12,451
Total School Administration	<u>137,931</u>	<u>136,208</u>	<u>1,723</u>	<u>131,645</u>

(Continued)

See the accompanying Independent Auditors' Report

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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		Variance with Final Budget	2015 Actual
	Original and Final Budget	Actual		
	(Continued)			
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Business Services				
Salaries	38,700	39,074	(374)	38,120
Benefits	22,904	22,347	557	20,775
PS - Professional	6,000	5,878	122	5,871
PS - Other	27,800	25,540	2,260	22,721
Supplies	7,500	5,302	2,198	7,573
Property	300	-	300	300
Total Business Services	<u>103,204</u>	<u>98,141</u>	<u>5,063</u>	<u>95,360</u>
Operations and Maintenance				
Salaries	83,000	66,569	16,431	83,050
Benefits	47,575	29,730	17,845	41,670
PS - Property	41,200	37,296	3,904	179,712
PS - Other	5,600	5,807	(207)	6,841
Supplies	73,000	71,136	1,864	77,734
Property	3,000	18,830	(15,830)	17,879
Other Expenses	(5,000)	(8,351)	3,351	(8,684)
Total Operations and Maintenance	<u>248,375</u>	<u>221,017</u>	<u>27,358</u>	<u>398,202</u>
Transportation				
Salaries	48,700	42,241	6,459	47,511
Benefits	10,125	8,532	1,593	9,346
PS - Professional	600	1,310	(710)	-
PS - Property	20,550	24,547	(3,997)	22,698
PS - Other	7,350	10,021	(2,671)	10,415
Supplies	30,000	20,299	9,701	26,653
Property	500	1,389	(889)	726
Total Transportation	<u>117,825</u>	<u>108,339</u>	<u>9,486</u>	<u>117,349</u>
Other Central Support				
PS - Other	1,000	-	1,000	-
Risk Management				
PS - Other	58,000	43,298	14,702	43,934
Facilities/Capital Outlay				
Buildings	-	28,245	(28,245)	-
Debt Service				
Principal	3,300	2,590	710	2,929
Interest	-	1,410	(1,410)	268
Total Debt Service	<u>3,300</u>	<u>4,000</u>	<u>(700)</u>	<u>3,197</u>
Contingency	<u>1,252,022</u>	<u>-</u>	<u>1,252,022</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,560,332</u>	<u>2,205,248</u>	<u>1,355,084</u>	<u>2,284,929</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,107,000)	248,526	1,355,526	324,873
OTHER FINANCING SOURCES (USES)				
Transfers	(93,000)	(95,400)	(2,400)	(86,746)
CHANGE IN FUND BALANCE	(1,200,000)	153,126	1,353,126	238,127
BEGINNING FUND BALANCE	1,200,000	1,791,494	591,494	1,553,367
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 1,944,620</u>	<u>\$ 1,944,620</u>	<u>\$ 1,791,494</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2016
 (With Comparative Totals for June 30, 2015)

	Special Revenue			Totals	
	Food Service Fund	Designated Grants Fund	Athletic Fund	2016	2015
ASSETS					
Cash and Investments	\$ 17,228	\$ -	\$ 2,149	\$ 19,377	\$ 19,916
Grants Receivable	4,108	15,388	-	19,496	29,005
Other Accounts Receivable	659	-	-	659	1,955
Inventory	350	-	-	350	709
TOTAL ASSETS	<u>\$ 22,345</u>	<u>\$ 15,388</u>	<u>\$ 2,149</u>	<u>\$ 39,882</u>	<u>\$ 51,585</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ -	\$ 5,474	\$ -	\$ 5,474	\$ 20,526
Accounts Payable	-	395	-	395	813
Accrued Salaries & Benefits	9,162	9,519	-	18,681	16,409
Total Liabilities	<u>9,162</u>	<u>15,388</u>	<u>-</u>	<u>24,550</u>	<u>37,748</u>
Deferred Inflows of Financial Resources					
Unearned Revenue	-	-	-	-	814
Fund Balance					
Nonspendable Fund Balance	350	-	-	350	709
Assigned Fund Balance					
Other Assigned Fund Balance	12,833	-	2,149	14,982	12,314
Total Fund Balance	<u>13,183</u>	<u>-</u>	<u>2,149</u>	<u>15,332</u>	<u>13,023</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 22,345</u>	<u>\$ 15,388</u>	<u>\$ 2,149</u>	<u>\$ 39,882</u>	<u>\$ 51,585</u>

See accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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>Totals</u>	
	<u>Food Service Fund</u>	<u>Designated Grants Fund</u>	<u>Athletic Fund</u>	<u>2016</u>	<u>2015</u>
REVENUES					
Local Sources	\$ 29,585	\$ -	\$ 17,149	\$ 46,734	\$ 43,179
State Sources	2,170	-	-	2,170	1,993
Federal Sources	41,751	70,615	-	112,366	159,865
TOTAL REVENUES	<u>73,506</u>	<u>70,615</u>	<u>17,149</u>	<u>161,270</u>	<u>205,037</u>
EXPENDITURES					
Instruction	-	62,264	32,631	94,895	133,091
General Administration	-	8,351	-	8,351	8,684
Food Service	95,715	-	-	95,715	93,626
TOTAL EXPENDITURES	<u>95,715</u>	<u>70,615</u>	<u>32,631</u>	<u>198,961</u>	<u>235,401</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(22,209)	-	(15,482)	(37,691)	(30,364)
Transfer In (Out) - net	26,000	-	14,000	40,000	34,500
CHANGE IN FUND BALANCE	3,791	-	(1,482)	2,309	4,136
BEGINNING FUND BALANCE	9,392	-	3,631	13,023	8,887
ENDING FUND BALANCE	<u>\$ 13,183</u>	<u>\$ -</u>	<u>\$ 2,149</u>	<u>\$ 15,332</u>	<u>\$ 13,023</u>

See accompanying Independent Auditors' Report.

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SPECIAL REVENUE FUND

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes:

The District reports the following Special Revenue Funds:

Food Service, Designated Grants Fund and Athletics Fund

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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		Variance with Final Budget	2015 Actual
	Final Budget	Actual		
Local Sources				
Food Service Revenue	19,000	29,539	10,539	23,234
Other Local	-	46	46	-
Total Local Sources	<u>19,000</u>	<u>29,585</u>	<u>10,585</u>	<u>23,234</u>
State Sources				
State Match - Child Nutrition	700	629	(71)	643
Smart Start Nutrition	600	733	133	623
State K-2 Reduced Lunch	400	808	408	727
Total State Sources	<u>1,700</u>	<u>2,170</u>	<u>470</u>	<u>1,993</u>
Federal Sources				
School Breakfast Program	12,000	12,223	223	12,126
National School Lunch Program	28,000	26,279	(1,721)	27,898
Commodity Revenue	-	3,249	3,249	5,166
Total Federal Sources	<u>40,000</u>	<u>41,751</u>	<u>1,751</u>	<u>45,190</u>
TOTAL REVENUES	<u>60,700</u>	<u>73,506</u>	<u>12,806</u>	<u>70,417</u>
EXPENDITURES				
Food Service				
Salaries	36,040	35,794	246	35,047
Benefits	22,645	22,665	(20)	21,021
PS - Property	50	-	50	-
PS - Other	100	663	(563)	135
Supplies	1,950	2,479	(529)	2,290
Food	36,200	30,866	5,334	30,103
Commodities	-	3,249	(3,249)	4,702
Property	500	-	500	328
Depreciation	2,000	-	2,000	-
Total Food Service	<u>99,485</u>	<u>95,716</u>	<u>3,769</u>	<u>93,626</u>
Contingency	1,215	-	1,215	-
TOTAL EXPENDITURES	<u>100,700</u>	<u>95,716</u>	<u>4,984</u>	<u>93,626</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(40,000)	(22,210)	17,790	(23,209)
OTHER FINANCING SOURCES (USES)				
Transfers	34,000	26,000	(8,000)	30,000
CHANGE IN FUND BALANCE	(6,000)	3,790	9,790	6,791
BEGINNING FUND BALANCE	6,000	9,392	3,392	2,601
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 13,182</u>	<u>\$ 13,182</u>	<u>\$ 9,392</u>

See accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Designated Grants Fund
For the Year Ended June 30, 2016

	<u>2016</u>		<u>Variance with Final Budget</u>	<u>2015 Actual</u>
	<u>Final Budget</u>	<u>Actual</u>		
REVENUES				
Federal Sources				
Twenty-First Century Learning Center Grant	<u>120,000</u>	<u>70,615</u>	<u>(49,385)</u>	<u>114,675</u>
EXPENDITURES				
Instruction				
Salaries	62,600	42,863	19,737	44,325
Benefits	18,500	9,206	9,294	14,461
PS - Other	7,225	105	7,120	74
Supplies	<u>23,325</u>	<u>10,090</u>	<u>13,235</u>	<u>47,131</u>
Total Instruction	<u>111,650</u>	<u>62,264</u>	<u>49,386</u>	<u>105,991</u>
General Administration				
Other Expenses	<u>8,350</u>	<u>8,351</u>	<u>(1)</u>	<u>8,684</u>
TOTAL EXPENDITURES	<u>120,000</u>	<u>70,615</u>	<u>49,385</u>	<u>114,675</u>
CHANGE IN FUND BALANCE	-	-	-	-
BEGINNING FUND BALANCE	-	-	-	-
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Athletic Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016		Variance with Final Budget	2015 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Pupil Activity Revenues	38,000	17,149	(20,851)	19,945
EXPENDITURES				
Instruction				
Other Expenses	38,000	32,631	5,369	27,100
Supporting Services				
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	(15,482)	(15,482)	(7,155)
OTHER FINANCING SOURCES (USES)				
Transfers	-	14,000	14,000	4,500
CHANGE IN FUND BALANCE	-	(1,482)	(1,482)	(2,655)
BEGINNING FUND BALANCE	-	3,631	3,631	6,286
ENDING FUND BALANCE	\$ -	\$ 2,149	\$ 2,149	\$ 3,631

