

**HI-PLAINS SCHOOL DISTRICT R-23**  
Seibert, Colorado

Financial Statements  
For the Year Ended June 30, 2016



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*By Justin L. Smith at 12:35 pm, Nov 18, 2016*

HI-PLAINS SCHOOL DISTRICT R-23  
 Seibert, Colorado  
 Table of Contents  
 June 30, 2016

|   | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report  |             |
| Management Discussion and Analysis -----  | a-g         |
| <br><u>Basic Financial Statements</u>   |             |
| Government-wide Financial Statements  |             |
| Statement of Net Position -----   | 1           |
| Statement of Activities -----   | 2           |
| Fund Financial Statements   |             |
| Governmental Funds  |             |
| Balance Sheet -----   | 3           |
| Reconciliation of the Balance Sheet - Governmental Funds to the<br>Statement of Net Position -----  | 4           |
| Statement of Revenues, Expenditures and Changes in Fund Balances -----  | 5-6         |
| Reconciliation of the Statement of Revenues, Expenditures and Changes<br>in Fund Balances - Governmental Funds to the Statement of Activities | 6           |
| Student Activity Agency Fund  |             |
| Statement of Fiduciary Net Position -----   | 7           |
| Notes to the Financial Statements -----   | 8-20        |
| <br><u>Required Supplementary Information</u>   |             |
| Budgetary Comparison Schedule - Major Governmental Funds -----  | 21          |
| Schedule of District's Proportionate Share of Net Pension Liability -----   | 22          |
| Schedule of Contributions and Related Ratios - Last 10 Years -----  | 23          |
| <br><u>Other Information</u>  |             |
| Combining and Individual Fund Statements  |             |
| Combining Balance Sheet - Nonmajor Governmental Funds -----   | 24          |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances<br>Nonmajor Governmental Funds -----                              | 25          |
| General Fund  |             |
| Comparative Balance Sheet -----   | 26          |
| Statement of Revenues, Expenditures, and Changes in Fund Balance -<br>Budget and Actual -----   | 27          |
| Statement of Expenditures - Budget and Actual -----   | 28-30       |

HI-PLAINS SCHOOL DISTRICT R-23  
 Seibert, Colorado  
 Table of Contents  
 June 30, 2016  
 (continued)

|   | <u>Page</u> |
|---|-------------|
| Special Revenue Funds   |             |
| Food Services Fund  |             |
| Comparative Balance Sheet -----   | 31          |
| Statement of Revenues, Expenditures, and Changes in Fund Balance<br>- Budget and Actual ----- | 32          |
| Student Activity Fund   |             |
| Comparative Balance Sheet -----   | 33          |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance - Budget and Actual -----  | 34          |
| Debt Service Fund   |             |
| Bond Redemption Fund  |             |
| Comparative Balance Sheet -----   | 35          |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance - Budget and Actual -----  | 35          |
| Capital Projects Fund   |             |
| Capital Reserve Fund  |             |
| Comparative Balance Sheet -----   | 36          |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance - Budget and Actual -----  | 37          |
| Student Activity Agency Fund  |             |
| Statement of Changes in Assets and Liabilities -----  | 38          |
| Auditor's Integrity Report  |             |

# WINFREY, COUNTY & HAYS, PC

## Certified Public Accountants

593 14th Street  
Burlington, Colorado 80807  
Telephone 719-346-7216  
Fax 719-346-8499

Gerald D County, CPA  
Jennifer M. Hays, CPA

Kristina L. Lowe, CPA  
Sarah M. Bailey, CPA

### INDEPENDENT AUDITOR'S REPORT

Board of Education  
Hi-Plains School HI-PLAINS DISTRICT R-23  
Seibert, Colorado 80834

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hi-Plains School R-23, as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinions**

In our opinion, based on our audit, 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 Hi-Plains School District R-23, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages a-g and 21-23 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. For the management discussion & analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hi-Plains School District-23's basic financial statements. The combining and individual nonmajor fund financial statements and the Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Auditor's Integrity Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed described above, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

WINFREY, COUNTY & HAYS, PC  
Certified Public Accountants



by: Gerald County, CPA

October 14, 2016

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2016

Management of Hi-Plains School HI-PLAINS DISTRICT R-23 offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. The focus of the information is on the primary government-general fund.

The District has adopted a financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, *Basic Financial Statement and Management Discussion and Analysis for State and Local Governments*, the District is providing a comparative analysis of the government wide information.

Financial Highlights:

- At June 30, 2016, the assets of the District exceeded its liabilities by \$12,495,780 which is a decrease of \$456,486.
- The District has a negative unrestricted net position of \$1,916,251 as a result of showing a net pension liability from PERA of \$3,427,228.
- As of the close of the 2016 fiscal year, the District's governmental funds reported combined ending fund balances of \$1,412,492, a decrease of \$51,112 from the previous year.
- The District had adequate funds available for all appropriations.

Overview of Financial Statements

This discussion is intended as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided is other supplementary information.

Government-Wide Financial Statements

These statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District'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. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating.

The government-wide statements have only governmental activities.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2016  
(continued)

Governmental activities - all of the District's basic services are included here, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes and state and federal subsidies and grants finance these activities.

Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

Governmental funds - most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds - acts as a trustee, or fiduciary for student activities. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2016  
(continued)

Financial Analysis of the District as a Whole:

The District's total net position was \$12,495,780.

Table 1  
Fiscal Year Ended June 30, 2016  
Net Position

|                                   | <u>Government Activities</u> |                    |
|-----------------------------------|------------------------------|--------------------|
|                                   | <u>6/30/2016</u>             | <u>6/30/2015</u>   |
| Current and other assets          | 1,571,099                    | 1,604,386          |
| Capital assets                    | <u>16,689,918</u>            | <u>17,046,820</u>  |
| Total assets                      | 18,261,018                   | 18,651,205         |
| <br>Deffered Outflows             | <br>483,698                  | <br>150,386        |
| <br>Current and other liabilities | <br>277,341                  | <br>256,225        |
| Long term liabilities             | <u>5,893,624</u>             | <u>5,546,366</u>   |
| Total Liabilities                 | 6,170,965                    | 5,802,592          |
| <br>Deferred Inflows              | <br>77,971                   | <br>46,908         |
| <br>Net Position                  |                              |                    |
| Invested in capital assets        | 14,104,788                   | 14,346,421         |
| Restricted for TABOR              | 53,838                       | 52,711             |
| Restricted for Bond Redemption    | 253,404                      | 225,447            |
| Unrestricted                      | <u>(1,916,251)</u>           | <u>(1,672,312)</u> |
| Total Net Position                | <u>12,495,780</u>            | <u>12,952,266</u>  |

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the Hi-Plains School District, assets exceed liabilities by approximately \$12,495,780, a decrease of \$456,486 from 2015.

Of the District's \$18,261,018 in assets, \$16,689,918, (91%), reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2016  
(continued)

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues, not considering the loss on assets, are the equalization provided by the State of Colorado Department of Education (\$938,402) (53%) and the property taxes assessed to District taxpayers (\$578,881) (33%) of the total revenue. Specific Ownership Taxes was \$70,737 (4%).

Table 2 takes the information from that statement, rearranges it slightly, so you can see the total revenues for the year equals \$2,063,656.

Table 2  
Fiscal Year Ended June 30, 2016  
Change in Net Position

|                                     | <u>Government Activities</u> |                  |
|-------------------------------------|------------------------------|------------------|
| REVENUES                            | <u>6/30/2016</u>             | <u>6/30/2015</u> |
| Program Revenues                    |                              |                  |
| Charges for service                 | 36,044                       | 36,908           |
| Operating grants                    | 171,833                      | 169,102          |
| Capital Grants/Contributions        | 29,211                       | 7,242,209        |
| General Revenues                    |                              |                  |
| Property taxes                      | 776,188                      | 677,441          |
| Auto taxes                          | 96,195                       | 90,909           |
| State Equalization                  | 938,402                      | 947,724          |
| Other                               | 15,783                       | 83,320           |
| Sale of Assets                      | <u>0</u>                     | <u>(98,050)</u>  |
| Total Revenues                      | 2,063,656                    | 9,149,562        |
| <br>                                |                              |                  |
| EXPENSES                            |                              |                  |
| Instruction                         | 1,430,246                    | 963,308          |
| Pupil services                      | 43,660                       | 32,462           |
| Instructional services              | 40,521                       | 28,487           |
| General administration              | 261,202                      | 246,423          |
| School administration               | 82,121                       | 86,422           |
| Business                            | 76,642                       | 67,566           |
| Operations & maintenance            | 215,941                      | 224,701          |
| Pupil transportation                | 118,584                      | 109,217          |
| Central services                    | 34,695                       | 37,110           |
| Noninstructional                    | 13,636                       | 10,659           |
| Debt service                        | 79,439                       | 82,853           |
| Food Services                       | <u>123,455</u>               | <u>109,788</u>   |
| Total Expenses                      | <u>2,520,142</u>             | <u>1,998,997</u> |
| <br>                                |                              |                  |
| Increase (decrease) in net position | <u>(456,486)</u>             | <u>7,150,565</u> |

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2016  
(continued)

The District Funds

At June 30, 2016, the District governmental funds reported a combined fund balance of \$1,412,492 which is a decrease of \$51,112. The primary reasons for this increase are:

**General Fund**

Revenues of \$1,757,798 increased by \$33,584 and expenditures of \$1,790,126 increased by \$25,132. Excess of revenues over expenditures was negative \$40,781. The ending fund balance decreased by \$95,628 due to operating transfers of \$63,300.

**Bond Redemption Fund**

Revenues from the tax levy for the construction of a new school building of \$222,664 and interest expense on bonds of \$79,439 and \$115,269 for principal, leaving a fund balance of \$253,404, for an increase of \$27,956.

**Capital Projects Fund**

The Capital Projects Fund only had income of \$14 from interest and expenditures of \$0, for an increase of \$14.

**Student Activity Fund**

Revenues of \$15,119, expenditures of \$13,636, resulting in an ending fund balance of \$13,029, an increase of \$1,483.

**Food Service Fund**

Revenues of \$68,060, plus \$51,000 transfer from General Fund, expenditures of \$116,299, resulting in an ending fund balance of \$20,021, an increase of \$2,762. Without the transfer of \$51,000 from the General Fund, the Food Service Fund would have shown a net loss of \$48,238.

Financial Analysis of the District's Funds:

The financial condition of the school remains strong as the 2016 Ending Fund Balance in the General Fund decreased \$95,628 compared to the Ending Fund Balance in 2015. There is cash of \$1,198,192 which would carry at least 8 months of expenditures.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2016  
(continued)

Budgets

No amendments were made the budget.