See accompanying Independent Auditors' Report.

DEBT SERVICE FUND

Debt Service Funds These funds are used to account for the repayment of the District's general obligation indebtedness.

The District has the following debt service fund:

Bond Redemption Fund

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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)

	2016		Variance with Final Budget	2015 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Property Taxes	\$ 470,000	\$ 498,078	\$ 28,078	\$ 495,472
Specific Ownership Taxes	26,000	39,729	13,729	49,635
Delinquent Taxes	500	236	(264)	600
Investment Earnings	750	1,774	1,024	1,733
TOTAL REVENUES	<u>497,250</u>	<u>539,817</u>	<u>42,567</u>	<u>547,440</u>
EXPENDITURES				
Supporting Services				
General Administration				
Other Expenses	500	500	-	499
Debt Service				
Principal	375,000	370,728	4,272	363,119
Interest	190,250	189,913	337	200,826
Total Debt Service	<u>565,250</u>	<u>560,641</u>	<u>4,609</u>	<u>563,945</u>
Contingency	<u>749,000</u>	<u>-</u>	<u>749,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,314,750</u>	<u>561,141</u>	<u>753,609</u>	<u>564,444</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(817,500)	(21,324)	796,176	(17,004)
BEGINNING FUND BALANCE	<u>740,000</u>	<u>1,029,551</u>	<u>289,551</u>	<u>1,046,555</u>
ENDING FUND BALANCE	<u>\$ (77,500)</u>	<u>\$ 1,008,227</u>	<u>\$ 1,085,727</u>	<u>\$ 1,029,551</u>

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

Capital Reserve Project Fund - This fund accounts for the District's routine capital projects.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
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)

	<u>2016</u>			<u>2015</u> <u>Actual</u>
	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>	
REVENUES				
Local Sources				
Investment Earnings	\$ 50	\$ 31	\$ (19)	\$ 10
State Sources				
Best Capital Construction Program	200,000	-	(200,000)	-
Rural School Funding	-	41,336	41,336	-
TOTAL REVENUES	<u>200,050</u>	<u>41,367</u>	<u>(158,683)</u>	<u>10</u>
EXPENDITURES				
Supporting Services				
Transportation				
Property	58,000	55,348	2,652	33,968
Facilities/Capital Outlay				
Buildings	200,000	-	200,000	-
Contingency	<u>26,050</u>	<u>-</u>	<u>26,050</u>	<u>-</u>
TOTAL EXPENDITURES	<u>284,050</u>	<u>55,348</u>	<u>228,702</u>	<u>33,968</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(84,000)	(13,981)	70,019	(33,958)
OTHER FINANCING SOURCES (USES)				
Transfers	58,000	55,400	(2,600)	52,246
CHANGE IN FUND BALANCE	(26,000)	41,419	67,419	18,288
BEGINNING FUND BALANCE	26,000	20,222	(5,778)	1,934
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 61,641</u>	<u>\$ 61,641</u>	<u>\$ 20,222</u>

See accompanying Independent Auditors' Report.

FIDUCIARY (AGENCY) FUNDS

Fiduciary (Agency) Funds are used to account for assets held by the District as an agent for individuals, private and student groups. The agency funds are custodial in nature and do not involve measurement of results of operations.

Scholarship Fund

The District has established a scholarship agency fund to account for annual student scholarships given through memorial donations.