Capital Assets and Debt Administration

At June 30, 2016, the District had \$16,689,918 invested in capital assets. This represents a decrease of \$356,902 because depreciation expense exceed capital purchases.

|                           | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|---------------------------|----------------------|----------------------|
| Assets Under Construction | 0                    | 16,693,756           |
| Sites & Improvements      | 121,239              | 112,660              |
| Buildings                 | 16,761,704           | 67,948               |
| Equipment                 | 94,229               | 94,229               |
| Transportation            | 375,539              | 375,539              |
| Total capital assets      | <u>17,352,712</u>    | <u>17,344,133</u>    |
| Accumulated depreciation  | <u>(662,794)</u>     | <u>(297,314)</u>     |
| Total capital assets      | <u>16,689,918</u>    | <u>17,046,820</u>    |

The were no major additions.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2016  
(continued)

Economic Factors and Next Year's Budget and Rates:

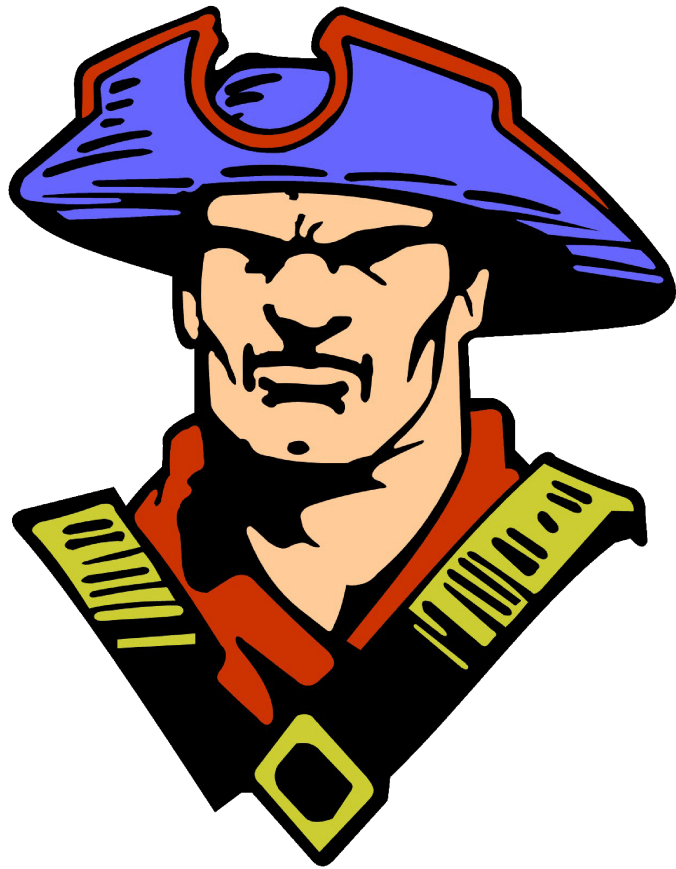
The economy in our community remains strong. We have had above normal precipitation this year. Livestock prices have fallen along with the major grain markets. The District has now been in the new building for two years and has identified several issues with the building. The District has attempted to get said issues addressed by the general contractor, but to no avail. In an attempt to "fix" the deficiencies, the district has secured legal counsel and two engineers to help identify the issues and to work with the general contractor to get those issues rectified. These expenditures will have a negative effect on our budget.

Our 2016-17 school year has started with approximately 16 students down from last year. We will most definitely lose revenue. The factors that will also negatively affect our budget will include but not be limited to a decreased state share which includes the "negative factor" along with the TABOR amendment. The Negative Factor continues to hamper our ability to fund all programs. While school districts still haven't been told officially by the State Department of Education, the educational community is bracing for a potential rescission in the 2016-2017 fiscal year. The most recent economic forecasts from the State have indicated there will likely be a short fall in funding schools this year. How much of a short fall has yet to be determined.

The 2015-2016 budget was established in compliance with the Hi-Plains School District Board of Education's policy manual. In years past, the district did make it a practice of combining the 5<sup>th</sup> and 6<sup>th</sup> grade classes. This year the 5<sup>th</sup> and 6<sup>th</sup> grade classes were separated by adding a 5<sup>th</sup> grade teacher to teach 5th grade. This was done to remedy the lower than expected scores from the 2013-14 and 2014-15 State Assessments. Separating the two grades did have a positive impact on our 2015-16 State Assessments. However, the district will need to seriously consider combining not just 5<sup>th</sup> and 6<sup>th</sup> grade, but also combining 3<sup>rd</sup> and 4<sup>th</sup> grades to help balance the budget. The District also hired a full-time Principal to help with the unfunded mandates that have been instituted over the last three to five years by the State Legislation. Hiring a Principal has had a positive impact with our State Assessments and also with the over-all management of the school. Again, the District will have to look closely at whether or not it can maintain a Principal and Superintendent without adversely affecting the budget. The Hi-Plains School District also increased staff salaries for certified and classified personnel for the FY 2015-2016 budget. This in part was due to our low starting salary and to be competitive with other school districts in our immediate vicinity. The State of Colorado is also experiencing a teacher shortage which will have a direct impact on hiring new teachers to a rural area. While the state average for a teacher in Colorado is above \$50,000.00, our district is in the mid \$30,000.00's. It will be a challenge for us to recruit new teachers to our rural area.

Contacting the District Financial Management

Our financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Superintendent of School at Hi-Plains School R-23, P.O. Box 238, Seibert, CO 80834.



## BASIC FINANCIAL STATEMENTS

## HI-PLAINS SCHOOL NUMBER R-23

Seibert, Colorado

## Statement of Net Position

June 30, 2016

|   | Governmental<br><u>Activities</u> |
|---|-----------------------------------|
| <b>ASSETS</b>                                   |                                   |
| Cash and cash equivalents                       | 667,301                           |
| Certificates of deposit                         | 842,928                           |
| Accounts/grants receivable                      | 0                                 |
| Inventory                                       | 4,432                             |
| Accrued property taxes receivable               | 56,438                            |
| Capital assets, net of accumulated depreciation | <u>16,689,918</u>                 |
| Total Assets                                    | 18,261,018                        |
| <br>  |                                   |
| DEFERRED OUTFLOWS OF RESOURCES                  | 483,698                           |
| <br>  |                                   |
| <b>LIABILITIES</b>                              |                                   |
| Current Liabilities                             |                                   |
| Accrued salaries payable                        | 157,971                           |
| Unearned Revenue                                | 636                               |
| Current portion of bonds payable                | <u>118,734</u>                    |
| Total Current Liabilities                       | 277,341                           |
| Long Term Liabilities                           |                                   |
| Bonds payable                                   | 2,466,396                         |
| Net Pension Liability                           | <u>3,427,228</u>                  |
| Total Long Term Liabilities                     | <u>5,893,624</u>                  |
| Total Liabilities                               | 6,170,965                         |
| <br>  |                                   |
| DEFERRED INFLOWS OF RESOURCES                   | 77,971                            |
| <br>  |                                   |
| <b>NET POSITION</b>                             |                                   |
| Invested in capital assets                      | 14,104,788                        |
| Restricted for TABOR                            | 53,838                            |
| Restricted for Bond Redemption                  | 253,404                           |
| Unrestricted                                    | <u>(1,916,251)</u>                |
| Total Net Position                              | <u>12,495,780</u>                 |

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Statement of Activities  
For the Year Ended June 30, 2016

|                               | <u>Expenses</u>  | <u>Program Revenues</u>    |   |   |
|-------------------------------|------------------|----------------------------|---|---|
|                               |                  | <u>Charges for Service</u> | <u>Operating Grants &amp; Contributions</u> | <u>Capital Grants &amp; Contributions</u> |
| Governmental Activities       |                  |                            |   |   |
| Instructional                 | 1,430,246        | 400                        | 96,889                                      |   |
| Support Services              |                  |                            |   |   |
| Pupil services                | 43,660           |                            |   |   |
| Instructional services        | 40,521           |                            |   |   |
| General administration        | 261,202          |                            |   |   |
| School administration         | 82,121           |                            |   |   |
| Business                      | 76,642           |                            |   |   |
| Operations & maintenance      | 215,941          |                            |   | 29,211                                    |
| Pupil transportation          | 118,584          |                            | 27,431                                      |   |
| Central services              | 34,695           |                            |   |   |
| Debt Service                  | 79,439           |                            |   |   |
| Non Instructional             | 13,636           | 15,119                     | 0   | 0   |
| Food Services                 | <u>123,455</u>   | <u>20,526</u>              | <u>47,513</u>                               | <u>0</u>                                  |
| Total Governmental Activities | <u>2,520,142</u> | <u>36,044</u>              | <u>171,833</u>                              | <u>29,211</u>                             |

General revenues:

Taxes

    Property taxes, levied for general purposes

    Property taxes, levied for bond redemption

    Specific ownership taxes

State Equalization

Miscellaneous

Investment earnings

Sale of assets

    Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and  
Changes in Net Position  
 Governmental  
Activities

(1,332,957)

(43,660)

(40,521)

(261,202)

(82,121)

(76,642)

(186,730)

(91,153)

(34,695)

(79,439)

1,483

(55,416)

(2,283,054)

579,231

196,957

96,195

938,402

10,712

5,071

0

1,826,567

(456,486)

12,952,266

12,495,780

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Balance Sheet  
Governmental Funds  
June 30, 2016

|  | <u>General</u>   | <u>Bond<br/>Redemption</u> | <u>NonMajor</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|------------------|----------------------------|-----------------|---|
| <b>ASSETS</b>                              |                  |                            |                 |   |
| Cash and cash equivalents                  | 355,264          | 239,082                    | 72,956          | 667,301                                 |
| Certificates of deposit                    | 842,928          | 0                          | 0               | 842,928                                 |
| Inventory                                  | 0                | 0                          | 4,432           | 4,432                                   |
| Accrued property taxes receivable          | 42,117           | 14,322                     | 0               | 56,438                                  |
| Accounts/grants receivable                 | <u>0</u>         | <u>0</u>                   | <u>0</u>        | <u>0</u>                                |
| Total Assets                               | <u>1,240,308</u> | <u>253,404</u>             | <u>77,387</u>   | <u>1,571,099</u>                        |
| <b>LIABILITIES AND FUND BALANCES</b>       |                  |                            |                 |   |
| <b>Current Liabilities</b>                 |                  |                            |                 |   |
| Accrued salaries payable                   | 148,669          | 0                          | 9,302           | 157,971                                 |
| Unearned Revenue                           | 0                | 0                          | 636             | 636                                     |
| <b>Fund Balances</b>                       |                  |                            |                 |   |
| <b>Restricted for</b>                      |                  |                            |                 |   |
| TABOR Emergencies                          | 53,838           | 0                          | 0               | 53,838                                  |
| Bond Redemption                            | 0                | 253,404                    | 0               | 253,404                                 |
| Committed for Capital Projects             | 0                | 0                          | 34,400          | 34,400                                  |
| Nonspendable                               | 0                | 0                          | 4,432           | 4,432                                   |
| Assigned                                   | 0                | 0                          | 28,618          | 28,618                                  |
| Unassigned                                 | <u>1,037,800</u> | <u>0</u>                   | <u>0</u>        | <u>1,037,800</u>                        |
| Total Fund Balances                        | <u>1,091,639</u> | <u>253,404</u>             | <u>67,449</u>   | <u>1,412,492</u>                        |
| <b>Total Liabilities and Fund Balances</b> | <u>1,240,308</u> | <u>253,404</u>             | <u>77,387</u>   | <u>1,571,099</u>                        |

HI-PLAINS SCHOOL NUMBER R-23  
 Seibert, Colorado  
 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
 Governmental Funds  
 June 30, 2016

|  |                   |
|--|-------------------|
| Total Governmental Fund Balances   | 1,412,492         |
| Amounts reported for governmental activities in the statement of net position are different because of the following:  |                   |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds   | 16,689,918        |
| Deferred outflows of resources, reported as deferred amount on pensions, are not financial resources and thus are not reported as assets in governmental funds | 483,698           |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.                     | (6,012,358)       |
| Deferred inflows of resources, reported as deferred amount on pensions, are not financial resources and thus are not reported as assets in governmental funds  | <u>(77,971)</u>   |
| Net Position of Governmental Activities  | <u>12,495,780</u> |

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2016

|                              | <u>General</u>   | <u>Bond<br/>Redemption</u> | <u>NonMajor</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|------------------------------|------------------|----------------------------|-----------------|---|
| <b>REVENUES</b>              |                  |                            |                 |   |
| <b>Local Sources</b>         |                  |                            |                 |   |
| Property Taxes               | 578,881          | 196,885                    | 0               | 775,767                                 |
| Specific Ownership Taxes     | 70,737           | 25,457                     | 0               | 96,195                                  |
| Delinquent Taxes & Penalties | 349              | 72                         | 0               | 421                                     |
| Interest                     | 4,785            | 250                        | 36              | 5,071                                   |
| Charges for Service          | 0                | 0                          | 20,526          | 20,526                                  |
| Other                        | 18,047           | 0                          | 15,119          | 33,166                                  |
| <b>Intergovernmental</b>     |                  |                            |                 |   |
| <b>State Sources</b>         |                  |                            |                 |   |
| Equalization                 | 938,402          | 0                          | 0               | 938,402                                 |
| Other                        | 110,059          | 0                          | 1,605           | 111,664                                 |
| Federal Sources              | <u>36,537</u>    | <u>0</u>                   | <u>45,908</u>   | <u>82,445</u>                           |
| Total Revenues               | 1,757,798        | 222,664                    | 83,194          | 2,063,656                               |
| <b>EXPENDITURES</b>          |                  |                            |                 |   |
| <b>Current</b>               |                  |                            |                 |   |
| Instruction                  | 982,328          | 0                          | 0               | 982,328                                 |
| <b>Supporting Services</b>   |                  |                            |                 |   |
| Students                     | 41,304           | 0                          | 0               | 41,304                                  |
| Instructional staff services | 37,685           | 0                          | 0               | 37,685                                  |
| General administration       | 237,605          | 0                          | 0               | 237,605                                 |
| School administration        | 73,659           | 0                          | 0               | 73,659                                  |
| Business                     | 70,887           | 0                          | 0               | 70,887                                  |
| Operations & maintenance     | 208,671          | 0                          | 0               | 208,671                                 |
| Pupil transportation         | 89,423           | 0                          | 0               | 89,423                                  |
| Central services             | 34,695           | 0                          | 0               | 34,695                                  |
| Non Instructional            | 0                | 0                          | 13,636          | 13,636                                  |
| Food Service                 | 0                | 0                          | 116,299         | 116,299                                 |
| Debt Service                 | 0                | 194,708                    | 0               | 194,708                                 |
| Capital Outlay               | <u>13,868</u>    | <u>0</u>                   | <u>0</u>        | <u>13,868</u>                           |
| Total Expenditures           | <u>1,790,126</u> | <u>194,708</u>             | <u>129,934</u>  | <u>2,114,768</u>                        |

See auditor's report and notes to the financial statements.

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2016  
(continued)

|   | <u>General</u>   | <u>Bond<br/>Redemption</u> | <u>NonMajor</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|------------------|----------------------------|-----------------|---|
| Revenues over (under) Expenditures                                    | (32,328)         | 27,956                     | (46,740)        | (51,112)                                |
| Other Financing Sources (Uses)  |                  |                            |                 |   |
| Operating Transfers In (Out)  | <u>(63,300)</u>  | <u>0</u>                   | <u>63,300</u>   | <u>0</u>                                |
| Revenues & Other Sources over (under)<br>Expenditures & Other Sources | (95,628)         | 27,956                     | 16,560          | (51,112)                                |
| Fund Balance - Beginning  | <u>1,187,267</u> | <u>225,447</u>             | <u>50,890</u>   | <u>1,463,604</u>                        |
| Fund Balance - Ending   | <u>1,091,639</u> | <u>253,404</u>             | <u>67,449</u>   | <u>1,412,492</u>                        |

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities

Net change in fund balances - total governmental funds (51,112)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

|                      |                  |           |
|----------------------|------------------|-----------|
| Capital outlays      | 8,579            |           |
| Depreciation expense | <u>(365,480)</u> | (356,901) |

The issuance of long-term debt (e.g. bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

|                    |         |
|--------------------|---------|
| Principal on bonds | 115,269 |
|--------------------|---------|

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                  |                  |
|------------------|------------------|
| Pension expenses | <u>(163,742)</u> |
|------------------|------------------|

|   |                  |
|---|------------------|
| Change in net position of government activities | <u>(456,486)</u> |
|---|------------------|

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Statement of Fiduciary Net Position  
Student Activity Agency Fund  
June 30, 2016

|                           | Student<br>Activity<br>Fund |
|---------------------------|-----------------------------|
| <b>ASSETS</b>             |                             |
| Cash in bank              | 36,590                      |
| <b>LIABILITIES</b>        |                             |
| Due to Student Activities | <u>36,590</u>               |
| <b>NET POSITION</b>       | <u>0</u>                    |

NOTES TO THE FINANCIAL STATEMENTS

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Notes to the Financial Statements  
June 30, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The District is a political subdivision of the State of Colorado which is governed by an elected board of 5 members. A summary of the Hi-Plains School HI-PLAINS DISTRICT R-23's significant accounting policies applied in the preparation of these financial statements follows.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be a primary government because it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. It has no component units. Neither is it a component unit of any other entity.

This report includes all funds of Hi-Plains School District R-23.

B. Basis of Presentation

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the school district. As a general rule, the effect of interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds and the fiduciary funds of the district. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

The general fund is the district's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The Bond Redemption Fund levies taxes in amounts to pay of bonds outstanding.

The Building Fund accounts for receipt of a BEST Grant from the State to build and furnish a new school building.

Additionally the district reports the Student Activity agency fund which accounts for cash held by the district for related organizations. It is custodial in nature and does not involve measurement of results of operations.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Notes to the Financial Statements  
June 30, 2016

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Revenues from federal, state, and other grants designated for payment of specific school district expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. Budgets and Budgetary Accounting

All funds must have budgets to be allowed expenditures. Budgets for all funds except proprietary funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end.

Budget Calendar -

Submission of a proposed budget to the Board of Education is due by May 31. On June 10 or within ten days after submission of the proposed budget, a notice shall be published stating the proposed budget is on file and available for inspection.

The last date for final adoption of the budget and appropriation resolution is June 30.

January 31 is last date to change adopted budget.

By December 15, the Board of Education certifies to County Commissioners the mill levy against the assessed valuation for the general and bond redemption funds.

The legal level of budgetary control is at the individual fund level.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Notes to the Financial Statements  
June 30, 2016  
(continued)

E. Encumbrances

Encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

F. Assets, Liabilities and Fund Balances/Net Position

1. Deposits

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to deposit funds in institutions who are members of the Federal Deposit Insurance Corporation to the extent that the deposit is insured or is secured by pledge of eligible collateral as required by CRS 11-10.5-107

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds". Any residual balances outstanding between the government activities and business-type activities are reported in the government-wide statements as "internal balances".

Accounts receivable and property taxes receivables are shown at gross. Uncollectibles have not been material.

3. Inventories

The purchase method is used to account for inventories in the governmental funds. Under this method, inventories are recorded as expenditures when purchased.

A physical inventory was taken as of June 30, 2016 for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Notes to the Financial Statements  
June 30, 2016  
(continued)

Property, plant and equipment are depreciated in the proprietary funds using the straight line method over the following estimated useful lives:

| <u>Assets</u>                 | <u>Years</u> |
|-------------------------------|--------------|
| Buildings & Site improvements | 15-50        |
| Equipment                     | 10           |
| Vehicles                      | 7-12         |

The District does not have any infrastructure assets.

5. Compensated Absences

Allows all employees to accumulate annual/sick leave. Accumulated leave in excess of 30 days as of June 15<sup>th</sup> will be paid at the rate of \$30 per day. The 30 days accumulated leave will not be reimbursed upon the employees leaving the District.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds issuance costs are reported as deferred charges and amortized over the term of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Estimates

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

8. Fund Balances and Net Position

In the government-wide and proprietary fund financial statements, net position are classified in the following categories;

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation.

Unrestricted Net position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditure in future periods.

When restricted and unrestricted funds are available, restricted are deemed first spent.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Notes to the Financial Statements  
June 30, 2016  
(continued)

In the fund financial statements, fund balances of governmental funds are classified in the following categories;

Nonspendable – amounts that cannot be spent because they are either in non spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of a permanent fund which is required to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted – when constraints placed on the use of resources are either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or the Superintendent who has been delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

When committed, assigned, and unassigned funds are available, committed is deemed first spent, then assigned.

At June 30, 2016 the amounts restricted were \$53,838 for the TABOR Reserve, \$253,404 for bond redemption.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

In November of 1996, the voters of the District approved a ballot issue which allows the District to receive and spend all revenues received. Based upon this approval, the District considers the revenue and spending limits imposed by the Amendment no longer apply to the District.

- B. The District is in compliance with Financial Policies and Procedures Handbook prepared by the Colorado Department of Education.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. Deposits and Investments - all are in two financial institutions. Deposits are displayed on the balance sheets as "Cash in Bank" and "Certificates of Deposit". They are carried at cost.

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

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Notes to the Financial Statements  
June 30, 2016  
(continued)

The Colorado Division of Banking 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.

Custodial Credit Risk - the risk that, in the event of bank failure, the District's deposits may not be returned to it. The District does not have a written deposit policy for custodial credit risk.

At June 30, 2016, the District's cash deposits had a bank balance and carrying balance as follows:

|   | Bank<br><u>Balance</u> | Carrying<br><u>Balance</u> |
|---|------------------------|----------------------------|
| Insured (FDIC)                                    | \$1,168,507            | \$1,166,879                |
| Deposits collateralized in two institutions pools | <u>404,753</u>         | <u>379,940</u>             |
| Total Cash  | \$1,573,260            | \$1,546,819                |
| Amount of certificates of deposit                 |                        | (842,928)                  |
| Amount with agency fund                           |                        | <u>(36,590)</u>            |
| Net cash  |                        | 667,301                    |

As presented above, deposits with a bank balance of \$404,753 and a carrying balance of \$379,940 as of June 30, 2016, are uninsured, are exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution.

B. Accrued Property Taxes Receivable - the amount budgeted for the current year, not yet collected.

Property Tax Calendar - taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates. Notice of delinquencies are mailed in September, and tax sales scheduled for November.

C. Changes in General Fixed Assets

|                                      | <u>Beginning<br/>Balance</u> | <u>Increases</u>  | <u>Decreases</u>    | <u>Ending<br/>Balance</u> |
|--------------------------------------|------------------------------|-------------------|---------------------|---------------------------|
| <b>Governmental Activities</b>       |                              |                   |                     |                           |
| Assets Under Construction            | 16,693,756                   | -0-               | 16,693,756          | -0-                       |
| Land & Sites                         | 112,661                      | -0-               | -0-                 | 112,661                   |
| Improvements                         | -0-                          | 8,579             | -00-                | 8,579                     |
| Buildings                            | 67,948                       | 16,693,756        | -0-                 | 16,761,704                |
| Equipment                            | 94,230                       | -0-               | -0-                 | 94,230                    |
| Transportation                       | <u>375,539</u>               | <u>-0-</u>        | <u>-0-</u>          | <u>375,539</u>            |
| Total                                | 17,344,134                   | 16,702,335        | 16,693,756          | 17,352,713                |
| <b>Less Accumulated Depreciation</b> |                              |                   |                     |                           |
| Land & Sites                         | -0-                          | -0-               | -0-                 | -0-                       |
| Improvements                         | -0-                          | -0-               | -0-                 | -0-                       |
| Buildings                            | 66,548                       | 334,075           | -0-                 | 400,626                   |
| Equipment                            | 19,725                       | 9,424             | -0-                 | 29,149                    |
| Transportation                       | <u>211,041</u>               | <u>21,981</u>     | <u>-0-</u>          | <u>233,022</u>            |
| Total                                | <u>297,314</u>               | <u>365,480</u>    | <u>-0-</u>          | <u>662,794</u>            |
| <b>Government Activities</b>         |                              |                   |                     |                           |
| Capital Assets, Net                  | <u>17,046,820</u>            | <u>16,336,855</u> | <u>(16,693,756)</u> | <u>16,689,919</u>         |

Depreciation expense for the governmental activities was allocated \$343,499 to instruction and \$21,981 to transportation.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Notes to the Financial Statements  
June 30, 2016  
(continued)

## D. Changes in Long-Term Debt

|               | Balance<br><u>July 1</u> | <u>Additions</u> | <u>Reductions</u> | Balance<br><u>June 30</u> |
|---------------|--------------------------|------------------|-------------------|---------------------------|
| Bonds Payable | 2,700,399                | -0-              | 115,269           | 2,585,130                 |

## General Obligation Bonds Payable.

In November 2012, the voters of the District approved a bond issue in the amount of \$2,851,230 to supplement a BEST grant awarded by the State of Colorado to build a new school building on purchased land. A taxable supplemental coupon which is deemed to be additional interest was subsequently issued in the amount of \$72,000 to fund the land purchase price above the appraisal amount. The effective interest rate is 3.005898%.

## Debt service requirements to maturity:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>   |
|-------------|------------------|-----------------|----------------|
| 6/30/17     | 118,734          | 75,922          | 194,656        |
| 6/30/18     | 122,303          | 72,299          | 194,602        |
| 6/30/19     | 125,979          | 68,568          | 194,547        |
| 6/30/20     | 129,766          | 64,724          | 194,490        |
| 6/30/21     | 133,667          | 56,686          | 190,353        |
| 2021-2026   | 731,073          | 201,031         | 932,104        |
| 2026-2031   | 847,757          | 107,705         | 955,462        |
| 2031-2032   | <u>375,851</u>   | <u>11,381</u>   | <u>387,232</u> |
| Total       | 2,585,130        | 658,316         | 3,243,446      |

## (4) OTHER INFORMATION

- A. Risk Management - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined Colorado School District Self Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to CSDSI for its property and casualty and workers' compensation insurance coverage. The intergovernmental agreement of formation of CSDSI provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The District carries commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve month period from September 1 to August 31 but are earned over a school year of approximately a nine month period. The salaries earned but not paid at June 30 are shown as an accrued liability.
- C. Operating Transfers In (Out) - The General Fund transferred \$51,000 to the Food Services Fund and \$12,300 to Capital Projects Fund.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Notes to the Financial Statements  
June 30, 2016  
(continued)

D. Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

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

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

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

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

HI-PLAINS DISTRICT R-23  
Seibert, Colorado  
Notes to Financial Statements  
June 30, 2016  
(continued)

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

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

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 \$180,119 or the year ended June 30, 2016.

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

At June 30, 2016, the District reported a liability of \$3,427,228 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District proportion was 0.0224085385 percent, which was an increase of 0.0005598123 percent from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$163,742. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HI-PLAINS DISTRICT R-23  
Seibert, Colorado  
Notes to Financial Statements  
June 30, 2016  
(continued)

|   | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|---|---|--|
| Difference between expected and actual experience   | 45,257                                    | 143                                      |
| Changes of assumptions or other inputs  | -0-                                       | 48,433                                   |
| Net difference between projected and actual earnings on pension plan investments                                | 291,410                                   | -0-                                      |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 53,768                                    | 29,396                                   |
| Contributions subsequent to the measurement date  | <u>93,263</u>                             | <u>N/A</u>                               |
| Total   | 483,698                                   | 77,971                                   |

There is \$93,263 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Fiscal Year ended June 30,</b> |        |
|-----------------------------------|--------|
| 2017                              | 3,075  |
| 2018                              | 8,262  |
| 2019                              | 13,035 |
| 2020                              | -0-    |
| 2021                              | -0-    |
| Thereafter                        | -0-    |

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

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

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

HI-PLAINS DISTRICT R-23  
Seibert, Colorado  
Notes to Financial Statements  
June 30, 2016  
(continued)

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

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefits.
  - Refinement of the 18 month annual increase timing.
  - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
  - Recognition of merit salary increases in the first projection year.
  - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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

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

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

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

HI-PLAINS DISTRICT R-23  
Seibert, Colorado  
Notes to Financial Statements  
June 30, 2016  
(continued)

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employee contributions were assumed to be made at the rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per stature, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of the AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

|  | 1% Decrease<br>(6.50%) | Current Discount<br>Rate (7.50%) | 1% Increase<br>(8.50%) |
|--|------------------------|----------------------------------|------------------------|
| Proportionate share of the net pension liability | 4,442,689              | 3,427,228                        | 2,582,554              |

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

HI-PLAINS DISTRICT R-23  
Seibert, Colorado  
Notes to Financial Statements  
June 30, 2016  
(continued)

E. Other Post-Employment Benefits

Health Care Trust Fund

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

*Funding Policy* – The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014, the District contributions to the HCTF were \$10,359, \$9,919 and \$9,781, respectively, equal to their required contributions for each year.

E. Other Post-Employment Benefits

Health Care Trust Fund

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

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- F. Joint Venture - The District participates in the East Central Board of Cooperative Educational Services which is not reflected in these financial statements. One member of the board is from the District. The Board has final authority for all budgeting and financing of the joint venture. Each member pays a \$2500 membership fee and then contributes additional monies in the relationship their student enrollment is to the total enrollment of all the members.

At June 30, 2015 total assets were \$2,633,823, total liabilities were \$8,833,532, total net position was (\$6,140,720), revenues were \$8,424,082, and expenses were \$8,882,336.

Complete financial statements may be obtained from the BOCES office at 820 Second Street, Limon, CO 80828.

REQUIRED SUPPLEMENTARY INFORMATION

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Budgetary Comparison Schedule - Major Governmental Funds  
For the Year Ended June 30, 2016

|                                 | <u>General Fund</u>     |                  |                  | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-------------------------|------------------|------------------|---|
|                                 | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    |   |
|                                 | <u>Original</u>         | <u>Final</u>     |                  |   |
| <b>REVENUES</b>                 |                         |                  |                  |   |
| Local sources                   | 671,038                 | 671,038          | 672,800          | 1,762   |
| State Sources                   | 998,876                 | 998,876          | 1,048,461        | 49,585  |
| Federal Sources                 | <u>34,509</u>           | <u>34,509</u>    | <u>36,537</u>    | <u>2,028</u>  |
| Total Revenues                  | 1,704,423               | 1,704,423        | 1,757,798        | 53,375  |
| <b>EXPENDITURES</b>             |                         |                  |                  |   |
| Current                         |                         |                  |                  |   |
| Instruction                     | 1,007,559               | 1,007,559        | 982,328          | 25,231  |
| Supporting Services             |                         |                  |                  |   |
| Pupils                          | 38,902                  | 38,902           | 41,304           | (2,402)   |
| Instructional Staff - Library   | 15,293                  | 15,293           | 37,685           | (22,392)  |
| General Administration          | 302,427                 | 302,427          | 237,605          | 64,822  |
| School Administration           | 77,047                  | 77,047           | 73,659           | 3,388   |
| Business Services               | 71,058                  | 71,058           | 70,887           | 171   |
| Operations & Maintenance        | 212,685                 | 212,685          | 208,671          | 4,014   |
| Pupil Transportation            | 132,953                 | 132,953          | 89,423           | 43,530  |
| Central Support                 | 36,282                  | 36,282           | 34,695           | 1,587   |
| Debt Service                    | 0                       | 0                | 0                | 0   |
| Capital Outlay                  | 8,700                   | 8,700            | 13,868           | (5,168)   |
| Appropriated reserves           | <u>905,784</u>          | <u>905,784</u>   | <u>0</u>         | <u>905,784</u>  |
| Total Expenditures              | <u>2,808,690</u>        | <u>2,808,690</u> | <u>1,790,126</u> | <u>1,018,564</u>  |
| Excess of revenues over (under) |                         |                  |                  |   |
| Expenditures                    | (1,104,267)             | (1,104,267)      | (32,328)         | 1,071,939   |
| Other Financing Uses            |                         |                  |                  |   |
| Operating Transfers In (Out)    | <u>(83,000)</u>         | <u>(83,000)</u>  | <u>(63,300)</u>  | <u>19,700</u>   |
| Excess of Revenues over (under) |                         |                  |                  |   |
| Expenditures & Other Uses       | (1,187,267)             | (1,187,267)      | (95,628)         | 1,091,639   |
| Fund Balance - Beginning        | <u>1,187,267</u>        | <u>1,187,267</u> | <u>1,187,267</u> | <u>(0)</u>  |
| Fund Balance - Ending           | <u>0</u>                | <u>0</u>         | <u>1,091,639</u> | <u>1,091,639</u>  |

See auditor's report and notes to the financial statements.

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Schedule of District's Proportionate Share of the Net Pension Liability  
Last 10 Years

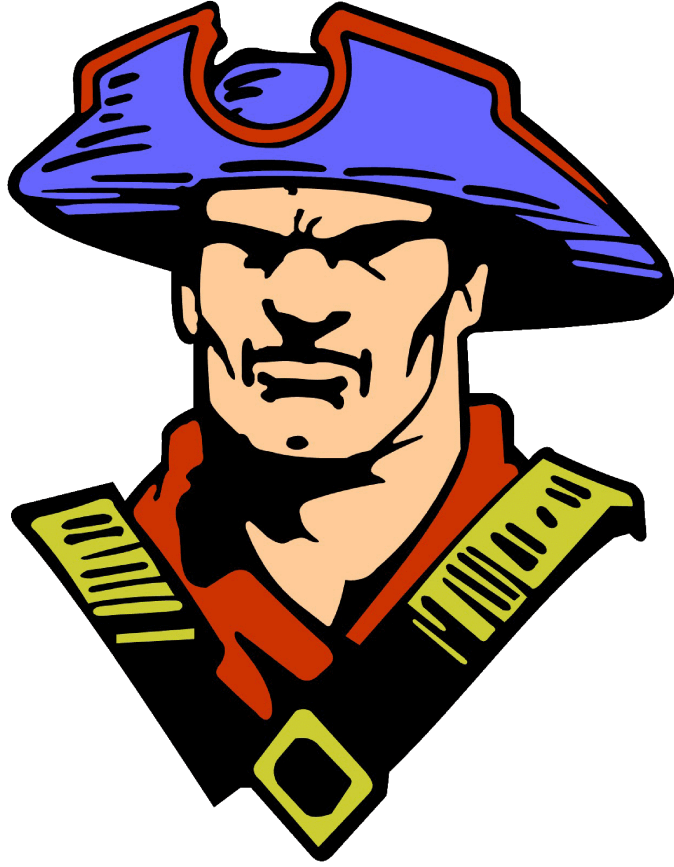
|  | <u>2015</u> | <u>2014</u> | <u>2013</u>  |
|--|-------------|-------------|--------------|
| Proportion (percentage) of the collective net pension liability                                  | 0.021849%   | 0.021849%   | 0.022350%    |
| Proportionate share of the collective net pension liability                                      | 3,427,227   | 2,961,236   | 2,775,528.30 |
| Covered payroll  | 916,618     | 905,851     | 898,494.95   |
| Proportionate share of the net pension liability as a percentage of its covered employee payroll | 373.90%     | 326.90%     | 308.91%      |
| Plan fiduciary net position as a percentage of the total pension liability                       | 59.20%      | 62.80%      | 64.06%       |

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

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Schedule of Contributions and Related Ratios  
Last 10 Fiscal Years

| As of June 30,  | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    | <u>2013</u>    | <u>2012</u>    | <u>2011</u>    | <u>2010</u>    | <u>2009</u>   | <u>2008</u>   | <u>2007</u>   |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|
| Statutorily required contributions                                    | 180,119        | 155,869        | 145,880        | 134,989        | 122,093        | 110,759        | 105,472        | 97,667        | 86,939        | 87,683        |
| Contributions in relation to the<br>statutorily required contribution | <u>180,119</u> | <u>155,869</u> | <u>145,880</u> | <u>134,989</u> | <u>122,093</u> | <u>110,759</u> | <u>105,472</u> | <u>97,667</u> | <u>86,939</u> | <u>87,683</u> |
| Contribution deficiency (excess)                                      | <u>0</u>       | <u>0</u>       | <u>0</u>       | <u>0</u>       | <u>0</u>       | <u>0</u>       | <u>0</u>       | <u>0</u>      | <u>0</u>      | <u>0</u>      |
| Covered-employee payroll  | 1,015,602      | 922,674        | 912,803        | 895,392        | 860,859        | 834,203        | 851,953        | 850,365       | 779,314       | 887,636       |
| Contributions as a percentage<br>of covered-employee payroll          | 17.74%         | 16.89%         | 15.98%         | 15.08%         | 14.18%         | 13.28%         | 12.38%         | 11.49%        | 11.16%        | 9.88%         |

See auditor's report and notes to the financial statements.



## OTHER INFORMATION

## COMBINING AND INDIVIDUAL FUND STATEMENTS

HI-PLAINS SCHOOL NUMBER R-23  
 Seibert, Colorado  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 At June 30, 2016

|   | <u>Food<br/>Service</u> | <u>Student<br/>Activity</u> | <u>Capital<br/>Projects</u> | <u>Total</u>      |
|---|-------------------------|-----------------------------|-----------------------------|-------------------|
| <b>ASSETS</b>                           |                         |                             |                             |                   |
| Cash and cash equivalents               | 25,527                  | 13,029                      | 34,400                      | 72,956            |
| Inventory                               | <u>4,432</u>            | <u>0</u>                    | <u>0</u>                    | <u>4,432</u>      |
| Total Assets                            | <u>29,959</u>           | <u>13,029</u>               | <u>34,400</u>               | <u>77,387</u>     |
| <br><b>LIABILITIES AND FUND BALANCE</b> |                         |                             |                             |                   |
| Current Liabilities                     |                         |                             |                             |                   |
| Accrued Salaries & Benefits             | 9,302                   | 0                           | 0                           | 9,302             |
| Deferred Revenue                        | 636                     | 0                           | 0                           | 636               |
| <br><b>FUND BALANCE</b>                 |                         |                             |                             |                   |
| Committed for Capital Projects          | 0                       | 0                           | 34,400                      | 34,400            |
| Nonspendable                            | 4,432                   | 0                           | 0                           | 4,432             |
| Assigned                                | <u>15,589</u>           | <u>13,029</u>               | <u>0</u>                    | <u>28,618</u>     |
| Total Fund Balances                     | <u>20,021</u>           | <u>13,029</u>               | <u>34,400</u>               | <u>67,449</u>     |
| <br>Total Liabilities and Fund Balance  | <br><u>29,959</u>       | <br><u>13,029</u>           | <br><u>34,400</u>           | <br><u>77,387</u> |

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

|  | <u>Special Revenue Funds</u> |                 |                 |                |
|--|------------------------------|-----------------|-----------------|----------------|
|  | <u>Food</u>                  | <u>Student</u>  | <u>Capital</u>  |                |
| REVENUES   | <u>Service</u>               | <u>Activity</u> | <u>Projects</u> | <u>Total</u>   |
| Local Sources  |                              |                 |                 |                |
| Charges for Service  | 20,526                       | 0               | 0               | 20,526         |
| Investment Interest  | 22                           | 0               | 15              | 36             |
| Other  | 0                            | 15,119          | 0               | 15,119         |
| State Sources  | 1,605                        | 0               | 0               | 1,605          |
| Federal Sources  | <u>45,908</u>                | <u>0</u>        | <u>0</u>        | <u>45,908</u>  |
| Total Revenues   | 68,060                       | 15,119          | 15              | 83,194         |
| <br>   |                              |                 |                 |                |
| EXPENDITURES   |                              |                 |                 |                |
| Current  |                              |                 |                 |                |
| Food Service   | 116,299                      | 0               | 0               | 116,299        |
| Other  | 0                            | 13,636          | 0               | 13,636         |
| Capital Outlay   | <u>0</u>                     | <u>0</u>        | <u>0</u>        | <u>0</u>       |
| Total Expenditures   | <u>116,299</u>               | <u>13,636</u>   | <u>0</u>        | <u>129,934</u> |
| <br>   |                              |                 |                 |                |
| Revenues over (under)  |                              |                 |                 |                |
| Expenditures   | (48,238)                     | 1,483           | 15              | (46,740)       |
| <br>   |                              |                 |                 |                |
| Other Financing Sources (Uses)   |                              |                 |                 |                |
| Operating Transfers In (Out)   | <u>51,000</u>                | <u>0</u>        | <u>12,300</u>   | <u>63,300</u>  |
| <br>   |                              |                 |                 |                |
| Excess of Revenues and Other Sources over<br>(under) Expenditures and Other Uses | 2,762                        | 1,483           | 12,315          | 16,560         |
| <br>   |                              |                 |                 |                |
| Fund Balance - Beginning   | <u>17,259</u>                | <u>11,546</u>   | <u>22,085</u>   | <u>50,890</u>  |
| <br>   |                              |                 |                 |                |
| Fund Balance - Ending  | <u>20,021</u>                | <u>13,029</u>   | <u>34,400</u>   | <u>67,449</u>  |

## GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
General Fund  
Comparative Balance Sheet

| ASSETS                                | <u>6/30/16</u>   | <u>6/30/15</u>   | <u>Change</u>   |
|---------------------------------------|------------------|------------------|-----------------|
| Cash In Bank                          | 355,264          | 320,878          | 34,386          |
| Certificates of Deposit               | 842,928          | 961,254          | (118,326)       |
| Accounts/Grants Receivable            | 0                | 5,172            | (5,172)         |
| Accrued Property Tax Receivable       | 42,117           | 31,756           | 10,360          |
| Total Assets                          | <u>1,240,308</u> | <u>1,319,060</u> | <u>(78,752)</u> |
|                                       |                  |                  |                 |
| LIABILITIES AND FUND BALANCE          |                  |                  |                 |
| Current Liabilities                   |                  |                  |                 |
| Accounts Payable                      | 0                | 9                | (9)             |
| Accrued Salaries and Benefits Payable | 148,669          | 131,784          | 16,886          |
| Total Liabilities                     | 148,669          | 131,793          | 16,876          |
|                                       |                  |                  |                 |
| Fund Balance                          |                  |                  |                 |
| Restricted for TABOR                  | 53,838           | 52,711           | 1,128           |
| Unassigned                            | 1,037,800        | 1,134,556        | (96,756)        |
| Total Fund Balance                    | <u>1,091,639</u> | <u>1,187,267</u> | <u>(95,628)</u> |
|                                       |                  |                  |                 |
| Total Liabilities and Fund Balance    | <u>1,240,308</u> | <u>1,319,060</u> | <u>(78,752)</u> |

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2016  
With Comparative Actual Amounts for the Year Ended June 30, 2015

|  | <u>Budget</u>    | <u>Actual</u>    | Variance<br>Favorable<br>(Unfavorable) | Actual<br>Prior<br>Year |
|--|------------------|------------------|--|-------------------------|
| REVENUES   |                  |                  |  |                         |
| Local Sources  |                  |                  |  |                         |
| Property Taxes   | 577,545          | 578,881          | 1,336                                  | 489,886                 |
| Specific Ownership Taxes                                     | 65,778           | 70,737           | 4,959                                  | 65,657                  |
| Delinquent Taxes & Penalties                                 | 0                | 349              | 349                                    | 274                     |
| Investment Interest  | 5,000            | 4,785            | (215)                                  | 4,813                   |
| Overhead Costs From Preschool                                | 0                | 1,944            | 1,944                                  | 1,840                   |
| Other  | <u>22,715</u>    | <u>16,103</u>    | <u>(6,612)</u>                         | <u>89,763</u>           |
| Total Local Sources  | 671,038          | 672,800          | 1,762                                  | 652,232                 |
| State Sources  |                  |                  |  |                         |
| Equalization   | 933,049          | 938,402          | 5,353                                  | 947,724                 |
| Transportation   | 23,000           | 27,431           | 4,431                                  | 23,710                  |
| BOCES Flowthrough  | 12,616           | 32,982           | 20,366                                 | 29,827                  |
| Other  | <u>30,211</u>    | <u>49,646</u>    | <u>19,435</u>                          | <u>31,804</u>           |
| Total State Sources  | 998,876          | 1,048,461        | 49,585                                 | 1,033,064               |
| Federal Sources  |                  |                  |  |                         |
| Grants   | 14,500           | 14,533           | 33                                     | 14,333                  |
| BOCES Flowthrough  | <u>20,009</u>    | <u>22,004</u>    | <u>1,995</u>                           | <u>24,585</u>           |
| Total Federal Sources  | <u>34,509</u>    | <u>36,537</u>    | <u>2,028</u>                           | <u>38,917</u>           |
| Total Revenues   | 1,704,423        | 1,757,798        | 53,375                                 | 1,724,214               |
| Expenditures   | <u>2,808,690</u> | <u>1,790,126</u> | <u>1,018,564</u>                       | <u>1,764,994</u>        |
| Excess of Revenues over<br>(under) Expenditures              | (1,104,267)      | (32,328)         | 1,071,939                              | (40,781)                |
| Other Financing Uses   |                  |                  |  |                         |
| Operating Transfers In (Out)                                 | <u>(83,000)</u>  | <u>(63,300)</u>  | <u>19,700</u>                          | <u>(52,689)</u>         |
| Excess of Revenues over (under)<br>Expenditures & Other Uses | (1,187,267)      | (95,628)         | 1,091,639                              | (93,470)                |
| Fund Balance - Beginning                                     | <u>1,187,267</u> | <u>1,187,267</u> | (0)                                    | <u>1,280,737</u>        |
| Fund Balance - Ending  | <u>0</u>         | <u>1,091,639</u> | <u>1,091,639</u>                       | <u>1,187,267</u>        |

See auditor's report and notes to the financial statements.

HI-PLAINS SCHOOL NUMBER R-23  
 Seibert, Colorado  
 General Fund  
 Statement of Expenditures - Budget and Actual  
 For the Year Ended June 30, 2016  
 With Comparative Actual Amounts for the Year Ended June 30, 2015

|                                | <u>Budget</u> | <u>Actual</u> | Variance<br>Favorable<br><u>(Unfavorable)</u> | Actual<br>Prior<br><u>Year</u> |
|--------------------------------|---------------|---------------|---|--------------------------------|
| <b>INSTRUCTION</b>             |               |               |   |                                |
| Current                        |               |               |   |                                |
| Salaries                       | 672,406       | 679,415       | (7,009)                                       | 620,290                        |
| Employee Benefits              | 252,035       | 224,810       | 27,225  | 197,874                        |
| Purchased Services             | 58,868        | 49,983        | 8,885   | 65,034                         |
| Supplies and Material          | 24,250        | 28,119        | (3,869)                                       | 17,996                         |
| Other                          | 0             | 0             | 0   | 0                              |
| Capital Outlay                 | <u>900</u>    | <u>834</u>    | <u>66</u>                                     | <u>5,246</u>                   |
| Total Instruction              | 1,008,459     | 983,162       | 25,297  | 906,440                        |
| <br><b>SUPPORTING SERVICES</b> |               |               |   |                                |
| Pupil                          |               |               |   |                                |
| Current                        |               |               |   |                                |
| Salaries                       | 14,469        | 15,452        | (983)   | 10,075                         |
| Benefits                       | 2,995         | 3,604         | (609)   | 2,021                          |
| Purchased Services             | 21,038        | 20,901        | 137   | 19,128                         |
| Supplies and Material          | <u>400</u>    | <u>1,347</u>  | <u>(947)</u>                                  | <u>390</u>                     |
| Total Pupil                    | 38,902        | 41,304        | (2,402)                                       | 31,614                         |
| Instructional Staff Services   |               |               |   |                                |
| Current                        |               |               |   |                                |
| Salaries                       | 5,619         | 18,599        | (12,980)                                      | 12,297                         |
| Employee Benefits              | 2,039         | 6,056         | (4,017)                                       | 3,820                          |
| Purchased Services             | 2,125         | 1,472         | 654   | 1,350                          |
| Supplies and Material          | 5,410         | 11,559        | (6,149)                                       | 9,985                          |
| Other                          | <u>100</u>    | <u>0</u>      | <u>100</u>                                    | <u>0</u>                       |
| Total Instructional Staff      | 15,293        | 37,685        | (22,392)                                      | 27,452                         |

HI-PLAINS SCHOOL NUMBER R-23  
 Seibert, Colorado  
 General Fund  
 Statement of Expenditures - Budget and Actual  
 For the Year Ended June 30, 2016  
 With Comparative Actual Amounts for the Year Ended June 30, 2015  
 (continued)

|                                 | <u>Budget</u> | <u>Actual</u> | Variance<br>Favorable<br><u>(Unfavorable)</u> | Actual<br>Prior<br><u>Year</u> |
|---------------------------------|---------------|---------------|---|--------------------------------|
| SUPPORTING SERVICES (continued) |               |               |   |                                |
| General Administration          |               |               |   |                                |
| Current                         |               |               |   |                                |
| Salaries                        | 146,510       | 125,555       | 20,955  | 107,667                        |
| Employee Benefits               | 42,159        | 32,254        | 9,905   | 26,481                         |
| Purchased Services              | 65,156        | 52,166        | 12,990  | 54,923                         |
| Supplies and Material           | 41,352        | 21,335        | 20,017  | 19,684                         |
| Other                           | 7,250         | 6,296         | 954   | 5,644                          |
| Capital Outlay                  | <u>0</u>      | <u>4,455</u>  | <u>(4,455)</u>                                | <u>22,963</u>                  |
| Total General Administration    | 302,427       | 242,060       | 60,367  | 237,362                        |
|                                 |               |               |   |                                |
| School Administration           |               |               |   |                                |
| Current                         |               |               |   |                                |
| Salaries                        | 58,000        | 55,500        | 2,500   | 63,340                         |
| Employee Benefits               | 18,047        | 16,607        | 1,440   | 17,207                         |
| Purchased Services              | <u>1,000</u>  | <u>1,552</u>  | <u>(552)</u>                                  | <u>544</u>                     |
| Total School Administration     | 77,047        | 73,659        | 3,388   | 81,092                         |
|                                 |               |               |   |                                |
| Business                        |               |               |   |                                |
| Current                         |               |               |   |                                |
| Salaries                        | 37,750        | 37,750        | 0   | 33,990                         |
| Employee Benefits               | 13,854        | 13,665        | 189   | 12,583                         |
| Purchased Services              | 19,454        | 19,142        | 312   | 17,747                         |
| Other                           | <u>0</u>      | <u>330</u>    | <u>(330)</u>                                  | <u>385</u>                     |
| Total Business                  | 71,058        | 70,887        | 171   | 64,705                         |
|                                 |               |               |   |                                |
| Operations and Maintenance      |               |               |   |                                |
| Current                         |               |               |   |                                |
| Salaries                        | 47,055        | 47,685        | (630)   | 52,975                         |
| Employee Benefits               | 18,717        | 13,947        | 4,770   | 11,992                         |
| Purchased Services              | 70,413        | 88,939        | (18,526)                                      | 65,104                         |
| Supplies and Material           | 76,500        | 58,101        | 18,399  | 85,006                         |
| Capital Outlay                  | <u>0</u>      | <u>8,579</u>  | <u>(8,579)</u>                                | <u>76,151</u>                  |
| Total Operations & Maintenance  | 212,685       | 217,250       | (4,565)                                       | 291,227                        |

## HI-PLAINS SCHOOL NUMBER R-23

Seibert, Colorado

General Fund

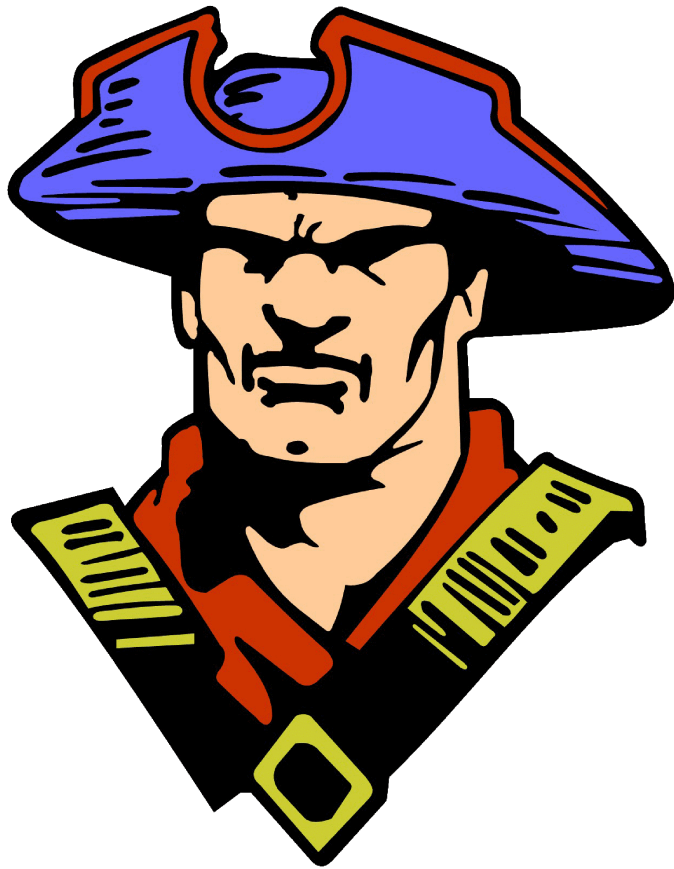
## Statement of Expenditures - Budget and Actual

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

(continued)

|                                 |                  |                  | Variance<br>Favorable<br>(Unfavorable) | Actual<br>Prior<br>Year |
|---------------------------------|------------------|------------------|--|-------------------------|
| SUPPORTING SERVICES (continued) | <u>Budget</u>    | <u>Actual</u>    |  | <u>Year</u>             |
| Pupil Transportation            |                  |                  |  |                         |
| Current                         |                  |                  |  |                         |
| Salaries                        | 54,845           | 47,088           | 7,757                                  | 38,100                  |
| Employee Benefits               | 15,560           | 9,815            | 5,745                                  | 8,317                   |
| Purchased Services              | 12,898           | 9,414            | 3,484                                  | 9,439                   |
| Supplies and Material           | 49,650           | 23,106           | 26,544                                 | 29,712                  |
| Capital Outlay                  | <u>7,800</u>     | <u>0</u>         | <u>7,800</u>                           | <u>2,423</u>            |
| Total Transportation            | 140,753          | 89,423           | 51,330                                 | 87,991                  |
| Central Support Services        |                  |                  |  |                         |
| Current                         |                  |                  |  |                         |
| Purchased Services              | <u>36,282</u>    | <u>34,695</u>    | <u>1,587</u>                           | <u>37,110</u>           |
| TOTAL SUPPORTING SERVICES       | 894,447          | 806,964          | 87,483                                 | 858,554                 |
| Appropriated Reserves           | <u>905,784</u>   | <u>0</u>         | <u>905,784</u>                         | <u>0</u>                |
| TOTAL EXPENDITURES              | <u>2,808,690</u> | <u>1,790,126</u> | <u>1,018,564</u>                       | <u>1,764,994</u>        |



## SPECIAL REVENUE FUNDS

Food Services Fund - to account for revenues and expenditures associated with providing hot meals to students, teachers, and visitors.

Student Activity Fund - to account for expenditures for sports activities. Financing is provided by charges for admission and transfers from the General Fund.

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Food Services Special Revenue Fund  
Comparative Balance Sheet

|   | <u>6/30/16</u>    | <u>6/30/15</u>    | <u>Change</u>    |
|---|-------------------|-------------------|------------------|
| <b>ASSETS</b>                           |                   |                   |                  |
| Current Assets                          |                   |                   |                  |
| Cash In Bank                            | 25,527            | 22,549            | 2,978            |
| Accounts/Grants Receivable              | 0                 | 0                 | 0                |
| Inventory                               | <u>4,432</u>      | <u>3,699</u>      | <u>733</u>       |
| Total Current Assets                    | <u>29,959</u>     | <u>26,248</u>     | <u>3,711</u>     |
| <br><b>LIABILITIES AND FUND BALANCE</b> |                   |                   |                  |
| Liabilities                             |                   |                   |                  |
| Accounts Payable                        | 0                 | 0                 | 0                |
| Accrued Salaries & Benefits Payable     | <u>9,302</u>      | <u>8,814</u>      | <u>488</u>       |
| Total Liabilities                       | 9,302             | 8,814             | 488              |
| Deferred Revenue                        | 636               | 175               | 461              |
| <br><b>FUND BALANCE</b>                 |                   |                   |                  |
| Nonspendable                            | 4,432             | 3,699             | 733              |
| Assigned                                | <u>15,589</u>     | <u>13,560</u>     | <u>2,029</u>     |
| Total Fund Balance                      | <u>20,021</u>     | <u>17,259</u>     | <u>2,762</u>     |
| <br>Total Liabilities and Fund Balance  | <br><u>29,959</u> | <br><u>26,248</u> | <br><u>3,711</u> |

HI-PLAINS SCHOOL NUMBER R-23  
 Seibert, Colorado  
 Food Services Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2016  
 With Comparative Actual Amounts for the Year Ended June 30, 2015

| REVENUES  | <u>Budget</u>  | <u>Actual</u>  | Variance<br>Favorable<br>(Unfavorable) | Actual<br>Prior<br>Year |
|---|----------------|----------------|--|-------------------------|
| Charges for Service   |                |                |  |                         |
| Student Meals   | 15,000         | 15,595         | 595                                    | 14,136                  |
| Adult Meals   | 4,000          | 4,931          | 931                                    | 3,934                   |
| Interest Income   | 50             | 22             | (28)                                   | 12                      |
| State Grants  | 500            | 1,605          | 1,105                                  | 1,891                   |
| Federal Aid   |                |                |  |                         |
| Breakfast & Lunch   | 39,000         | 42,000         | 3,000                                  | 37,286                  |
| Donated Commodities   | <u>4,000</u>   | <u>3,908</u>   | <u>(92)</u>                            | <u>3,335</u>            |
| Total Revenues  | 62,550         | 68,060         | 5,510                                  | 60,594                  |
| <br>  |                |                |  |                         |
| EXPENDITURES  |                |                |  |                         |
| Salaries  | 37,472         | 46,940         | (9,468)                                | 38,328                  |
| Benefits  | 19,493         | 13,229         | 6,264                                  | 14,745                  |
| Food & Milk   | 53,285         | 48,029         | 5,256                                  | 44,169                  |
| Commodities   | 4,000          | 3,908          | 92                                     | 3,447                   |
| Purchased Services  | 6,600          | 1,926          | 4,674                                  | 2,308                   |
| Non-Food  | 4,700          | 2,267          | 2,433                                  | 2,580                   |
| Equipment   | 3,000          | 0              | 3,000                                  | 986                     |
| Appropriated Reserves   | <u>17,259</u>  | <u>0</u>       | <u>17,259</u>                          | <u>0</u>                |
| Total Expenditures  | <u>145,809</u> | <u>116,299</u> | <u>29,510</u>                          | <u>106,562</u>          |
| <br>  |                |                |  |                         |
| Excess of Revenues over<br>(under) Expenditures                   | (83,259)       | (48,238)       | 35,021                                 | (45,969)                |
| <br>  |                |                |  |                         |
| Other Sources   |                |                |  |                         |
| Operating Transfers In  | <u>66,000</u>  | <u>51,000</u>  | <u>(15,000)</u>                        | <u>52,689</u>           |
| <br>  |                |                |  |                         |
| Excess of Revenues and Other Sources<br>over (under) Expenditures | (17,259)       | 2,762          | 20,021                                 | 6,720                   |
| <br>  |                |                |  |                         |
| Fund Balance - Beginning  | <u>17,259</u>  | <u>17,259</u>  | <u>0</u>                               | <u>10,539</u>           |
| <br>  |                |                |  |                         |
| Fund Balance - Ending   | <u>0</u>       | <u>20,021</u>  | <u>20,021</u>                          | <u>17,259</u>           |

See auditor's report and notes to the financial statements.

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Student Activity Special Revenue Fund  
Comparative Balance Sheet

|                       | <u>6/30/16</u> | <u>6/30/15</u> | <u>Change</u> |
|-----------------------|----------------|----------------|---------------|
| ASSETS                |                |                |               |
| Cash                  |                |                |               |
| In Bank               | <u>13,029</u>  | <u>11,546</u>  | <u>1,483</u>  |
| <br>                  |                |                |               |
| ASSIGNED FUND BALANCE | <u>13,029</u>  | <u>11,546</u>  | <u>1,483</u>  |

HI-PLAINS SCHOOL NUMBER R-23  
 Seibert, Colorado  
 Student Activity Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2016  
 With Comparative Actual Amounts for the Year Ended June 30, 2015

| REVENUE  | <u>Budget</u>     | <u>Actual</u>     | Variance<br>Favorable<br>(Unfavorable) | Actual<br>Prior<br>Year |
|--|-------------------|-------------------|--|-------------------------|
| Gates admission  | 13,400            | 15,119            | 1,719                                  | 10,841                  |
| <br>   |                   |                   |  |                         |
| EXPENDITURES   |                   |                   |  |                         |
| Non Instructional  |                   |                   |  |                         |
| Benefits   | 0                 | 0                 | 0                                      | 11                      |
| Purchased services   | 15,500            | 11,382            | 4,118                                  | 9,448                   |
| Supplies   | 2,000             | 2,253             | (253)                                  | 1,200                   |
| Other  | 900               | 0                 | 900                                    | 0                       |
| Appropriated Reserve   | <u>11,546</u>     | <u>0</u>          | <u>11,546</u>                          | <u>0</u>                |
| <br>Total Expenditures   | <br><u>29,946</u> | <br><u>13,636</u> | <br><u>16,310</u>                      | <br><u>10,659</u>       |
| <br>Excess of Revenue over (under)<br>Expenditures                   | <br>(16,546)      | <br>1,483         | <br>18,029                             | <br>182                 |
| <br>Other Financing Sources  |                   |                   |  |                         |
| Operating transfers  | <u>5,000</u>      | <u>0</u>          | <u>(5,000)</u>                         | <u>0</u>                |
| <br>Excess of Revenue and Other Sources<br>over (under) Expenditures | <br>(11,546)      | <br>1,483         | <br>13,029                             | <br>182                 |
| <br>Fund Balance - Beginning   | <br><u>11,546</u> | <br><u>11,546</u> | <br>(0)                                | <br><u>11,364</u>       |
| <br>Fund Balance - Ending  | <br><u>0</u>      | <br><u>13,029</u> | <br><u>13,029</u>                      | <br><u>11,546</u>       |

## DEBT SERVICE FUND

Bond Redemption Fund – to account for payment of principle and interest on bonds issued December 8, 2011. Financing is provided by a specific annual property tax levy.

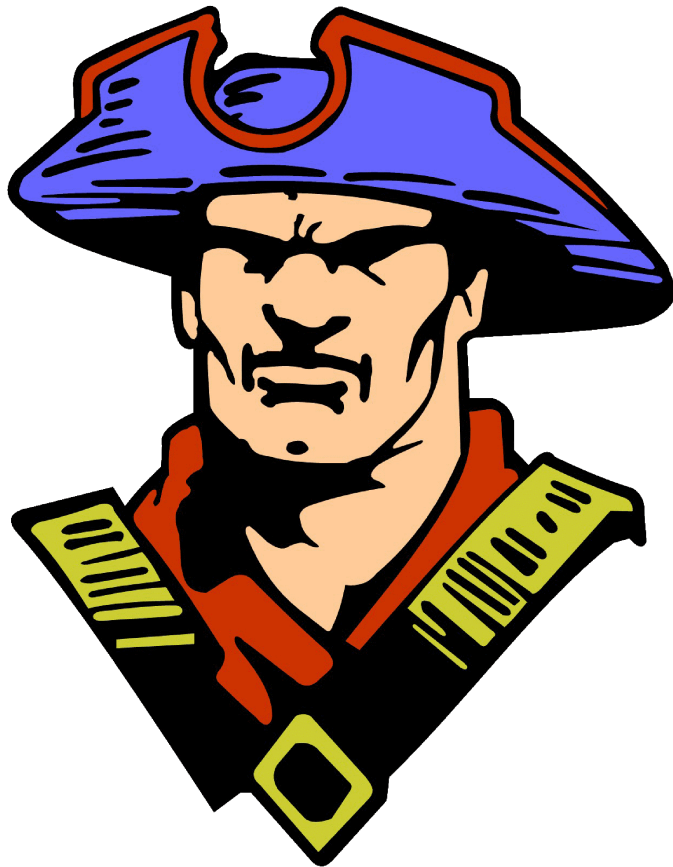
HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Bond Redemption Debt Service Fund  
Comparative Balance Sheet

|                                   | <u>6/30/16</u> | <u>6/30/15</u> | <u>Change</u> |
|-----------------------------------|----------------|----------------|---------------|
| <b>ASSETS</b>                     |                |                |               |
| Cash                              | 239,082        | 213,315        | 25,767        |
| Accrued Property Taxes Receivable | <u>14,322</u>  | <u>12,133</u>  | <u>2,189</u>  |
| Total Assets                      | <u>253,404</u> | <u>225,447</u> | <u>27,956</u> |
| <br>                              |                |                |               |
| <b>FUND BALANCE</b>               |                |                |               |
| Restricted For Bond Redemption    | <u>253,404</u> | <u>225,447</u> | <u>27,956</u> |

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2016  
With Comparative Actual Amounts for the Year Ended June 30, 2015

|                                       | <u>Budget</u>  | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> | <u>Actual<br/>Prior<br/>Year</u> |
|---------------------------------------|----------------|----------------|---|----------------------------------|
| <b>REVENUES</b>                       |                |                |   |                                  |
| Property Taxes                        | 194,707        | 196,885        | 2,178   | 187,174                          |
| Specific Ownership Taxes              | 0              | 25,457         | 25,457  | 25,252                           |
| Delinquent Taxes & Interest           | 0              | 72             | 72  | 106                              |
| Interest                              | <u>0</u>       | <u>250</u>     | <u>250</u>                                      | <u>219</u>                       |
| Total Revenues                        | 194,707        | 222,664        | 27,957  | 212,752                          |
| <br>                                  |                |                |   |                                  |
| <b>EXPENDITURES</b>                   |                |                |   |                                  |
| Bond Interest                         | 79,438         | 79,439         | (1)   | 82,853                           |
| Bond Principal                        | 115,269        | 115,269        | 0   | 111,905                          |
| Appropriated Reserves                 | <u>225,447</u> | <u>0</u>       | <u>225,447</u>                                  | <u>0</u>                         |
| Total Expenditures                    | <u>420,154</u> | <u>194,708</u> | <u>225,446</u>                                  | 194,758                          |
| <br>                                  |                |                |   |                                  |
| Revenues over (under)<br>Expenditures | (225,447)      | 27,956         | 253,403   | 17,993                           |
| <br>                                  |                |                |   |                                  |
| Beginning Fund Balance                | <u>225,447</u> | <u>225,447</u> | <u>0</u>  | <u>207,454</u>                   |
| <br>                                  |                |                |   |                                  |
| Ending Fund Balance                   | <u>0</u>       | <u>253,404</u> | <u>253,404</u>                                  | <u>225,447</u>                   |

See auditor's report and notes to the financial statements.



## CAPITAL PROJECTS FUND

Capital Reserve Fund - to account for acquisition of land and construction of structures thereon, or acquisition of land with existing structures thereon and equipment and furnishing therein; construction of additions to existing structures; procurement of equipment for new buildings and additions to existing buildings and installation thereof; alterations and improvements to existing structures where the estimated cost of such projects for labor and. Lease agreements with option to purchase for a period of one year or less, including lease agreements consisting of a series of one-year terms renewable at the option of the District. Financing is provided by transfers from the General Fund.

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Capital Reserve Capital Projects Fund  
Comparative Balance Sheet

| ASSETS       | <u>6/30/16</u> | <u>6/30/15</u> | <u>Change</u> |
|--------------|----------------|----------------|---------------|
| Cash         | <u>34,400</u>  | <u>22,085</u>  | <u>12,315</u> |
| <br>         |                |                |               |
| FUND BALANCE |                |                |               |
| Committed    | <u>34,400</u>  | <u>22,085</u>  | <u>12,315</u> |

HI-PLAINS SCHOOL NUMBER R-23  
 Seibert, Colorado  
 Capital Reserve Capital Projects Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2016  
 With Comparative Actual Amounts for the Year Ended June 30, 2015

| REVENUES  | <u>Budget</u>     | <u>Actual</u>     | Variance<br>Favorable<br>(Unfavorable) | Actual<br>Prior<br>Year |
|---|-------------------|-------------------|--|-------------------------|
| Local Sources   |                   |                   |  |                         |
| Interest income   | 0                 | 15                | 15                                     | 94                      |
| <br>EXPENDITURES  |                   |                   |  |                         |
| Capital Outlay  |                   |                   |  |                         |
| Vehicles  | 0                 | 0                 | 0                                      | 116,808                 |
| Appropriated Reserve  | <u>34,085</u>     | <u>0</u>          | <u>34,085</u>                          | <u>0</u>                |
| Total Expenditures  | <u>34,085</u>     | <u>0</u>          | <u>34,085</u>                          | <u>116,808</u>          |
| <br>Excess of Revenues over<br>(under) Expenditures                   | <br>(34,085)      | <br>15            | <br>34,100                             | <br>(116,714)           |
| <br>Other Financing Sources   |                   |                   |  |                         |
| Operating Transfers In  | <u>12,000</u>     | <u>12,300</u>     | <u>300</u>                             | <u>0</u>                |
| <br>Excess of Revenues and Other Sources<br>over (under) Expenditures | <br>(22,085)      | <br>12,315        | <br>34,400                             | <br>(116,714)           |
| <br>Fund Balance - Beginning  | <br><u>22,085</u> | <br><u>22,085</u> | <br><u>(0)</u>                         | <br><u>138,798</u>      |
| <br>Fund Balance - Ending   | <br><u>0</u>      | <br><u>34,400</u> | <br><u>34,400</u>                      | <br><u>22,085</u>       |

## AGENCY FUND

Student Activity Fund - to act as custodian for the classes and activities of the district.

HI-PLAINS SCHOOL NUMBER R-23  
Seibert, Colorado  
Student Activity Agency Fund  
Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2016

|  | Balance<br><u>July 1</u> | <u>Additions</u>    | <u>Deletions</u>   | Balance<br><u>June 30</u> |
|--|--------------------------|---------------------|--------------------|---------------------------|
| Class of 2011                          | 516                      | 0                   | 0                  | 516                       |
| Class of 2012                          | 604                      | 0                   | 0                  | 604                       |
| Class of 2013                          | 289                      | 0                   | 0                  | 289                       |
| Class of 2014                          | 51                       | 0                   | 0                  | 51                        |
| Class of 2015                          | 90                       | 0                   | 90                 | 0                         |
| Class of 2016                          | 2,522                    | 35,299              | 37,586             | 236                       |
| Class of 2017                          | 3,066                    | 6,142               | 2,748              | 6,460                     |
| Class of 2018                          | 760                      | 1,267               | 866                | 1,161                     |
| Class of 2019                          | 694                      | 176                 | 69                 | 800                       |
| Class of 2020                          | 341                      | 293                 | 377                | 257                       |
| Class of 2021                          | 25                       | 299                 | 0                  | 324                       |
| Class of 2022                          | 25                       | 5                   | 0                  | 30                        |
| Class of 2023                          | 25                       | 5                   | 0                  | 30                        |
| Class of 2024                          | 20                       | 5                   | 0                  | 25                        |
| Class of 2025                          | 15                       | 5                   | 0                  | 20                        |
| Class of 2026                          | 5                        | 5                   | 0                  | 10                        |
| Class of 2027                          | 5                        | 5                   | 0                  | 10                        |
| Class of 2028                          | 0                        | 5                   | 0                  | 5                         |
| District                               | 1,284                    | 3,947               | 3,329              | 1,901                     |
| Athletics                              | 1,204                    | 900                 | 356                | 1,748                     |
| Boys Athletics                         | 28                       | 0                   | 6                  | 22                        |
| Boys Basketball                        | 0                        | 1,925               | 0                  | 1,925                     |
| Football                               | 458                      | 3,058               | 3,259              | 257                       |
| Girls Basketball                       | 0                        | 4,912               | 0                  | 4,912                     |
| Volleyball                             | (157)                    | 32                  | 0                  | (125)                     |
| Volleyball Camp                        | 1,637                    | 4,499               | 4,702              | 1,435                     |
| Publications                           | 5,464                    | 3,365               | 3,445              | 5,384                     |
| FBLA                                   | (206)                    | 3,012               | 2,606              | 200                       |
| FFA                                    | 9,907                    | 4,535               | 8,742              | 5,700                     |
| FHA                                    | 10                       | 0                   | 0                  | 10                        |
| Music                                  | 781                      | 158                 | 158                | 781                       |
| Shop                                   | 62                       | 0                   | 0                  | 62                        |
| Accountability Committee               | 18                       | 0                   | 0                  | 18                        |
| Cheerleaders                           | 358                      | 0                   | 233                | 126                       |
| National Honor Society                 | 8                        | 0                   | 0                  | 8                         |
| History                                | 521                      | 0                   | 0                  | 521                       |
| Counseling                             | 201                      | 0                   | 0                  | 201                       |
| Student Council                        | 283                      | 0                   | 111                | 172                       |
| LEGO                                   | 263                      | 0                   | 0                  | 263                       |
| AR Reading                             | <u>206</u>               | <u>40</u>           | <u>0</u>           | <u>246</u>                |
| Total                                  | 31,380                   | 73,892              | 68,681             | 36,590                    |
| <br>Budget                             | <br><u>31,380</u>        | <br><u>100,000</u>  | <br><u>131,380</u> | <br><u>0</u>              |
| <br>Variance - Favorable (Unfavorable) | <br><u>(0)</u>           | <br><u>(26,108)</u> | <br><u>62,699</u>  | <br><u>36,590</u>         |

AUDITOR'S INTEGRITY REPORT



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1460 - HI-PLAINS R-23  
 Fiscal Year 2015-16  
 Colorado School District/BOCES

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

| Fund Type & Number                                      | Beg Fund Balance & Prior Per Adj (6880*) | + | 1000 - 5999 Total Revenues & Other Sources | - | 0001-0999 Total Expenditures & Other Uses | = | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|---|--|---|--|---|---|---|---|
| <b>Governmental</b>                                     |  |   |  |   |   |   |   |
| 10 General Fund   | 1,187,267                                |   | 1,655,609                                  |   | 1,751,237                                 |   | 1,091,639   |
| 18 Risk Mgmt Sub-Fund of General Fund                   | 0  |   | 0  |   | 0   |   | 0   |
| 19 Colorado Preschool Program Fund                      | 0  |   | 38,888                                     |   | 38,888                                    |   | 0   |
| <b>Sub-Total</b>  | <b>1,187,267</b>                         |   | <b>1,694,498</b>                           |   | <b>1,790,126</b>                          |   | <b>1,091,639</b>                                      |
| 11 Charter School Fund                                  | 0  |   | 0  |   | 0   |   | 0   |
| 20,26-29 Special Revenue Fund                           | 0  |   | 0  |   | 0   |   | 0   |
| 21 Food Service Spec Revenue Fund                       | 17,259                                   |   | 119,060                                    |   | 116,299                                   |   | 20,021  |
| 22 Govt Designated-Purpose Grants Fund                  | 0  |   | 0  |   | 0   |   | 0   |
| 23 Pupil Activity Special Revenue Fund                  | 11,546                                   |   | 15,119                                     |   | 13,636                                    |   | 13,029  |
| 24 Full Day Kindergarten Mill Levy Override             | 0  |   | 0  |   | 0   |   | 0   |
| 25 Transportation Fund                                  | 0  |   | 0  |   | 0   |   | 0   |
| 31 Bond Redemption Fund                                 | 225,447                                  |   | 222,664                                    |   | 194,708                                   |   | 253,404   |
| 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                | 22,085                                   |   | 12,315                                     |   | 0   |   | 34,400  |
| <b>Totals</b>   | <b>1,463,604</b>                         |   | <b>2,063,656</b>                           |   | <b>2,114,768</b>                          |   | <b>1,412,462</b>                                      |
| <b>Proprietary</b>                                      |  |   |  |   |   |   |   |
| 50 Other Enterprise Funds                               | 0  |   | 0  |   | 0   |   | 0   |
| 64 (63) Risk-Related Activity Fund                      | 0  |   | 0  |   | 0   |   | 0   |
| 60,65-69 Other Internal Service Funds                   | 0  |   | 0  |   | 0   |   | 0   |
| <b>Totals</b>   | <b>0</b>                                 |   | <b>0</b>                                   |   | <b>0</b>                                  |   | <b>0</b>  |
| <b>Fiduciary</b>  |  |   |  |   |   |   |   |
| 70 Other Trust and Agency Funds                         | 0  |   | 0  |   | 0   |   | 0   |
| 72 Private Purpose Trust Fund                           | 0  |   | 0  |   | 0   |   | 0   |
| 73 Agency Fund  | 0  |   | 0  |   | 0   |   | 0   |
| 74 Pupil Activity Agency Fund                           | 31,380                                   |   | 73,892                                     |   | 68,681                                    |   | 36,590  |
| 79 GASB 34-Permanent Fund                               | 0  |   | 0  |   | 0   |   | 0   |
| 85 Foundations  | 0  |   | 0  |   | 0   |   | 0   |
| <b>Totals</b>   | <b>31,380</b>                            |   | <b>73,892</b>                              |   | <b>68,681</b>                             |   | <b>36,590</b>   |

FINAL

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