Pupil Activity Fund

The District has established an agency fund to account for various student activity groups and contributions from private organizations.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Scholarship Agency Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>2016</u>			<u>2015</u> <u>Actual</u>
	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>	
ADDITIONS				
Local Sources	\$ -	\$ 4	\$ 4	\$ 6
DEDUCTIONS				
Community Support	<u>4,000</u>	<u>150</u>	<u>3,850</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(4,000)</u>	<u>(146)</u>	<u>3,854</u>	<u>6</u>
BEGINNING NET POSITION	<u>4,000</u>	<u>2,097</u>	<u>(1,903)</u>	<u>2,091</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 1,951</u>	<u>\$ 1,951</u>	<u>\$ 2,097</u>

See accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of 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)

	2016			2015
	Final		Variance	
	Budget	Actual	with Final	
			Budget	Actual
ADDITIONS				
Local Sources	\$ 117,000	\$ 67,440	\$ (49,560)	\$ 62,719
DEDUCTIONS				
Instruction	<u>117,000</u>	<u>66,879</u>	<u>50,121</u>	<u>61,336</u>
CHANGE IN NET POSITION	-	561	561	1,383
BEGINNING NET POSITION	-	<u>49,746</u>	<u>49,746</u>	<u>48,363</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 50,307</u>	<u>\$ 50,307</u>	<u>\$ 49,746</u>

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

This report includes information required by the Colorado Department of Education.



Colorado Department of Education
Auditors Integrity Report
 District: 1780 - GENOA-HUGO C113
 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	1,719,802		2,323,101		2,159,819		1,883,084
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	71,691		35,274		45,429		61,536
Sub- Total	1,791,494		2,358,374		2,205,248		1,944,620
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
21 Food Service Spec Revenue Fund	9,392		99,506		95,716		13,183
22 Govt Designated-Purpose Grants Fund	0		70,615		70,615		0
23 Pupil Activity Special Revenue Fund	3,631		31,149		32,631		2,149
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	1,029,551		539,817		561,141		1,008,227
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	20,222		96,768		55,348		61,641
Totals	2,854,289		3,196,229		3,020,698		3,029,820
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	2,097		4		150		1,951
74 Pupil Activity Agency Fund	49,746		67,440		66,879		50,307
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	51,842		67,444		67,029		52,258

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: 1780 - GENOA-HUGO C113

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)	2,117,023	0	61,536	17,228	2,149	1,003,040	92,853	0	0	52,258	0	3,346,086	
Cash with Fiscal Agent (8105)	0	0	0	0	0	0	0	0	0	0	0	0	
Taxes Receivable (8121,8122)	21,864	0	0	0	0	4,977	0	0	0	0	0	26,840	
Interfund Loans Receivable (8131,8132)	5,474	0	0	0	0	0	41,336	0	0	0	0	46,810	
Grants Accounts Receivable (8142)	9,371	0	0	4,108	15,388	0	0	0	0	0	0	28,867	
Other Receivables (8151-8154,8161)	0	0	0	659	0	210	0	0	0	0	0	869	
Inventories (8171,8172,8173)	0	0	0	350	0	0	0	0	0	0	0	350	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	2,153,732	0	61,536	22,345	17,537	1,008,227	134,189	0	0	52,258	0	3,449,823	

Fiduciary

Proprietary

Governmental

	Governmental										Proprietary			Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
LIABILITIES & FUND EQUITY														
LIABILITIES														
Interfund Payables (7401,7402)	41,336	0	0	0	5,474	0	0	0	0	0	0	0	46,810	
Other Payables (7421-7423)	16,719	0	0	0	395	0	0	0	0	0	0	0	17,114	
Accrued Expenses (7461)	204,150	0	0	9,162	9,519	0	0	0	0	0	0	0	222,831	
Payroll Ded. and Withholdings (7471-7473)	8,443	0	0	0	0	0	0	0	0	0	0	0	8,443	
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Inflow Grants (7801)	0	0	0	0	0	0	72,547	0	0	0	0	0	72,547	
Total Liabilities	270,648	0	0	9,162	15,388	0	72,547	0	0	0	0	0	367,745	

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	350	0	0	0	0	0	0	0	0	350
Restricted Fund Balance 6720	0	0	0	0	0	1,008,227	0	0	0	0	0	0	1,008,227
TABOR 3% Emergency Reserve 6721	76,000	0	0	0	0	0	0	0	0	0	0	0	76,000
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	0	0	61,536	0	0	0	0	0	0	0	0	0	61,536
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	15,750	0	0	0	0	0	15,750
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	12,833	2,149	0	45,891	0	0	0	0	0	60,874
Unassigned Fund Balance 6770	1,807,084	0	0	0	0	0	0	0	0	0	52,258	0	1,859,341
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
Total Fund Equity	1,883,084	0	61,536	13,183	2,149	1,008,227	61,641	0	0	0	52,258	0	3,082,078

Total Liabilities & Fund Equity	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
	2,153,732	0	61,536	22,345	17,537	1,008,227	134,189	0	0	0	52,258	0	3,449,823

	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: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes