

**DURANGO SCHOOL DISTRICT 9-R
DURANGO, COLORADO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2016

Prepared by the Finance Department

*Jennifer Macho-Seekins, Director of Finance
Carla Hotter, Accounting Manager*



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By Justin L. Smith at 8:29 am, Mar 01, 2017



**Wall,
Smith,
Bateman** Inc.

Certified Public Accountants

DURANGO SCHOOL DISTRICT 9-R
TABLE OF CONTENTS
June 30, 2016

	Page
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i - iii
Organizational Chart	iv
List of Elected and Appointed Officials	v
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	vi
Management's Discussion and Analysis	ix
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet - Governmental Funds	3
Reconciliation of the Governmental Funds	4
Balance Sheet to the Statement of Net Position	
Statement of Revenues, Expenditures, and	5
Changes in Fund Balances - Governmental Funds	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	6
Fund Balances of the Governmental Funds to the Statement of Activities	
Statement of Net Position - Proprietary Funds	7
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	8
Statement of Cash Flows - Proprietary Funds	9
Statement of Fiduciary Net Position	10
Notes to the Basic Financial Statements	11
Required Supplementary Information	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	31
Schedule of District's Proportionate Share of the Net Pension Liability - PERA SCHDTF Pension Plan	32
Schedule of District Contributions - PERA SCHDTF Pension Plan	33
Supplementary Information	
Governmental Non-Major Funds	
Combining Balance Sheet	34
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	35
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Food Service Fund	36
Governmental Designated Grants Fund	37
Interscholastic Activities Fund	38
Capital Reserve Capital Projects Fund	39
Debt Service Fund	40
Proprietary Funds	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	
After School Enrichment Program Fund	41
Combining Schedule of Net Position - Internal Service Funds	42
Schedule of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	43
Combining Schedule of Cash Flows	44
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	
Dental Insurance Fund	45
Health Insurance Fund	46

DURANGO SCHOOL DISTRICT 9-R
TABLE OF CONTENTS
June 30, 2016

	Page
<u>STATISTICAL SECTION</u>	
Financial Trends	
Net Position by Component	47
Changes in Net Position	48
Fund Balances of Governmental Funds	49
Changes in Fund Balances of Governmental Funds	50
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	51
Property Tax Rates - Direct and Overlapping Governments	52
Principal Property Tax Payers	53
Property Tax Levies and Collections	54
Debt Capacity	
Legal Debt Margin Information	55
Ratio of General Bonded Debt to Assessed Value and Bonded Debt Per Capita	56
Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Fund Expenditures	57
Ratio of Outstanding Debt by Type	58
Computation of Direct and Overlapping Debt	59
Demographic and Economic Information	
Demographic and Economic Statistics	60
Principal Employers for the La Plata County	61
Operating Information	
Capital Assets by Function	62
Full-Time Equivalent District Employees by Fund and Employee Type	63
Nutrition Services- Facts and Figures	64
Miscellaneous Statistical Data	65
<u>SINGLE AUDIT SECTION</u>	
Schedule of Expenditures of Federal Awards	66
Notes to the Schedule of Expenditures of Federal Awards	68
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	69
Independent Auditors' Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	71
Schedule of Findings and Questioned Costs	73
Corrective Action Plan	75
<u>CDE COMPLIANCE SECTION</u>	
Colorado School District Auditor's Integrity Report	



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Jennifer Macho-Seekins
Chief Financial Officer
Federal Tax ID# 84-6012500

February 9, 2017

Board of Education and Citizens
Durango School District 9-R
Durango, Colorado 81301

It is our pleasure to submit the Comprehensive Annual Financial Report of Durango School District 9-R for the fiscal year ended June 30, 2016. The Comprehensive Annual Financial Report consists of five important sections that are clearly outlined in the table of contents: Introductory, Financial, Statistical, Single Audit, and CDE Compliance. The district is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures. The data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the district. All disclosures necessary to enable the reader to gain an understanding of the district's activities have been included.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, unless an extension has been granted. This report is being formally submitted to the board of education in fulfillment of those requirements.

Wall, Smith, Bateman, Inc., Certified Public Accountants, have issued an unmodified opinion on the District's financial statements for the year ended June 30, 2016 and have audited the report. The independent auditors' report is located at the front of the financial section of this report.

The report is prepared in accordance with Statement No. 34 of the Governmental Accounting Standards Board (GASB). Statement No. 34 is titled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities and business-type activities into a single total column for government-wide activities. Statement No. 34 also requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The district's MD&A can be found after the report of the independent auditors' in the Financial Section.

It is very important to Durango School District 9-R that we use our resources in the most efficient manner to meet the goals of the community. It is also a core value of the Finance Department that we are transparent and have appropriate controls in place to make sure we create accurate and timely financial statements and maintain effective and efficient administrative controls.

The district has focused on keeping as much money as possible in the schools and therefore operates with limited staff in the Finance Department. Turnover of a key position, increasing complexity, and the requirements for more robust controls and documentation has created a wonderful opportunity for the Finance Department to re-evaluate and improve its current policies and procedures, provide cross training and professional development to the staff, and develop a strategy to expand the department.

Profile of the District

The Durango School District 9-R is located in southwest Colorado and provides public education services to students from pre-school through twelfth grade, an 18-21 year old life skills transitional program for special needs students, as well as various community education programs. The district encompasses approximately 1,100 square miles and serves the City of Durango located in La Plata County. The estimated county population is 55,454. Seven elementary, two middle schools, and two high schools provide instruction and related services to approximately 4,412 students. For the 2015-2016 year the district's enrollment increased. The District is anticipating no enrollment growth in our historic schools, the working with an online charter school in the 16-17 year, and becoming the agent for a new charter school in 17-18 school year. The community of Durango also has two independent charter schools, a middle and high school, which are chartered through the State of Colorado, not through 9-R. Durango School District 9-R has received an application for an elementary charter school. A portion of the Mill Levy passed in November 2016 will be passed on to these charter schools. The district has a manageable debt burden with a sizeable tax base. A recent Moody's rating review reaffirmed the district's debt rating as Aa2.

The district is currently governed by a five-member Board of Education whose members are elected by the registered electors of the district for staggered four-year terms of office. The board is a policy-making body whose primary functions are to establish policies for the district, provide for the general operations and personnel of the district, and oversee the property, facilities, and financial affairs of the district.

The district has reviewed its reporting entity definition in accordance with GASB 14, which defines the Governmental Reporting Entity. This report includes all funds and account groups of the Durango School District 9-R.

Local economy

Between 2000 and 2010 La Plata County grew by 17%. The per capita income is 107% of the US average, and unemployment rates are favorable at 3.1% compared to the state's 3.8% as of July 2016.

All of the top ten property taxpayers in the district are engaged in energy exploration or production. These ten businesses make up 28.16% of total taxable assessed value of all properties in the district in 2015 and have an assessed valuation of \$420 million. The total assessed value has declined \$150 million or 9.15% since 2010.

The largest employment sector by percentage of jobs in La Plata County for 2014 was services at 41%. Other major employment sectors include government at 17%, wholesale and retail trade at 13%, and construction at 10%. (Graves, D., Marchino, L.L., Coleman, C. E., *Region 9 Economic Development District of Southwest Colorado*, 2015)

Acknowledgments

This document would not have been possible without the hours of work put forth by the finance office staff. We wish to acknowledge the assistance of the district's independent auditors Wall, Smith, Bateman Inc. for their efforts in the preparation of this report. We also commend the Board of Education for their interest and support related to the planning, management, and operation of district finances in a responsible and progressive manner.

This report provides financial and other related information for fiscal year 2015-2016 and has been prepared in a manner that is intended to assist management decision makers for the current and future budget years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'JM', is written over the text 'Respectfully submitted,'.

Jennifer Macho-Seekins
Chief Financial Officer



LEADERSHIP STRUCTURE – 2015-16

*Dan Snowberger, Superintendent ***

*Sarah Berggren, Executive Assistant/Board Clerk**

* Denotes Executive Team Member

** Denotes District Instructional Leadership Team & Executive Team Member

Communications – Julie Popp, PIO
School Safety & Security – Kathy Morris

Student Services

Jackie Oros, Chief Student Advocacy Officer**

Exceptional Student Services

PK-12 Special Education Programming
Moderate Needs Programming
Center Based Programming
Pathways (18-21)
Summit Program
Out of District Placement
SEAC

Alternative Programs

Phoenix Alternative Program – At-Risk/Expulsion
Gateway to College
Homebound Programming
GED (DEC)
DeNier – Detained Youth

Health Services

School Nurses
School Based Health Centers

Behavioral Health

Truancy
Elementary Counseling Program
Behavioral Support
Discipline

Student Information Services

Infinite Campus
On-line Registration

Schools of Choice

Charter Schools
Shared School

Student Services

Concurrent Enrollment
Homeless Education (McKinney Vento)
Open Enrollment

Community Partnerships

External Contracts

Curriculum, Instruction and Assessment

Lynn Mather, Chief Academic Officer**

Curriculum

Curriculum Pacing Guides
Curriculum Mapping PK-12 all subject areas
Curriculum Materials
Curriculum Council Oversight
Career & Technical Education
Course Approvals
Post-Secondary Course Approvals
Graduation Requirements

Assessment

State Assessments (PARCC & CMAS)
District Assessments

Instruction

Instructional Support & Development
Professional Development

Special Populations

Gifted and Talented
English Language Learners

Preschool/Early Childhood Education

Colorado Preschool Program (CPP)
E-Care

Federal Programs

Title I, Title II, Title III, Title VII

Accountability

Unified Improvement Plans
Student Achievement Gap Task Force

Secondary Counselors

Summer School
Innovative Programs

Human Services

Laura Galido, Chief Human Services Officer**

Human Resources

Licensed & Classified Evaluation Committee
Negotiations, Position Control, Unemployment
Student Teachers

Enrichment

After School Enrichment
Summer Enrichment

Technology

District Network Infrastructure
Phones
Hardware Support

Operations

Victor Figueroa, Chief Operations Officer**

Facilities

Plant & Facilities Management
Maintenance
Capital Projects

Custodial

Groundskeeping & Cleaning Services at all Facilities

Transportation

Daily Transportation of Students
Extracurricular Activities Transportation

Food & Nutrition Services

Federal School Breakfast & Lunch Program
Catering

Finance

Jason Austin, Chief Finance Officer*

Finance

Accounts Payable, Accounts Receivable, Payroll, Benefits,
Workers' Comp, Risk Management, Budgeting, Facility
Rentals, Grants

SCHOOL ADMINISTRATORS

** Supervised by District ILT Members **

DURANGO SCHOOL DISTRICT 9-R
LIST OF DISTRICT OFFICIALS
As of June 30, 2016

Elected Board of Education

Board President	Mr. Andy Burns (District E)
Board Vice President	Ms. Nancy Stubbs (District A)
Board Secretary /Treasurer	Ms. Stephanie Moran (District B)
Board Member	Ms. Kim Martin (District F)
Board Member	Ms. Matt Sheldon (District D)

Appointed Officials

Superintendent	Mr. Dan Snowberger
Director of Finance	Ms. Jennifer Macho-Seekins
Chief Operations Officer	Mr. Victor Figueroa
Chief Student Advocacy Officer	Ms. Jackie Oros
Chief of Human Resources Officer	Ms. Laura Galido
Chief Academic Officer	Ms. Lynn Mather



Wall,
Smith,
Bateman Inc.

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Durango School District 9-R
Durango, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Durango School District 9-R (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Certified Public Accountants

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof 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, budgetary comparison, and pension information on pages ix through xix and 31-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial schedules, statistical section, and the Colorado School District Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial schedules, the schedule of expenditures of federal awards, and the Colorado School District 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, the combining and individual fund financial schedules, the schedule of expenditures of federal awards, and the Colorado School District Auditor's Integrity Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Wall, Smith, Bateman Inc." in a cursive script.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

February 9, 2017

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016

This discussion and analysis of Durango School District 9-R's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

- § The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$(24,195,750) (net position). The significant change is the result of new pension reporting requirements from Governmental Accounting Standards Board (GASB) Statements 68 & 71. Without the inclusion of the \$92,614,521 pension liability the unrestricted net position would be \$19,371,709, an increase of \$6,574,517, which may be used to meet the District's ongoing obligations to citizens and creditors.
- § The District's total net position increased by \$1,628,984. However the pension liability increased by \$7,115,250.
- § Total general revenues increased \$1,567,934 of which property tax revenues increased \$346,927 or 1% and state equalization aid increased \$800,717 or 4%.
- § At the close of the current fiscal year, the District's governmental funds reported combined fund balance of \$20,416,907 an increase of \$3,288,478 in comparison with the prior year. Of the combined fund balance approximately 12.29% of this amount \$2,509,889 is available for spending at the District's discretion (unassigned fund balance).
- § At the end of the current fiscal year, the total of the non-spendable, restricted, committed, assigned, and unassigned components of fund balance for the general fund was \$7,607,742 or approximately 18.89% of total general fund expenditures.
- § The District's total outstanding long-term debt decreased by \$4,052,424 to \$55,936,234 during the current fiscal year as the District continues to pay down its debt.
- § The District increased Instructional Service expenditures by \$1,015,320 or 3.37% and Support Service expenditures decreased by \$376,928 or 1.63%.

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016**

Financial Statement Overview

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the Durango School District 9-R as a financial whole, or as an entire operating entity.

The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes required and other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government -wide Financial Statements

The district-wide financial statements are designed to provide the reader of the District's comprehensive annual financial report a broad overview of the financial activities in a manner similar to a private sector business. The district-wide financial statements include the statement of net position and the statement of activities.

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities), and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business -type activities). The governmental activities of the District include the General Fund, Capital Projects Fund, Governmental Designated Grants Fund, Interscholastic Activities Fund, Food Service Fund and Debt Service Fund. Business -type activities include the After School Enrichment Program Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All district funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016

Governmental Funds. Governmental funds are used to account for essentially the same functions reported in the governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. The major funds are the General Fund, the Capital Project Fund, and the Debt Service Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled "other governmental funds". Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Proprietary Funds. The District maintains two different types of proprietary funds, enterprise and internal service. Enterprise funds are used to report the same functions presented as the business-type activities in the district-wide financial statements. The District uses an enterprise fund to account for its' after school enrichment program. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for the self-funded portions of the employee health insurance and dental plans. Because this service predominantly benefits the governmental rather than the business-type function, it has been included within governmental activities in the district-wide financial statements. The fund financial statements of the proprietary funds provide the same information as the district-wide financial statements, only in more detail.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reported in the district-wide financial statements because the resources of those funds are not available for the support of the District's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District maintains an Agency type fiduciary fund. The Agency fund reports resources held by the District in a custodial capacity.

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the district-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District. The District adopts an annual appropriation budget for all its funds. Budgetary comparison schedules, with adopted and final revised budgets, have been provided for the General Fund and all other funds to demonstrate compliance with the budgeted amounts.

District-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The District's net position, excluding the Pension Liability, would have been \$68,418,771 an increase of \$8,744,234. But due to a recent accounting change which required the inclusion of a Pension Liability of \$92,614,521, the District liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$24,195,750 at the close of the most recent fiscal year.

The largest single portion of the District's net position, excluding the impact from the Pension Liability, reflects its investment in capital assets 54.1% (e.g., land, buildings, machinery, equipment, and vehicles), less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide educational services to its citizens. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, excluding the Pension Liability, is 17.59%, which represents resources that are subject to external restrictions on how they may be used. The remaining total balance, excluding the Pension Liability, would be \$19,371,709 or 28.31%, is unrestricted and may be used to meet the District's ongoing obligations.

At the end of the current fiscal year, the District is able to report positive balances in all reported categories of net position, but the government-wide statements include the accounting change and therefore reflect the pension liability which results in a negative net position. All other governmental activities have a positive net position at year end.

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016**

**Durango School District 9-R
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
	<u>Assets</u>					
Current and Other Assets	30,206,554	26,051,569	35,029	23,745	30,241,583	26,075,314
Net Capital Assets	92,950,240	94,819,768	-	-	92,950,240	94,819,768
Total Assets	123,156,794	120,871,337	35,029	23,745	123,191,823	120,895,082
<u>Deferred Outflow of Resources</u>						
Pensions (Note 9)	11,589,687	4,274,692	-	-	11,589,687	4,274,692
Total Def. Outflow	11,589,687	4,274,692	-	-	11,589,687	4,274,692
<u>Liabilities</u>						
Current and Other Liabilities	13,337,208	11,772,771	25,574	23,532	13,362,782	11,796,303
Long-Term Liabilities	141,729,518	139,147,848	-	-	141,729,518	139,147,848
Total Liabilities	155,066,726	150,920,619	25,574	23,532	155,092,300	150,944,151
<u>Deferred Inflows of Resources</u>						
Pensions (Note 9)	3,884,960	50,357	-	-	3,884,960	50,357
Total Def. Inflows	3,884,960	50,357	-	-	3,884,960	50,357
<u>Net Position</u>						
Net Investment in Capital Assets	37,014,006	36,000,870	-	-	37,014,006	36,000,870
Restricted	12,033,056	10,876,262	-	-	12,033,056	10,876,262
Unrestricted (Deficit)	(73,252,267)	(72,702,079)	9,455	213	(73,242,812)	(72,701,866)
Total Net Position	(24,205,205)	(25,824,947)	9,455	213	(24,195,750)	(25,824,734)

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The dependence upon tax revenue is apparent. Over 89.56% of governmental revenue is supported through property taxes, vehicle registrations, and state equalization. The District's combined net position, not including the Pension Liability of \$92,614,521, was larger on June 30, 2016 than it was the year before, increasing 14.65% to \$68,418,771. The combined net position, including the Pension Liability, increased from the prior year to (\$24,195,750). Most of the underlying improvement in the District's financial position, excluding the accounting change for the pension liability, came from its governmental activities, specifically the reduction in long-term liabilities by \$4,052,404. While it appears the overall financial condition of the District has improved the accounting change from the pension liability makes any improvements less visible.

The business-type activity of the District is the After School Enrichment Program. The After School Enrichment Program had a net gain of \$9,242 after transfers in from the General Fund.

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016**

**Durango School District 9-R
Condensed Statement of Changes in Net Position from Operating Results**

	Governmental Activites		Business-Type Activites		Total	
	2016	2015	2016	2015	2016	2015
<u>Revenues</u>						
Program Revenues						
Charges for Services	1,264,208	1,021,198	319,874	297,714	1,584,082	1,318,912
Operating Grants and Contributions	3,752,647	3,842,531	-	-	3,752,647	3,842,531
Capital Grants and Contributions	2,331	431,160	-	-	2,331	431,160
General Revenues						
Taxes	28,936,827	28,584,042	-	-	28,936,827	28,584,042
State Equalization	20,874,848	20,074,131	-	-	20,874,848	20,074,131
Investment Earnings	46,438	16,860	-	-	46,438	16,860
Gain on Sale of Land	142,342	-	-	-	142,342	-
Miscellaneous	601,033	358,521	50,500	-	651,533	358,521
Total Revenues	55,620,674	54,328,443	370,374	297,714	55,991,048	54,626,157
<u>Expenses</u>						
Governmental Activites						
Instructional	31,160,154	30,144,834	-	-	31,160,154	30,144,834
Pupil Activites	5,999,118	5,832,628	-	-	5,999,118	5,832,628
Administration	3,921,263	3,708,965	-	-	3,921,263	3,708,965
Business Services	638,094	612,474	-	-	638,094	612,474
Maintenance and Operations	4,809,893	4,783,599	-	-	4,809,893	4,783,599
Transportation	1,490,801	1,524,945	-	-	1,490,801	1,524,945
Central Services	2,675,149	2,434,996	-	-	2,675,149	2,434,996
Food Service Operations	1,414,038	1,547,229	-	-	1,414,038	1,547,229
Other Supporting Services	143,115	142,220	-	-	143,115	142,220
Interest Charges	1,698,807	2,580,150	-	-	1,698,807	2,580,150
Business-Type Activities						
After School Enrichment	-	-	361,132	362,361	361,132	362,361
Total Expenses	53,950,432	53,312,040	361,132	362,361	54,311,564	53,674,401

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Net Revenues/ (Expenses) before Transfers and Other Sources	1,670,242	1,016,403	(41,258)	(64,647)	1,628,984	951,756
Transfers	(50,500)	(63,500)	50,500	63,500	-	-
Change in Net Position	1,619,742	952,903	9,242	(1,147)	1,628,984	951,756
Net Position, Beginning Of Year	(25,824,947)	51,464,390	213	93,335	(25,824,734)	51,557,725
Change in accounting principle/prior period adjustment	-	(78,242,240)	-	(91,975)	-	(78,334,215)
Net Position, Beginning of Year Restated	-	(26,777,850)	-	1,360	-	(26,776,490)
Net Position, End of Year	(24,205,205)	(25,824,947)	9,455	213	(24,195,750)	(25,824,734)

Financial Analysis of Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources to be used for particular purposes by the Board of Education.

At June 30, 2016, the District's governmental funds reported combined fund balances of \$20,416,907 an increase of \$3,288,478 in comparison with the prior year. Approximately \$2,509,889 or 12.29% of the combined fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form \$77,923 2) restricted for particular purposes \$13,933,056, 3) committed for particular purposes \$2,987,919 or 4) assigned for particular purposes \$908,120.

The General Fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,509,889, while total fund balance increased to \$7,607,742. As a measure of the General Fund's liquidity, it may be

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016**

useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 6.23% of total General Fund expenditures, while total fund balance represents approximately 18.89% of the same amount.

General Fund Budgeting Highlights

The District's budget is prepared according to Colorado State law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. An amended budget was prepared and approved by the Board of Education in January 2016. In reviewing budget to actual variance, the following criteria have been set to determine variances that are significant: line item variance amounts (amended budget to actual) that are greater than 10% of the corresponding budget for that line item and greater than .1% of total budgeted fund revenue or expense amount. The criteria creates high standards for accuracy and financial credibility in budgeting.

A review of total actual revenues compared to the appropriations in the final budget yield variances totaling \$214,843 or .50% of total revenues, or we received .50% more in revenue than we had budgeted. Significant revenue variances were driven by moving the READ Act and ELPA from the General Fund to the Grants Fund, and not reducing the budgeted revenue. This reduction in State Revenue was offset by higher than anticipated interest income and more revenue from the Tri-County Headstart and Pre-school tuition.

The most significant differences between the amended and actual revenues were as follows:

<u>Revenues</u>	<u>Amended revenues</u>	<u>Actual revenues</u>	<u>Difference</u>
State Equalization	20,678,140	20,874,848	196,708
Other State	513,852	339,355	(174,497)
Interest on Investments	12,500	24,816	12,316
Misc Revenues	73,289	108,521	35,232

A review of total actual expenditures compared to the appropriations in the final budget yield variances totaling \$1,579,884 below budget or 3.8% of total expenditures. One expenditure category with a significant variance occurred in Other Supporting Services. The budget variance was the result of lower than anticipated earned but unused sick leave payouts for Certified retirees and employees resigning. Business Services spent 31.1% less than budgeted by having 2 empty positions for a half the year, spending less than planned on software, and not using the contingency that had been set aside for a potential budget shortfall.

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016**

The most significant differences between the amended and actual expenditures were as follows:

<u>Expenditures</u>	<u>Estimated expenditure s</u>	<u>Actual expenditures</u>	<u>Difference</u>
Instructional Services	23,953,470	23,297,822	(655,648)
Business Services	848,989	585,337	(263,652)
Operations and Maintenance	4,573,244	4,407,781	(165,463)
Transportation	1,311,310	1,148,935	(162,375)
Other Supporting Services	105,000	53,597	(51,403)

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental and business -type activities as of June 30, 2016 amounts to \$92,950,240 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles, and projects in progress. The total change in the District's investment in capital assets for the current fiscal year was a decrease of \$1,869,528 .

Major capital asset events during the current fiscal year included the following:

- § Durango High School: repairs to the roof, making accessibility to the building ADA compliant, the building of a food distribution center, new boilers and controls, re-wiring, hanging new lights in the Theater, and beginning work on a new Stadium and track.
- § Riverview: Concrete repair to the outside of the building .
- § Needham: Boiler replacement
- § Florida Mesa, Sunnyside, and Fort Lewis Mesa : New generators
- § Escalante: Installation of new fire doors
- § Park: completed the roof repair project started in 2014-2015
- § Transportation: Purchased a 71 and 14 passenger bus
- § Technology: Network switches, a new server, Time Clocks Plus software, monitors, chromebooks, laptops, firewall, and cabling.
- § Facilities : Purchased video door locks at elementary schools and new playground equipment.

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016**

**Capital Assets (net of accumulated depreciation)
June 30, 2016**

	Governmental <u>Activities</u>	Business -type <u>Activities</u>	Government - <u>Wide</u>
Land and Improvements	\$ 6,783,742	\$ -	\$ 6,783,742
Buildings and Improvements	81,025,501	-	81,025,501
Projects in Progress	1,314,723	-	1,314,723
Equipment and Vehicles	2,912,123	-	2,912,123
Computer Software	914,151	-	914,151
 Total capital assets	 <u>\$ 92,950,240</u>	 <u>\$ -</u>	 <u>\$ 92,950,240</u>

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term Debt

At June 30, 2016, the District had \$46,620,000 in general obligation bonds and \$4,364,093 in capital leases outstanding. In August 2012, the District entered into an energy conservation project funded through a long-term capital lease. More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.

Economic Factors and Next Year's Budget and Rates

An increase in per pupil funding by at least inflation is provided by Amendment 23 to the State Constitution, passed by the voters in November 2000. During the 2010 legislative session, the state legislator introduced a new factor into the school financial funding formula. This new factor is a negative factor, which allows the state to reduce its funding to K-12 education in the state. This factor reduced the funding the District would have received from the state under the old formula by \$4,748,597 for the 2016-17 school year. This factor is currently projected to increase next year; however it is unknown at this time by how much pending final budget appropriations by the legislature.

The Amended 2016-17 General Fund budget includes \$45,532,324 in revenue, less transfers, and \$44,453,529 in expenditures, which includes \$250,000 in contingency and the addition of the Mill Levy passed in November 2016. This creates a budgeted increase to Fund Balance of \$1,078,795.

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2016**

Requests For Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the district. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Jennifer Macho-Seekins, MBA
Chief Financial Officer
Durango School District 9-R
201 East 12th Street
Durango, Colorado 81301

DURANGO SCHOOL DISTRICT 9-R
BASIC FINANCIAL STATEMENTS

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents (Note 2)	\$ 28,316,485	\$ 31,077	\$ 28,347,562
Accounts Receivable	403,220	3,952	407,172
Property Taxes Receivable	1,408,926	-	1,408,926
Materials and Supplies Inventory	77,923	-	77,923
Capital Assets			
Nondepreciable (Note 4)	7,729,978	-	7,729,978
Depreciable, Net (Note 4)	85,220,262	-	85,220,262
Total Assets	<u>123,156,794</u>	<u>35,029</u>	<u>123,191,823</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions (Note 9)	11,589,687	-	11,589,687
Total Deferred Outflows of Resources	<u>11,589,687</u>	<u>-</u>	<u>11,589,687</u>
LIABILITIES			
Accounts Payable	663,308	175	663,483
Accrued Salaries and Benefits	4,539,926	25,399	4,565,325
Unearned Grant Revenue	407,133	-	407,133
Incurred but Unreported Medical Claims	565,639	-	565,639
Accrued Interest Payable	339,965	-	339,965
Long-Term Liabilities (Note 5)			
Due Within One Year	6,821,237	-	6,821,237
Due In More Than One Year	49,114,997	-	49,114,997
Pension Liability	92,614,521	-	92,614,521
Total Liabilities	<u>155,066,726</u>	<u>25,574</u>	<u>155,092,300</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions (Note 9)	3,884,960	-	3,884,960
Total Deferred Inflows of Resources	<u>3,884,960</u>	<u>-</u>	<u>3,884,960</u>
NET POSITION			
Net Investment in Capital Assets	37,014,006	-	37,014,006
Restricted for			
TABOR (Note 6)	1,355,000	-	1,355,000
Debt Service	10,460,541	-	10,460,541
Three Springs Schools	217,515	-	217,515
Unrestricted	(73,252,267)	9,455	(73,242,812)
Total Net Position	<u>\$ (24,205,205)</u>	<u>\$ 9,455</u>	<u>\$ (24,195,750)</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government:							
Governmental Activities							
Instructional Services	\$ 31,160,154	\$ 308,534	\$ 1,954,082	\$ 2,331	\$ (28,895,207)	\$ -	\$ (28,895,207)
Pupil Support Services	5,999,118	125,300	331,125	-	(5,542,693)	-	(5,542,693)
Administration	3,921,263	312,631	34,000	-	(3,574,632)	-	(3,574,632)
Business Services	638,094	-	-	-	(638,094)	-	(638,094)
Operations and Maintenance	4,809,893	-	70,570	-	(4,739,323)	-	(4,739,323)
Transportation	1,490,801	35,681	360,744	-	(1,094,376)	-	(1,094,376)
Central Supporting Services	2,675,149	-	144,642	-	(2,530,507)	-	(2,530,507)
Food Services	1,414,038	482,062	857,484	-	(74,492)	-	(74,492)
Other Supporting Services	143,115	-	-	-	(143,115)	-	(143,115)
Interest and Fiscal Charges	1,698,807	-	-	-	(1,698,807)	-	(1,698,807)
Total Governmental Activities	<u>53,950,432</u>	<u>1,264,208</u>	<u>3,752,647</u>	<u>2,331</u>	<u>(48,931,246)</u>	<u>-</u>	<u>(48,931,246)</u>
Business-Type Activities							
After School Enrichment Program	361,132	319,874	-	-	-	(41,258)	(41,258)
Total Business-Type Activities	<u>361,132</u>	<u>319,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,258)</u>	<u>(41,258)</u>
Total Primary Government	<u>\$ 54,311,564</u>	<u>\$ 1,584,082</u>	<u>\$ 3,752,647</u>	<u>\$ 2,331</u>	<u>(48,931,246)</u>	<u>(41,258)</u>	<u>(48,972,504)</u>
General Revenues							
Property Taxes					26,601,368	-	26,601,368
Specific Ownership Taxes					2,335,459	-	2,335,459
State Equalization					20,874,848	-	20,874,848
Investment Earnings					46,438	-	46,438
Gain on Sale of Land					142,342	-	142,342
Miscellaneous					601,033	-	601,033
Total General Revenues					<u>50,601,488</u>	<u>-</u>	<u>50,601,488</u>
Transfers							
Total General Revenues and Transfers					<u>(50,500)</u>	<u>50,500</u>	<u>-</u>
CHANGE IN NET POSITION					50,550,988	50,500	50,601,488
NET POSITION, Beginning of Year					1,619,742	9,242	1,628,984
NET POSITION, End of Year					<u>(25,824,947)</u>	<u>213</u>	<u>(25,824,734)</u>
					<u>\$ (24,205,205)</u>	<u>\$ 9,455</u>	<u>\$ (24,195,750)</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2016

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 11,330,603	\$ 670,761	\$ 10,154,516	\$ 550,539	\$ 22,706,419
Cash with Fiscal Agent	-	1,900,000	-	-	1,900,000
Receivables					
Accounts	70,085	3,373	-	314,762	388,220
Property Taxes	957,644	-	451,282	-	1,408,926
Materials and Supplies Inventory	58,549	-	-	19,374	77,923
	<u>58,549</u>	<u>-</u>	<u>-</u>	<u>19,374</u>	<u>77,923</u>
Total Assets	<u>\$ 12,416,881</u>	<u>\$ 2,574,134</u>	<u>\$ 10,605,798</u>	<u>\$ 884,675</u>	<u>\$ 26,481,488</u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 212,016	\$ 406,277	\$ -	\$ 45,015	\$ 663,308
Accrued Salaries and Benefits	4,287,823	-	-	252,103	4,539,926
Unearned Grant Revenues	343	-	-	406,790	407,133
Total Liabilities	<u>4,500,182</u>	<u>406,277</u>	<u>-</u>	<u>703,908</u>	<u>5,610,367</u>
Deferred Inflows of Resources					
Unavailable Revenue - Property Tax	308,957	-	145,257	-	454,214
Fund Balances					
Nonspendable					
Inventory	58,549	-	-	19,374	77,923
Restricted for					
TABOR 3% Reserve	1,355,000	-	-	-	1,355,000
Debt Service	-	-	10,460,541	-	10,460,541
Three Springs Schools	-	217,515	-	-	217,515
DHS and EMS Track and Field Improvements	-	1,900,000	-	-	1,900,000
Committed for					
Board Designated Reserve	2,987,919	-	-	-	2,987,919
Assigned for					
Instructional	271,978	-	-	-	271,978
Support Services	26,544	-	-	-	26,544
Operations and Maintenance	75,485	-	-	-	75,485
Transportation	5,120	-	-	-	5,120
Technology	67,258	-	-	-	67,258
Capital Projects	-	50,342	-	-	50,342
Food Service	-	-	-	161,393	161,393
Designated for Subsequent Year Expenditure	250,000	-	-	-	250,000
Unassigned	2,509,889	-	-	-	2,509,889
Total Fund Balances	<u>7,607,742</u>	<u>2,167,857</u>	<u>10,460,541</u>	<u>180,767</u>	<u>20,416,907</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,416,881</u>	<u>\$ 2,574,134</u>	<u>\$ 10,605,798</u>	<u>\$ 884,675</u>	<u>\$ 26,481,488</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2016

Total Governmental Fund Balances		\$ 20,416,907
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		92,950,240
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.		11,589,687
Unavailable revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.		454,214
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	\$ (46,620,000)	
Capital Lease Agreements	(4,364,093)	
Accrued Interest Payable	(339,965)	
Compensated Absences	(1,260,521)	
		(52,584,579)
Bond discounts are expensed when incurred in the governmental funds and deferred and amortized in the statement of activities. Similarly, bond premiums are recognized as revenue when issued and are deferred and amortized in the statement of activities. The net unamortized portion of these long-term debt related items is included in the governmental activities.		(3,691,620)
Net pension liabilities are not due and payable in the current period and are not reported in the funds.		(92,614,521)
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.		(3,884,960)
Internal Service Funds are used by management to charge the costs of self-insurance to the individual funds. The assets and liabilities of these funds are included in the governmental activities in the statement of net position.		3,159,427
Net Position of Governmental Activities		\$ (24,205,205)

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended
June 30, 2016

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 20,296,520	\$ -	\$ 8,587,797	\$ -	\$ 28,884,317
Intergovernmental					
Federal Sources	49,552	-	-	1,667,028	1,716,580
State Sources	21,574,947	74,815	-	381,386	22,031,148
Intermediate Sources	-	562,188	-	-	562,188
Local Sources	1,374,836	27,837	-	775,416	2,178,089
Interest on Investments	24,816	-	21,622	-	46,438
Miscellaneous Revenues					
Other	108,521	-	-	125,300	233,821
Total Revenues	<u>43,429,192</u>	<u>664,840</u>	<u>8,609,419</u>	<u>2,949,130</u>	<u>55,652,581</u>
EXPENDITURES					
Current Operating					
Instructional Services	23,297,822	651	-	1,844,585	25,143,058
Supporting Services					
Pupil Support Services	4,472,188	-	-	646,605	5,118,793
Administration	3,563,560	-	-	-	3,563,560
Business Services	585,337	11,024	-	-	596,361
Operations and Maintenance	4,407,781	220,647	-	-	4,628,428
Transportation	1,148,935	228,892	-	-	1,377,827
Central Supporting Services	2,476,677	106,813	-	-	2,583,490
Food Services	-	13,422	-	1,480,152	1,493,574
Other Supporting Services	53,597	-	-	6,971	60,568
Facilities Acquisition and Construction	-	1,919,890	-	77,626	1,997,516
Debt Service	264,240	-	7,632,924	-	7,897,164
Total Expenditures	<u>40,270,137</u>	<u>2,501,339</u>	<u>7,632,924</u>	<u>4,055,939</u>	<u>54,460,339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>3,159,055</u>	<u>(1,836,499)</u>	<u>976,495</u>	<u>(1,106,809)</u>	<u>1,192,242</u>
OTHER FINANCING SOURCES (USES)					
Sale of Land	-	142,342	-	-	142,342
Capital Lease proceeds	-	1,900,000	-	-	1,900,000
Proceeds of Refunding Bonds	-	-	5,608,890	-	5,608,890
Premium on Refunding Bonds	-	-	289,929	-	289,929
Payment to Refunded Bond Escrow Agent	-	-	(5,794,425)	-	(5,794,425)
Transfers/Allocation In	-	400,000	-	1,257,874	1,657,874
Transfers/Allocation Out	(1,708,374)	-	-	-	(1,708,374)
Total Other Financing Sources (Uses)	<u>(1,708,374)</u>	<u>2,442,342</u>	<u>104,394</u>	<u>1,257,874</u>	<u>2,096,236</u>
NET CHANGE IN FUND BALANCES	1,450,681	605,843	1,080,889	151,065	3,288,478
FUND BALANCE, Beginning of Year	<u>6,157,061</u>	<u>1,562,014</u>	<u>9,379,652</u>	<u>29,702</u>	<u>17,128,429</u>
FUND BALANCE, End of Year	<u>\$ 7,607,742</u>	<u>\$ 2,167,857</u>	<u>\$ 10,460,541</u>	<u>\$ 180,767</u>	<u>\$ 20,416,907</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended
June 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 3,288,478

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of the assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital outlay and depreciation in the current period.

Capital Outlay	\$ 2,708,105	
Depreciation expense	<u>(4,577,633)</u>	(1,869,528)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (174,249)

The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position.

Proceeds from 2015 G.O. Refunding Bonds	(5,605,000)	
Capital Lease Proceeds	<u>(1,900,000)</u>	(7,505,000)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

2005 G.O. Refunding Bonds	6,555,000	
2006 G.O. Refunding Bonds	1,640,000	
2010 G.O. Refunding Bonds	2,955,000	
2015 G.O. Refunding Bonds	20,000	
Accrued Interest Payable	50,778	
Capital Lease Payments	<u>196,875</u>	11,417,653

Governmental funds report the effect of premiums, discounts, and other similar items when debt is first issued; whereas these amounts are in the statement of activities.

This amount is the deferred and amortized in the treatment of long-term related items.

Bond Premium Amortization	571,239	
New Issue Bond Premium	<u>(289,929)</u>	281,310

In the statement of activities, certain operating expenses - compensated absences and special termination benefits - are measured by the amounts earned during the year.

In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the net effect of compensated absences payable on the statement of net position. (90,761)

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.

This item consists of the change in pension expenditures. (3,634,858)

Internal Service Funds are used by management to charge the costs of health insurance to the funds. The net revenue (expense) is charged to governmental activities. (93,303)

Change in Net Position of Governmental Activities \$ 1,619,742

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2016

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>After School Enrichment Program Fund</u>	<u>Internal Service Funds</u>
ASSETS		
Current Assets		
Equity in Pooled Cash and Investments	\$ 31,077	\$ 3,710,066
Accounts Receivable	3,952	15,000
	<u>35,029</u>	<u>3,725,066</u>
Total Current Assets		
LIABILITIES		
Current Liabilities		
Accounts Payable	175	-
Accrued Salaries and Benefits	25,399	-
Incurred but Unreported Medical Claims	-	565,639
	<u>25,574</u>	<u>565,639</u>
Total Current Liabilities		
NET POSITION		
Unrestricted	<u>9,455</u>	<u>3,159,427</u>
Total Net Position	<u>\$ 9,455</u>	<u>\$ 3,159,427</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Fiscal Year Ended
June 30, 2016

	After School Enrichment Program Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 319,874	\$ 4,631,906
Total Operating Revenues	<u>319,874</u>	<u>4,631,906</u>
OPERATING EXPENSES		
Salaries and Benefits	332,731	-
Purchased Services	18,573	4,735,850
Supplies and Materials	6,375	-
Other	3,453	-
Total Operating Expenses	<u>361,132</u>	<u>4,735,850</u>
OPERATING INCOME (LOSS)	<u>(41,258)</u>	<u>(103,944)</u>
NON-OPERATING REVENUES		
Interest on Investments	-	10,641
Total Non-Operating Revenues	<u>-</u>	<u>10,641</u>
INCOME (LOSS) BEFORE TRANSFERS	(41,258)	(93,303)
TRANSFERS IN	<u>50,500</u>	<u>-</u>
CHANGE IN NET POSITION	9,242	(93,303)
NET POSITION, Beginning of Year	<u>213</u>	<u>3,252,730</u>
NET POSITION, End of Year	<u>\$ 9,455</u>	<u>\$ 3,159,427</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Fiscal Year Ended
June 30, 2016

	Business-Type Activities	Governmental Activities
	After School Enrichment Program Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Others	\$ 322,851	\$ 4,616,906
Cash Payments to Employees for Services	(330,583)	-
Cash Payments for Goods and Services	(28,507)	(4,300,070)
	<u>(36,239)</u>	<u>316,836</u>
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers In	50,500	-
	<u>50,500</u>	<u>-</u>
Net Cash Provided (Used) by Non-capital Financing Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
	-	-
	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	-	10,641
	<u>-</u>	<u>10,641</u>
Net Cash Provided (Used) by Investing Activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,261	327,477
CASH AND CASH EQUIVALENTS, Beginning of Year	16,816	3,382,589
	<u>16,816</u>	<u>3,382,589</u>
CASH AND CASH EQUIVALENTS, End of Year	\$ 31,077	\$ 3,710,066
	<u>\$ 31,077</u>	<u>\$ 3,710,066</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (41,258)	\$ (103,944)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
(Increase) Decrease in Assets		
Accounts Receivable	2,977	(15,000)
Increase (Decrease) in Liabilities		
Accounts Payable	(106)	-
Incurred but Unreported Medical Claims	-	435,780
Accrued Salaries and Benefits	2,148	-
	<u>2,148</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (36,239)</u>	<u>\$ 316,836</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2016

	Pupil Activity Agency Fund
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 339,308
Total Assets	\$ 339,308
 LIABILITIES	
Accounts Payable	\$ 13,047
Accrued Salaries and Benefits	1,773
Due to Student Groups	324,488
Total Liabilities	\$ 339,308

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Durango School District 9-R (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units and the Financial Policies and Procedures Handbook as prescribed by State law. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

Reporting Entity

The District was organized under the provisions of Colorado statutes for the purpose of operating elementary and secondary schools, primarily in La Plata County. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Pursuant to the definition of component units in GASB Statements 14, 39, and 61, the District's Board of Education has not included any component units.

Related Organizations: The Durango Foundation for Educational Excellence provides opportunities for individuals and groups beyond what the schools can offer. Its mission is to preserve, support, and improve educational opportunities with the community by developing a community partnership among schools, businesses and individuals. Financial activity for the Foundation is not included within the District's financial statements. Financial statements may be obtained at the Foundation's offices.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The interfund services provided and used are not eliminated in the process of the consolidation. *Governmental Activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a 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: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and; 2) 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*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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. Agency funds use economic resources measurement focus and accrual basis of accounting.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

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. The District defines this as 60 days. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. The District does not allocate indirect expenses.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

- § *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- § *Capital Reserve Capital Projects Fund* – This fund is used to account for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles.
- § *Debt Service Fund* – This fund accounts for servicing of general long-term debt not being financed by proprietary funds.

Additionally the District reports the following fund types:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

- § *After School Enrichment Program Fund* – This fund is used to account for the after school supervision program.

Internal Service Funds are used to account for the charges to the primary government for the use of the District provided health insurance plans. The measurement focus is dependent upon determination of net income, financial position, and cash flows.

- § *Health Insurance Fund* – This fund is used to account for the health insurance plan provided by the District to its employees. The premiums charged are allocated to the District funds that employ those covered by the health insurance plan.
- § *Dental Insurance Fund* – This fund is used to account for the dental insurance plan provided by the District to its employees. The premiums charged are allocated to the District funds that employ those covered by the dental insurance plan.

Agency Funds are used to account for assets held by the District in an agent capacity.

- § *Pupil Activity Fund* - This fund is used to account for revenues and expenditures associated with class and club activities.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the District's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales, services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

For the purposes of the statement of cash flows, the District considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The District pools all cash on an entity-wide basis for management and investment purposes. Each fund has an interest in the pool, which is available upon demand.

Investments in securities are stated at fair value. Investments in joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/ payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund receivables/payables within governmental activities are eliminated in the statement of net position. All other interfund transactions are reported as transfers.

Property taxes are levied by the Board of Education. The levy is based on assessed valuations determined by the County Assessor generally as of January 1st of each year. The levy is set by December 15th by certification to the County Commissioners to put the tax lien on the individual properties as of December of each year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30th or, if in equal installments, at the taxpayer's election, on February 28th and June 15th.

Delinquent taxpayers are notified in August and tax sales of the liens on delinquent properties are held in November. The County Treasurer generally remits the taxes collected monthly to the District.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. Prepaid items are recognized using the consumption method.

Inventories

Inventories are held by the General Fund and the Food Service Fund and are valued at cost using the first-in/first-out (FIFO) method. The District utilizes the purchase method of accounting for inventory. The Federal government donates surplus commodities to supplement the National School Lunch and Breakfast Programs. Such commodities are recorded as non-operating revenues when expended.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value at the date of donation.

The capitalization level is \$5,000 in all funds. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50-100
Buildings - Improvements	20-30
Land Improvements	20-30
Equipment and Vehicles	5-20
Computer Software	5

Compensated Absences

Each employee of the District may accumulate a total of 90 days of sick leave; however, employees are paid for the accumulated sick leave upon retirement.

The District accrues a liability for compensated absences, which meet the following criteria:

- § The District's obligation relating to employee rights to receive compensation for future absences is attributable to employee services already rendered.
- § The obligation relates to rights that vest or accumulate.
- § Payment of the compensation is probable.
- § The amount can be reasonably estimated.

The District budgets the available financial resources for that year's anticipated payments for compensated absences.

Unearned Grant Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the balance sheet reports a separate section of deferred inflows of resources. This represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period.

Certain amounts related to pensions must be deferred.

Accrued Salaries and Benefits

Salaries and benefits to teachers and certain other employees are paid over a twelve-month period from September 1 to August 31, but are earned over a school year of approximately nine months. The salaries earned, but unpaid, at June 30, 2016, are reflected in the financial statements as an accrued liability.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are unearned and amortized over the life of the bonds using the effective interest method.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are 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.

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.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- § *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- § *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- § *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the five categories:

- § *Nonspendable Fund Balance* – are amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures .
- § *Restricted Fund Balance* – are amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- § *Committed Fund Balance* – are amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Education, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

- § *Assigned Fund Balance* – are amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the governing body delegates the authority.
- § *Unassigned Fund Balance* – are amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/ fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

In the General Fund, the District strives to maintain a committed fund balance of no less than 10% of the general fund budgeted revenues.

Joint Ventures

The District participates in joint ventures created for special purposes, which are not part of the District's reporting entity. The following is a joint venture in which the District participates:

San Juan Board of Cooperative Educational Services – The District is one of nine school districts, which are members of the San Juan Board of Cooperative Educational Services (BOCES). The BOCES is a regional education service unit created under the "Board of Cooperative Services Act of 1965" of the Colorado Revised Statutes. The BOCES provides unique education services that the member districts could not provide individually on a cost-effective basis. A board, made up of representatives from each member district's board, governs the BOCES. The governing board is autonomous as to budgeting and fiscal matters. The BOCES is not fiscally dependent upon the District and is considered a joint venture under GASB Statement No. 14. Financial statements for the BOCES can be obtained by contacting the Director of Business Services at (970) 247-3261.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. The District believes the techniques and assumptions used in establishing these estimates are appropriate.

Reclassifications

Certain amounts from FY 2015 have been reclassified to conform to the FY 2016 financial statement presentation.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for current year and actual data for the prior year.

Budgets are required by Colorado State Statute for all funds. During April, the Superintendent of Schools submits to the Board of Education, a proposed budget for all funds for the fiscal year commencing the following July 1. Public hearings are conducted by the Board of Education to obtain taxpayer comments. Prior to June 30, the budget is adopted by formal resolution.

The District Director of Business Services is required by District policy to present a quarterly report to the Board of Education explaining any variances from the approved budget.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds. The appropriated budget is prepared by fund. The District's department heads may not make transfers of appropriations. The legal level of control is the fund level. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund, and the reallocation of budget line items within any department, within any fund, rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves, as established by the Board of Education. Variances between budget and actual result from the non-expenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects, and normal operating variances.

The Board of Education may authorize supplemental appropriations during the year. The Board of Education approved supplemental appropriations during the fiscal year ended June 30, 2016, which are reflected within the financial statements.

Stewardship

Total expenditures exceeded budgeted appropriations in the following funds:

Governmental Designated Grants Fund	\$ 19,008
Interscholastic Activities Fund	\$ 55,873
Capital Reserve Capital Projects Fund	\$149,283
After School Enrichment Program Fund	\$ 5,746

This may be a violation of Colorado State Statute 22-44-115(1).

NOTE 2 CASH AND CASH EQUIVALENTS

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

	Bank Balance	Carrying Balance
Cash on Hand and in Banks	\$ 1,515,498	\$ 1,076,318
Cash with Fiscal Agent	1,900,000	1,900,000
ColoTrust	25,710,552	25,710,552
Total Deposits	\$ 29,126,050	\$ 28,686,870
Governmental Activities		\$ 28,316,485
Business-type Activities		31,077
Pupil Activity Agency Fund		339,308
		\$ 28,686,870

Deposits

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

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. At June 30, 2016, \$1,265,498 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

The District does not have a policy relating to interest rate risk.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- § Obligations of the United States and certain U.S. government agencies’ securities
- § Certain international agencies’ securities
- § General obligation and revenue bonds of U.S. local government entities
- § Banker’s acceptance of certain banks
- § Commercial paper holding the highest credit rating category and with a maturity within 180 days
- § Local government investment pools
- § Written repurchase agreements collateralized by certain authorized securities
- § Certain money market funds
- § Guaranteed investment contracts

As of June 30, 2016, the District had the following investments .

Investments	Maturity	Total	Rating
Colotrust	Less than 1 year	\$ 5,710,552	AAAm

State law limits investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments, including bank obligations, general obligation bonds, and commercial paper, are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more of the nationally recognized rating agencies. COLOTRUST has over \$1 billion in assets, is rated AAAm by Standard and Poors, and maintains a constant net asset value of \$1 per share. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. Financial statements for COLOTRUST are available on www.colotrust.com .

Cash with Fiscal Agent

The District had \$1,900,000 held in an escrow checking account by the financial institution that is financing the acquisition, construction, equipping, and installation of track and field improvements at Durango High School and Escalante Middle School.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 INTERFUND TRANSACTIONS AND INTERNAL BALANCES

Significant interfund transfers included are for activities supported by General Fund revenues. Interfund transfers recorded at the fund level and eliminated at the government-wide level at June 30, 2016, are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 1,708,374
Capital Reserve Capital Projects Fund	400,000	-
Food Service Fund	292,650	-
Interscholastic Activities Fund	965,224	-
After School Enrichment Program Fund	50,500	-
Total	<u>\$ 1,708,374</u>	<u>\$ 1,708,374</u>

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in the governmental and business-type capital assets for the year ended June 30, 2016:

	<u>Balance</u>			<u>Balance</u>
	<u>6/30/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2016</u>
<i>Governmental Activities</i>				
Non-depreciable				
Land and Improvements	\$ 6,415,255	\$ -	\$ -	\$ 6,415,255
Construction in Progress	164,850	1,244,413	(94,540)	1,314,723
Total Non-depreciable	<u>6,580,105</u>	<u>1,244,413</u>	<u>(94,540)</u>	<u>7,729,978</u>
Depreciable				
Land Improvements	535,912	-	-	535,912
Buildings and Improvements	139,791,075	907,339	-	140,698,414
Equipment and Vehicles	8,331,293	650,893	-	8,982,186
Computer Software	2,048,279	-	-	2,048,279
Total Depreciable	<u>150,706,559</u>	<u>1,558,232</u>	<u>-</u>	<u>152,264,791</u>
Accumulated Depreciation				
Land Improvements	(135,325)	(32,100)	-	(167,425)
Buildings and Improvements	(56,426,994)	(3,245,919)	-	(59,672,913)
Equipment and Vehicles	(5,227,525)	(842,538)	-	(6,070,063)
Computer Software	(677,052)	(457,076)	-	(1,134,128)
Total Accumulated Depreciation	<u>(62,466,896)</u>	<u>(4,577,633)</u>	<u>-</u>	<u>(67,044,529)</u>
Net Depreciable Capital Assets	<u>88,239,663</u>	<u>(3,019,401)</u>	<u>-</u>	<u>85,220,262</u>
Total Capital Assets	<u>\$ 94,819,768</u>	<u>\$ (1,774,988)</u>	<u>\$ (94,540)</u>	<u>\$ 92,950,240</u>

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

Depreciation expense was charged to the following functions:

Instructional Services	\$ 3,637,912
Pupil Support Services	502,260
Administration	34,271
Business Services	4,908
Operations and Maintenance	78,412
Transportation	227,557
Central Supporting Services	88,131
Food Services	4,182
Total	<u><u>\$ 4,577,633</u></u>

NOTE 5 SHORT-TERM LIABILITIES

Changes in Short-Term Liabilities

Short-term liability balance for the year ended June 30, 2016, was as follows:

<i>Governmental Activities:</i>	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016
Colorado School District Interest - Free Loan Program	\$ -	4,561,848	(4,561,848)	-

The District borrowed \$4,561,848 under the State Treasurer's Colorado School District Interest-Free Loan Program in order to provide cash flow during the fiscal year. The loan was repaid during the fiscal year ended June 30, 2016.

NOTE 6 LONG-TERM OBLIGATIONS

Changes in Long-Term Debt

During the period ended June 30, 2016, the following changes occurred in liabilities reported in long-term debt:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016	Due within one year
<i>Governmental Activities</i>					
General Obligation Bonds					
Series 2005 Refunding	\$ 6,555,000	\$ -	\$ 6,555,000	\$ -	\$ -
Series 2006 Refunding	5,090,000	-	1,640,000	3,450,000	1,700,000
Series 2010 Refunding	23,340,000	-	2,955,000	20,385,000	3,125,000
Series 2011 Refunding	17,200,000	-	-	17,200,000	-
Series 2015 Refunding	-	5,605,000	20,000	5,585,000	925,000
	<u>52,185,000</u>	<u>5,605,000</u>	<u>11,170,000</u>	<u>46,620,000</u>	<u>5,750,000</u>
Bond Premium	3,972,930	289,929	571,239	3,691,620	571,239
Capital Lease Agreement	2,660,968	1,900,000	196,875	4,364,093	394,030
Compensated Absences	1,169,760	90,761	-	1,260,521	105,968
Total	<u><u>\$ 59,988,658</u></u>	<u><u>\$ 7,885,690</u></u>	<u><u>\$ 11,938,114</u></u>	<u><u>\$ 55,936,234</u></u>	<u><u>\$ 6,821,237</u></u>

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

General Obligation Refunding Bond, Series 2005

The District issued General Obligation Facilities and Improvement Bonds, denominations of \$5,000, dated August 30, 2005, total issue \$22,100,000 with Supplemental "B" Interest Registered Coupons. The bonds were issued for the purpose of refunding bonds issued in 2002.

During fiscal year 2016, the District issued Series 2015 General Obligation Refunding Bonds to fully refund the Series 2005 General Obligation Refunding Bonds as an in-substance defeasance.

General Obligation Refunding Bond, Series 2006

The District issued General Obligation Facilities and Improvement Bonds, denominations of \$5,000, dated September 12, 2006, total issue \$15,925,000 with Supplemental "B" Interest Registered Coupons. The bonds were issued for the purpose of refunding bonds issued in 1996.

Interest, at a rate of 3.5% to 5.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2007 through 2018.

Bonds maturing on or before November 1, 2016, are not subject to redemption prior to maturity. Bonds maturing on November 1, 2017, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on November 1, 2016, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

General Obligation Refunding Bond, Series 2010

The District issued General Obligation Refunding Bonds, Series 2010, denominations of \$5,000, dated July 20, 2010, total issue \$26,015,000. The bonds were issued for the purpose of advance refunding a portion of the General Obligation Bonds, Series 2003. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on November 1, 2013. The advance refunding meets the requirements of an in-substance debt defeasance and the term bonds were removed from the government-wide financial statements of the District. The outstanding balance of the defeased bonds was paid in full on November 1, 2013.

Interest, at a rate of 2.0% to 5.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2010 through 2021.

The bonds are not subject to redemption prior to maturity at the option of the District.

General Obligation Refunding Bond, Series 2011

The District issued General Obligation Refunding Bonds, Series 2011 denominations of \$5,000, dated November 15, 2011, total issue \$17,200,000. The bonds were issued for the purpose of advance refunding a portion of the General Obligation Bonds, Series 2003. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on November 1, 2013. The advance refunding meets the requirements of an in-substance debt defeasance and the term bonds were removed from the Government-wide financial statements of the District. The outstanding balance of the defeased was paid in full on November 1, 2013.

Interest, at a rate of 3.0% to 5.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2021 through 2024.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

Bonds maturing on or before November 1, 2021, are not subject to redemption prior to maturity. Bonds maturing on November 1, 2022, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, in such a manner as the District may determine, on November 1, 2021, or any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

General Obligation Refunding Bond, Series 2015

The District issued General Obligation Refunding Bonds, Series 2015, denominations of \$5,000, dated August 25, 2015. The bonds were issued for the purpose of advance refunding the General Obligation Bonds, Series 2005. The face value of the old debt was \$5,675,000 and the escrow deposit was \$5,794,425. The par amount of the new debt was \$5,605,000 with a premium of \$289,929. The interest rate of the old debt ranged from 4.00% to 4.25% and the interest rate of the new debt ranges from 2.0% to 3.0%. The sum of the debt service of the old debt was \$6,430,013 and the debt service of the new debt is \$6,070,045, with a savings of \$359,968 in cash flows. The present values of the debt service cash flow are \$679,377 for the old debt versus \$211,549 for the new debt, resulting in an economic gain of \$467,828. The term of the new debt is the same as that of the remaining term of the old debt (4 years). Underwriting and other issuance costs were \$100,504. The net proceeds from the issuance of the general obligation bonds were placed into an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on November 1, 2015. The advance refunding meets the requirements of an in-substance debt defeasance and the term bonds were removed from the government-wide financial statements of the District. The outstanding balance of the defeased bonds was paid in full on November 1, 2015.

Interest, at a rate of 2.0% to 3.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2016 through 2019.

The bonds are not subject to redemption prior to maturity at the option of the District

All bonds noted above are general obligations of the District and shall be payable from general and ad valorem taxes required to be levied, without limitation as to rate, and in amounts sufficient to pay the principal and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose.

Total debt service requirements to maturity of all bonds outstanding are as follows.

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2017	\$ 5,750,000	\$ 1,872,944	\$ 7,622,944
2018	5,865,000	1,652,438	7,517,438
2019	6,650,000	1,410,413	8,060,413
2020	4,790,000	1,185,831	5,975,831
2021	4,070,000	997,363	5,067,363
2022-2025	19,495,000	1,815,438	21,310,438
Total	<u>\$ 46,620,000</u>	<u>\$ 8,934,427</u>	<u>\$ 55,554,427</u>

Capital Lease Agreements

The District obtained an annually renewable equipment lease-purchase agreement, dated August 1, 2012, for \$3,052,303 for equipment required by the McKinstry Energy Performance Contract. The equipment is included in the capital assets at a cost of \$3,052,303, with accumulated depreciation of \$1,068,305. The agreement will be repaid from the General Fund in quarterly payments of principal and interest at 2.6%.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

The District obtained an annually renewable lease purchase agreement for the acquisition, construction, equipping, and installation of track and field improvements at Durango High School and Escalante Middle School, dated June 15, 2016, for \$1,900,000. The capital improvements are included in capital assets as construction in progress at a cost of \$1,091,455. The agreement will be repaid from the Capital Projects Fund in annual payments of principal and interest at 2.05%.

The debt service requirements to maturity on leases outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 394,030	\$ 100,906	\$ 494,936
2018	412,222	91,465	503,687
2019	425,977	81,595	507,572
2020	436,123	71,449	507,572
2021	446,515	61,057	507,572
2022-2026	2,249,226	140,888	2,390,114
Total	<u>\$ 4,364,093</u>	<u>\$ 547,360</u>	<u>\$ 4,911,453</u>

Compensated Absences

Compensated absences are liquidated by the General Fund, Governmental Designated Grant Fund, Interscholastic Activity Fund, After School Enrichment Program Fund, and Food Service Fund.

NOTE 7 TAX, SPENDING, AND DEBT LIMITATION

In November of 1992, Colorado voters approved a State Constitutional amendment, referred to as the Taxpayer’s Bill of Rights (TABOR), containing tax, spending and debt limitations on the state and local governments. TABOR limits increases in revenues and expenditures to the rate of inflation and local growth. In November 1997, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District without regard to any limitations under TABOR. The Amendment is complex and subject to judicial interpretation.

The District believes it is in compliance with the requirements of this Amendment. TABOR also requires local governments to establish a reserve of 3% of fiscal year spending to be used only for declared emergencies. Net position of \$1,355,000 was restricted at June 30, 2016, to meet this requirement.

NOTE 8 RISK MANAGEMENT

Dental Insurance Fund

The District employees and their dependents participate in the District's dental self-insurance plan. Claims were paid by a Third Party Administrator (TPA) acting on behalf of the District. The administrative contract between the District and the TOA is renewable annually, and administrative fees are included in the contractual provisions. Maximum annual benefits are \$1,500-\$2,000 per year per covered individual.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

Health-Insurance Fund

The purpose of the self-insurance program is to pay medical claims of the District employees and minimize annual medical insurance costs to the District. Medical claims exceeding \$150,000 per covered individual claim liability are covered by a private insurance carrier. The self-insurance fund is funded through payroll withholdings from employees and District Funds.

The District does not report excess insurance risk liabilities unless it is probable that these risks will be exceeding insurance. There were no material changes in insurance coverage or settlements exceeding insurance coverage this past fiscal year.

The claim liability of \$565,639 reported in the Health Insurance Fund was actuarially determined to cover outstanding claims and estimated incurred, but not reported, insurance claims payable at June 30, 2016, expected to be paid within the next fiscal year. Changes in the Fund’s claim liability amount in fiscal year 2016 are as follows:

	Fiscal Year 2016
Liability at July 1	\$ 129,859
Current year claims and changes in estimates	3,691,528
Stop-loss insurance recoveries	-
Claims paid	(3,255,748)
Balance at June 30	\$ 565,639

NOTE 9 CONTINGENCIES AND COMMITMENTS

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Litigation - Various claims and lawsuits are pending against the District. After consideration of applicable insurance policy coverage and relative merits of each claim or lawsuit, it is the opinion of District counsel that the potential ultimate liability resulting from these actions, if any, will not require additional accrued reserves and will not have a material adverse financial effect on the District.

NOTE 10 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

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.

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

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

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

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

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

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$4,694,021, for the year ended June 30, 2016.

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

At June 30, 2016, the District reported a liability of \$92,614,521 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion was 0.61 percent, which was a decrease of 0.0253 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016 the District recognized pension expense of \$3,634,687. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,222,985	\$ 4,020
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	7,933,939	-
Changes in assumptions or other inputs	-	1,308,808
Changes in proportion	-	2,572,132
Differences between contributions recognized and proportionate share of contributions	10,363	-
Contributions subsequent to the measurement date	2,422,400	-
Total	<u>\$ 11,589,687</u>	<u>\$ 3,884,960</u>

\$2,422,400 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2017	\$ 1,099,256
2018	1,103,806
2019	1,464,444
2020	1,614,821
2021	-
Thereafter	-

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

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.

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 benefit.
- Refinement of the 18 month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

§ The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

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

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate 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.
- § Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- § Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- § The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount trans-

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

ferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

§ Benefit payments and contributions were assumed to be made at the end of the month.

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability	\$ 120,055,487	\$ 92,614,521	\$ 69,788,757

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer health care 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 \$270,123, \$268,988 and \$266,726, respectively, equal to their required contributions for each year.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2016, program members contributed \$357,436 for the Voluntary Investment Program.

NOTE 13 RISK OF LOSS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has property and casualty insurance with the Colorado School Districts Self-Insurance Pool, which shares risks among its members. Insurance claims have not exceeded coverage over the past three years.

NOTE 14 PUPIL ACTIVITY AGENCY FUND BUDGET AND ACTUAL

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>		
Agency Fund Receipts	\$ 650,000	\$ 650,000	\$ 531,027	\$ (118,973)
Agency Fund Disbursements	(650,000)	(675,000)	(498,123)	176,877
Increase (Decrease) in Student Activity Deposits	<u>\$ -</u>	<u>\$ (25,000)</u>	32,904	<u>\$ 57,904</u>
Beginning Balance of Student Activity Deposits			<u>291,584</u>	
Ending Balance of Student Activity Deposits			<u>\$ 324,488</u>	

DURANGO SCHOOL DISTRICT 9-R

REQUIRED SUPPLEMENTARY INFORMATION

A budgetary comparison schedule is required for the General Fund and, if applicable, each of the District's major special revenue funds. In addition, pension plan contributions and the District's proportionate share of the net pension liability is required to supplement the basic financial statements.

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended
June 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Taxes	\$ 17,814,755	\$ 18,058,181	\$ 17,961,061	\$ (97,120)
Specific Ownership Taxes	2,209,000	2,209,000	2,335,459	126,459
Intergovernmental Revenues				
Federal Sources	176,047	49,552	49,552	-
State Sources				
Equalization	20,650,222	20,678,140	20,874,848	196,708
Transportation	305,110	346,491	360,744	14,253
Other State	471,752	513,852	339,355	(174,497)
Local Sources	969,864	1,273,344	1,374,836	101,492
Interest on Investments	9,500	12,500	24,816	12,316
Miscellaneous Revenues				
Other	74,598	73,289	108,521	35,232
Total Revenues	<u>42,680,848</u>	<u>43,214,349</u>	<u>43,429,192</u>	<u>214,843</u>
EXPENDITURES				
Instructional Services	24,033,813	23,953,470	23,297,822	655,648
Supporting Services				
Pupil Support Services	4,418,938	4,680,867	4,472,188	208,679
Administration	3,555,253	3,627,508	3,563,560	63,948
Business Services	838,187	848,989	585,337	263,652
Operations and Maintenance	4,529,460	4,573,244	4,407,781	165,463
Transportation	1,349,557	1,311,310	1,148,935	162,375
Central Supporting Services	2,489,847	2,485,353	2,476,677	8,676
Other Supporting Services	60,000	105,000	53,597	51,403
Debt Service	264,240	264,240	264,240	-
Total Expenditures	<u>41,539,295</u>	<u>41,849,981</u>	<u>40,270,137</u>	<u>1,579,844</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,141,553</u>	<u>1,364,368</u>	<u>3,159,055</u>	<u>1,794,687</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,607,150)</u>	<u>(1,652,050)</u>	<u>(1,708,374)</u>	<u>(56,324)</u>
Total Other Financing Sources (Uses)	<u>(1,607,150)</u>	<u>(1,652,050)</u>	<u>(1,708,374)</u>	<u>(56,324)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (465,597)</u>	<u>\$ (287,682)</u>	1,450,681	<u>\$ 1,738,363</u>
FUND BALANCE, Beginning of Year			<u>6,157,061</u>	
FUND BALANCE, End of Year			<u>\$ 7,607,742</u>	

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.6055495021%	0.6308345451%	0.6313069838%
District's proportionate share of the net pension liability (asset)	\$ 92,614,521	\$ 85,499,271	\$ 80,523,035
District's covered-employee payroll	\$ 26,482,692	\$ 26,371,360	\$ 26,149,589
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	350%	324%	308%
Plan fiduciary net position as a percentage of the total pension liability covered-employee payroll	59.2%	62.8%	64.1%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

Notes to Required Supplementary Information

See Note 10 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA SCHDTF PENSION PLAN
For the Years Ended 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>
Contractually required contribution	\$ 4,694,021	\$ 4,452,661	\$ 3,988,576	\$ 3,742,505	\$ 3,372,726	\$ 3,125,156	\$ 3,051,293	\$ 2,859,726
Contributions in relation to the contractually required contribution	<u>(4,694,021)</u>	<u>(4,452,661)</u>	<u>(3,988,576)</u>	<u>(3,742,505)</u>	<u>(3,372,726)</u>	<u>(3,125,156)</u>	<u>(3,051,293)</u>	<u>(2,859,726)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 26,482,692	\$ 26,371,360	\$ 26,149,589	\$ 24,788,562	\$ 23,230,173	\$ 23,185,515	\$ 24,506,305	\$ 24,573,245
Contributions as a percentage of covered-employee payroll	17.72%	16.88%	15.25%	15.10%	14.52%	13.48%	12.45%	11.64%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

Notes to Required Supplementary Information

See Note 10 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used.

DURANGO SCHOOL DISTRICT 9-R

SUPPLEMENTARY INFORMATION

The combining financial statements represent the second level of financial reporting for the District. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**DURANGO SCHOOL DISTRICT 9-R
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Food Service Fund – This fund is used to account for the operations of the school breakfast and lunch programs.

Governmental Designated Grants Fund – This fund is used to account for revenues and expenditures from federal and state grants.

Interscholastic Activities Fund – This fund is used to account for revenues and expenditures associated with interscholastic athletics and activities .

DURANGO SCHOOL DISTRICT 9-R
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2016

	<u>Special Revenue Funds</u>			<u>Totals</u>
	<u>Food Service Fund</u>	<u>Governmental Designated Grants Fund</u>	<u>Inter- Scholastic Activities Fund</u>	
ASSETS				
Equity in Pooled Cash	\$ 245,673	\$ 260,196	\$ 44,670	\$ 550,539
Accounts Receivable	-	314,762	-	314,762
Materials and Supplies Inventory	19,374	-	-	19,374
Total Assets	<u>\$ 265,047</u>	<u>\$ 574,958</u>	<u>\$ 44,670</u>	<u>\$ 884,675</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 184	\$ 31,415	\$ 13,416	\$ 45,015
Accrued Salaries and Benefits	84,096	136,753	31,254	252,103
Unearned Grant Revenues	-	406,790	-	406,790
Total Liabilities	<u>84,280</u>	<u>574,958</u>	<u>44,670</u>	<u>703,908</u>
Fund Balances				
Nonspendable				
Inventory	19,374	-	-	19,374
Assigned for				
Food Service	161,393	-	-	161,393
Total Fund Balances	<u>180,767</u>	<u>-</u>	<u>-</u>	<u>180,767</u>
Total Liabilities and Fund Balances	<u>\$ 265,047</u>	<u>\$ 574,958</u>	<u>\$ 44,670</u>	<u>\$ 884,675</u>

DURANGO SCHOOL DISTRICT 9-R
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended
June 30, 2016

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Food Service Fund</u>	<u>Governmental Designated Grants Fund</u>	<u>Inter- Scholastic Activities Fund</u>	
REVENUES				
Intergovernmental				
Federal Sources	\$ 831,967	\$ 835,061	\$ -	\$ 1,667,028
State Sources	26,842	354,544	-	381,386
Local Sources	480,740	294,676	-	775,416
Miscellaneous Revenues	-	-	125,300	125,300
Total Revenues	<u>1,339,549</u>	<u>1,484,281</u>	<u>125,300</u>	<u>2,949,130</u>
EXPENDITURES				
Instructional Services	-	945,396	899,189	1,844,585
Supporting Services				
Pupil Support Services	-	454,288	192,317	646,605
Food Services	1,480,152	-	-	1,480,152
Other Supporting Services	-	6,971	-	6,971
Capital Outlay	-	77,626	-	77,626
Total Expenditures	<u>1,480,152</u>	<u>1,484,281</u>	<u>1,091,506</u>	<u>4,055,939</u>
EXCESS (DEFICIENCY) OF OVER EXPENDITURES	<u>(140,603)</u>	<u>-</u>	<u>(966,206)</u>	<u>(1,106,809)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>292,650</u>	<u>-</u>	<u>965,224</u>	<u>1,257,874</u>
Total Other Financing Sources (Uses)	<u>292,650</u>	<u>-</u>	<u>965,224</u>	<u>1,257,874</u>
NET CHANGE IN FUND BALANCE	152,047	-	(982)	151,065
FUND BALANCE, Beginning of Year	<u>28,720</u>	<u>-</u>	<u>982</u>	<u>29,702</u>
FUND BALANCE, End of Year	<u>\$ 180,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,767</u>

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Fiscal Year Ended
June 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Federal Sources	\$ 732,999	\$ 732,999	\$ 831,967	\$ 98,968
State Sources	25,061	25,061	26,842	1,781
Local Sources	438,694	438,694	480,740	42,046
	<u>1,196,754</u>	<u>1,196,754</u>	<u>1,339,549</u>	<u>142,795</u>
EXPENDITURES				
Supporting Services				
Food Services				
Salaries and Benefits	740,500	740,500	720,767	19,733
Purchased Services	38,228	38,228	18,774	19,454
Materials and Supplies				
Food and Milk	665,598	665,598	691,823	(26,225)
Other Operating	47,100	47,100	48,788	(1,688)
	<u>1,491,426</u>	<u>1,491,426</u>	<u>1,480,152</u>	<u>11,274</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(294,672)</u>	<u>(294,672)</u>	<u>(140,603)</u>	<u>154,069</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	292,650	292,650	292,650	-
	<u>292,650</u>	<u>292,650</u>	<u>292,650</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,022)</u>	<u>\$ (2,022)</u>	152,047	<u>\$ 154,069</u>
FUND BALANCE, Beginning of Year			<u>28,720</u>	
FUND BALANCE, End of Year			<u>\$ 180,767</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL DESIGNATED GRANTS FUND
For the Fiscal Year Ended
June 30, 2016

	Budget		Actual	Variance with Budget
	Original	Amended		
REVENUES				
Intergovernmental				
Federal Sources	\$ 925,000	\$ 768,037	\$ 835,061	\$ 67,024
State Sources	300,000	254,235	354,544	100,309
Local Sources	225,000	443,001	294,676	(148,325)
	<u>1,450,000</u>	<u>1,465,273</u>	<u>1,484,281</u>	<u>19,008</u>
Total Revenues				
EXPENDITURES				
Instructional Services				
Salaries	435,000	434,876	469,301	(34,425)
Benefits	142,500	150,184	151,131	(947)
Purchased Services	155,000	121,510	201,298	(79,788)
Supplies and Materials	30,900	58,696	89,148	(30,452)
Other	48,500	15,962	34,518	(18,556)
Total Instructional Services	<u>811,900</u>	<u>781,228</u>	<u>945,396</u>	<u>(164,168)</u>
Supporting Services				
Pupil Support Services	581,100	446,832	454,288	(7,456)
Business Services	-	4,000	-	4,000
Other Supporting Services	-	3,500	676	2,824
Food Services	-	19,411	-	19,411
Community Services	-	6,395	6,295	100
Total Supporting Services	<u>581,100</u>	<u>480,138</u>	<u>461,259</u>	<u>18,879</u>
Capital Outlay	<u>-</u>	<u>203,907</u>	<u>77,626</u>	<u>126,281</u>
Total Expenditures	<u>1,393,000</u>	<u>1,465,273</u>	<u>1,484,281</u>	<u>(19,008)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 57,000</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, Beginning of Year			<u>-</u>	
FUND BALANCE, End of Year			<u>\$ -</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
INTERSCHOLASTIC ACTIVITIES FUND
For the Fiscal Year Ended
June 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Miscellaneous Revenues				
Other	\$ 126,808	\$ 126,808	\$ 125,300	\$ (1,508)
Total Revenues	<u>126,808</u>	<u>126,808</u>	<u>125,300</u>	<u>(1,508)</u>
EXPENDITURES				
Instructional Services	758,126	807,863	899,189	(91,326)
Supporting Services				
Pupil Support Services	<u>232,607</u>	<u>227,770</u>	<u>192,317</u>	<u>35,453</u>
Total Expenditures	<u>990,733</u>	<u>1,035,633</u>	<u>1,091,506</u>	<u>(55,873)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(863,925)</u>	<u>(908,825)</u>	<u>(966,206)</u>	<u>(57,381)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>864,000</u>	<u>908,900</u>	<u>965,224</u>	<u>56,324</u>
Total Other Financing Sources (Uses)	<u>864,000</u>	<u>908,900</u>	<u>965,224</u>	<u>56,324</u>
NET CHANGE IN FUND BALANCE	<u>\$ 75</u>	<u>\$ 75</u>	(982)	<u>\$ (1,057)</u>
FUND BALANCE, Beginning of Year			<u>982</u>	
FUND BALANCE, End of Year			<u>\$ -</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL RESERVE CAPITAL PROJECTS FUND
For the Fiscal Year Ended
June 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Intergovernmental				
State Sources	\$ 89,672	\$ 89,672	\$ 74,815	\$ (14,857)
Intermediate Sources	320,393	320,393	562,188	241,795
Local Sources	150,000	150,000	27,837	(122,163)
Total Revenues	<u>560,065</u>	<u>560,065</u>	<u>664,840</u>	<u>104,775</u>
EXPENDITURES				
Instructional Services	-	1,000	651	349
Supporting Services				
Business	-	11,000	11,024	(24)
Operations and Maintenance	345,700	366,700	220,647	146,053
Transportation	151,000	151,000	228,892	(77,892)
Central	139,874	138,874	106,813	32,061
Food Services	40,000	40,000	13,422	26,578
Capital Outlay	1,629,482	1,643,482	1,919,890	(276,408)
Total Expenditures	<u>2,306,056</u>	<u>2,352,056</u>	<u>2,501,339</u>	<u>(149,283)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(1,745,991)</u>	<u>(1,791,991)</u>	<u>(1,836,499)</u>	<u>(44,508)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Land	-	-	142,342	142,342
Capital Lease Proceeds	-	-	1,900,000	1,900,000
Transfers In	400,000	400,000	400,000	-
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>2,442,342</u>	<u>2,042,342</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ (1,345,991)</u>	<u>\$ (1,391,991)</u>	605,843	<u>\$ 1,997,834</u>
FUND BALANCE, Beginning of Year			<u>1,562,014</u>	
FUND BALANCE, End of Year			<u>\$ 2,167,857</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended
June 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Taxes	\$ 8,774,992	\$ 8,550,890	\$ 8,587,797	\$ 36,907
Interest on Investments	7,250	10,500	21,622	11,122
Total Revenues	<u>8,782,242</u>	<u>8,561,390</u>	<u>8,609,419</u>	<u>48,029</u>
EXPENDITURES				
Debt Service				
Principal	5,475,000	5,495,000	5,495,000	-
Interest	2,165,775	2,035,170	2,035,170	-
Other	121,720	102,754	102,754	-
Total Expenditures	<u>7,762,495</u>	<u>7,632,924</u>	<u>7,632,924</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,019,747</u>	<u>928,466</u>	<u>976,495</u>	<u>48,029</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of Refunding Bonds	5,916,703	5,605,000	5,608,890	3,890
Premium on Refunding Bonds	-	289,929	289,929	-
Payment to Refunded Bond Escrow Agent	(5,794,425)	(5,794,425)	(5,794,425)	-
Total Other Financing Sources (Uses)	<u>122,278</u>	<u>100,504</u>	<u>104,394</u>	<u>3,890</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,142,025</u>	<u>\$ 1,028,970</u>	1,080,889	<u>\$ 51,919</u>
FUND BALANCE, Beginning of Year			<u>9,379,652</u>	
FUND BALANCE, End of Year			<u>\$ 10,460,541</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
AFTER SCHOOL ENRICHMENT PROGRAM FUND
For the Fiscal Year Ended
June 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
OPERATING REVENUES				
Charges for Services				
Tuition	\$ 305,000	\$ 305,000	\$ 319,874	\$ 14,874
Total Operating Revenues	<u>305,000</u>	<u>305,000</u>	<u>319,874</u>	<u>14,874</u>
OPERATING EXPENSES				
Salaries and Benefits	326,833	326,833	332,731	(5,898)
Purchased Services	18,550	18,550	18,573	(23)
Supplies and Materials	6,600	6,600	6,375	225
Other	3,403	3,403	3,453	(50)
Total Operating Expenses	<u>355,386</u>	<u>355,386</u>	<u>361,132</u>	<u>(5,746)</u>
OPERATING INCOME (LOSS)	(50,386)	(50,386)	(41,258)	9,128
TRANSFERS IN	<u>50,500</u>	<u>50,500</u>	<u>50,500</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ 114</u>	<u>\$ 114</u>	9,242	<u>\$ 9,128</u>
NET POSITION, Beginning of Year			<u>213</u>	
NET POSITION, End of Year			<u>\$ 9,455</u>	

DURANGO SCHOOL DISTRICT 9-R
COMBINING SCHEDULE OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2016

	Dental Insurance Fund	Health Insurance Fund	Total
ASSETS			
Current Assets			
Equity in Pooled Cash and Investments	\$ 122,180	\$ 3,587,886	\$ 3,710,066
Accounts Receivable	-	15,000	15,000
	<hr/>	<hr/>	<hr/>
Total Assets	122,180	3,602,886	3,725,066
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Current Liabilities			
Incurred but Unreported Medical Claims	-	565,639	565,639
Unearned Revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	-	565,639	565,639
	<hr/>	<hr/>	<hr/>
NET POSITION			
Unrestricted	122,180	3,037,247	3,159,427
	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$ 122,180</u>	<u>\$ 3,037,247</u>	<u>\$ 3,159,427</u>

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - INTERNAL SERVICE FUNDS
For the Fiscal Year Ended
June 30, 2016

	Dental Insurance Fund	Health Insurance Fund	Total
OPERATING REVENUES			
Charges for Services	\$ 363,822	\$ 4,268,084	\$ 4,631,906
Total Operating Revenues	<u>363,822</u>	<u>4,268,084</u>	<u>4,631,906</u>
OPERATING EXPENSES			
Purchased Services	<u>304,703</u>	<u>4,431,147</u>	<u>4,735,850</u>
Total Operating Expenses	<u>304,703</u>	<u>4,431,147</u>	<u>4,735,850</u>
OPERATING INCOME (LOSS)	<u>59,119</u>	<u>(163,063)</u>	<u>(103,944)</u>
NON-OPERATING REVENUES			
Interest on Investments	<u>15</u>	<u>10,626</u>	<u>10,641</u>
Total Non-Operating Revenues	<u>15</u>	<u>10,626</u>	<u>10,641</u>
CHANGE IN NET POSITION	59,134	(152,437)	(93,303)
NET POSITION, Beginning of Year	<u>63,046</u>	<u>3,189,684</u>	<u>3,252,730</u>
NET POSITION, End of Year	<u>\$ 122,180</u>	<u>\$ 3,037,247</u>	<u>\$ 3,159,427</u>

DURANGO SCHOOL DISTRICT 9-R
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended
June 30, 2016

	Dental Insurance Fund	Health Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Others	\$ 363,822	\$4,253,084	\$4,616,906
Cash Payments for Goods and Services	(304,703)	(3,995,367)	(4,300,070)
Net Cash Provided (Used) by Operating Activities	<u>59,119</u>	<u>257,717</u>	<u>316,836</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	15	10,626	10,641
Net Cash Provided (Used) by Investing Activities	<u>15</u>	<u>10,626</u>	<u>10,641</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	59,134	268,343	327,477
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>63,046</u>	<u>3,319,543</u>	<u>3,382,589</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 122,180</u></u>	<u><u>\$3,587,886</u></u>	<u><u>\$3,710,066</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
OPERATING INCOME (LOSS)	\$ 59,119	\$ (163,063)	\$ (103,944)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
(Increase) Decrease in Assets			
Accounts Receivable	-	(15,000)	(15,000)
Increase (Decrease) in Liabilities			
Incurred but Unreported Medical Claims	-	435,780	435,780
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 59,119</u></u>	<u><u>\$ 257,717</u></u>	<u><u>\$ 316,836</u></u>

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
DENTAL INSURANCE FUND
For the Fiscal Year Ended
June 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
OPERATING REVENUES				
Premium Revenues	\$ 355,000	\$ 365,000	\$ 363,822	\$ (1,178)
Total Operating Revenues	<u>355,000</u>	<u>365,000</u>	<u>363,822</u>	<u>(1,178)</u>
OPERATING EXPENSES				
Purchased Services				
Dental Claims	285,000	285,000	275,046	9,954
Administrative Costs	29,000	29,000	29,657	(657)
Total Operating Expenses	<u>314,000</u>	<u>314,000</u>	<u>304,703</u>	<u>9,297</u>
OPERATING INCOME (LOSS)	<u>41,000</u>	<u>51,000</u>	<u>59,119</u>	<u>8,119</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest on Investments	-	-	15	15
Contingency Reserve	(20,000)	(20,000)	-	20,000
Total Non-Operating Revenues (Expenses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>15</u>	<u>20,015</u>
CHANGE IN NET POSITION	<u>\$ 21,000</u>	<u>\$ 31,000</u>	59,134	<u>\$ 28,134</u>
NET POSITION, Beginning of Year			<u>63,046</u>	
NET POSITION, End of Year			<u>\$ 122,180</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
HEALTH INSURANCE FUND
For the Fiscal Year Ended
June 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
OPERATING REVENUES				
Premium Revenues	\$ 4,100,000	\$ 4,160,000	\$ 4,268,084	\$ 108,084
Total Operating Revenues	<u>4,100,000</u>	<u>4,160,000</u>	<u>4,268,084</u>	<u>108,084</u>
OPERATING EXPENSES				
Purchased Services				
Medical and Prescription Claims	3,000,000	3,250,000	3,613,893	(363,893)
Administrative Costs	<u>737,500</u>	<u>737,500</u>	<u>817,254</u>	<u>(79,754)</u>
Total Operating Expenses	<u>3,737,500</u>	<u>3,987,500</u>	<u>4,431,147</u>	<u>(443,647)</u>
OPERATING INCOME (LOSS)	<u>362,500</u>	<u>172,500</u>	<u>(163,063)</u>	<u>(335,563)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest on Investments	3,500	6,000	10,626	4,626
Contingency Reserve	<u>(750,000)</u>	<u>(700,000)</u>	<u>-</u>	<u>700,000</u>
Total Non-Operating Revenues (Expenses)	<u>(746,500)</u>	<u>(694,000)</u>	<u>10,626</u>	<u>704,626</u>
CHANGE IN NET POSITION	<u>\$ (384,000)</u>	<u>\$ (521,500)</u>	<u>(152,437)</u>	<u>\$ 369,063</u>
NET POSITION, Beginning of Year			<u>3,189,684</u>	
NET POSITION, End of Year			<u>\$ 3,037,247</u>	

DURANGO SCHOOL DISTRICT 9-R STATISTICAL SECTION

This part of the Durango School District 9-R Comprehensive Annual Financial Report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Financial Trend Data

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity Data

These schedules contain information to help the reader assess the District's most significant local revenue source, the ad valorem property tax.

Debt Capacity Data

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial reports relate to the services the District provides and the activities it performs.

DURANGO SCHOOL DISTRICT 9-R

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Invested in Capital Assets, Net	\$ 4,401,363	\$ 7,834,559	\$ 13,746,012	\$ 19,007,479	\$ 19,041,179	\$ 20,979,725	\$ 27,267,945	\$ 32,359,384	\$ 36,000,870	\$ 37,014,006
of Related Debt	12,714,070	13,067,630	12,905,815	13,474,134	13,545,374	13,339,942	10,904,766	11,250,465	10,777,931	12,033,056
Restricted	5,938,458	6,142,842	4,554,722	5,139,143	9,907,490	12,140,395	11,117,725	7,854,541	(72,603,748)	(73,252,267)
Unrestricted										
Total Governmental Activities	23,053,891	27,045,031	31,206,549	37,620,756	42,494,043	46,460,062	49,290,436	51,464,390	(25,824,947)	(24,205,205)
Business-Type Activities										
Invested in Capital Assets, Net	136,476	157,111	136,747	116,382	96,019	86,295	65,371	44,447	-	-
of Related Debt	(136,378)	(148,580)	(121,465)	(99,368)	4,662	95,834	84,371	48,888	213	9,455
Unrestricted										
Total Business-Type Activities	98	8,531	15,282	17,014	100,681	182,129	149,742	93,335	213	9,455
Primary Government										
Invested in Capital Assets, Net	4,537,839	7,991,670	13,882,759	19,123,861	19,137,198	21,066,020	27,333,316	32,403,831	36,000,870	37,014,006
of Related Debt	12,714,070	13,067,630	12,905,815	13,474,134	13,545,374	13,339,942	10,904,766	11,250,465	10,777,931	12,033,056
Restricted	5,802,080	5,994,262	4,433,257	5,039,775	9,912,152	12,236,229	11,202,096	7,903,429	(72,603,535)	(73,242,812)
Unrestricted										
Total Primary Government	\$ 23,053,989	\$ 27,053,562	\$ 31,221,831	\$ 37,637,770	\$ 42,594,724	\$ 46,642,191	\$ 49,440,178	\$ 51,557,725	\$ (25,824,734)	\$ (24,195,750)

Source: District Records (Statement of Net Assets)

DURANGO SCHOOL DISTRICT 9-R
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Instruction:	\$ 30,392,110	\$ 30,228,826	\$ 27,796,309	\$ 26,619,730	\$ 24,736,092	\$ 25,102,282	\$ 25,670,050	\$ 28,256,393	\$ 30,533,314	\$ 31,160,154
Pupil Activities:	571,309	608,695	4,356,563	4,458,432	4,141,938	4,183,619	5,216,886	4,897,196	5,422,972	5,999,118
Instructional Support:	2,640,140	2,942,601	2,904,494	3,000,950	2,979,699	2,932,044	3,253,769	3,443,568	3,708,965	3,921,263
Business Services:	471,229	579,162	569,778	341,940	528,313	604,429	623,676	623,676	623,676	638,094
Maintenance & Operations:	3,947,456	4,341,866	4,495,926	4,394,543	3,906,783	4,150,919	3,906,412	4,055,091	4,809,775	4,809,893
Transportation:	2,285,517	1,519,729	1,433,140	1,433,834	1,300,587	1,079,558	1,333,446	1,513,448	1,524,945	1,490,801
Food Services:	1,478,864	3,454,233	2,093,192	2,114,114	1,960,251	1,983,212	2,703,123	2,301,344	2,434,996	2,675,149
Other Community Services:			156,630	294,015	211,754	371,675	407,936	2,382,927	1,547,229	1,414,038
Interest & Fiscal Charges:	6,683,138	4,365,593	3,637,702	3,725,710	5,886,291	3,814,263	2,282,927	2,383,589	2,482,220	143,115
Total Governmental Activities Expenses:	48,469,763	48,040,705	47,443,734	46,373,268	45,651,708	43,878,001	45,059,231	47,476,305	53,312,040	53,950,432
Business-Type Activities:										
Food Services:	1,228,833	1,315,883	1,340,448	1,409,978	1,357,841	1,383,644	1,472,783	1,527,802	362,361	361,132
After School Enrichment Program:	1,228,833	1,315,883	1,340,448	1,409,978	1,357,841	1,383,644	1,472,783	1,527,802	362,361	361,132
Total Business-Type Activities:	49,698,596	49,356,588	48,784,182	47,783,246	47,009,549	45,442,818	46,727,499	49,347,698	53,674,401	54,311,564
Program Revenues										
Governmental Activities:										
Operating Grants, Contributions & Interest:	2,512,198	1,948,295	1,826,456	2,353,852	3,587,981	2,282,646	2,769,917	2,844,832	3,842,531	3,752,647
Capital Grants & Contributions:			14,855		57,659	84,211	56,855	371,538	431,160	2,331
Charges for Services and Sales-Tuition:	263,347	240,789	229,284	252,231	171,263	181,412	223,033	504,353	1,021,198	1,264,208
Charges for Services and Sales-Other:				281,987	430,897	223,033	423,748			
Total Governmental Activities Program Revenues:	2,775,545	2,189,084	2,070,595	2,888,070	4,247,800	2,771,302	3,250,520	3,720,523	5,294,889	5,019,186
Business-Type Activities:										
Charges for Services and Sales:	506,065	526,360	524,663	519,408	547,875	704,222	698,608	709,095	297,714	319,874
Operating Grants, Contributions & Interest:	588,866	525,297	702,536	717,302	775,401	728,757	814,273	811,391		
Total Business-Type Activities Program Revenues:	1,094,931	1,051,657	1,227,199	1,236,710	1,323,276	1,482,979	1,512,881	1,520,486	297,714	319,874
Total Primary Government Program Revenues	3,870,476	3,240,741	3,297,794	4,124,780	5,571,076	4,254,281	4,763,401	5,241,009	5,592,603	5,339,060
Net (Expense)/ Revenue	(45,694,218)	(45,851,621)	(45,373,139)	(43,485,198)	(41,403,908)	(41,106,699)	(41,808,711)	(43,755,782)	(48,017,151)	(48,931,246)
Governmental Activities:	(183,902)	(264,226)	(113,249)	(173,268)	(34,565)	(81,838)	(155,387)	(350,907)	(64,647)	(41,258)
Business-Type Activities:	(45,430,316)	(45,587,395)	(45,259,890)	(43,311,930)	(41,369,343)	(41,024,861)	(41,653,324)	(43,404,875)	(47,952,504)	(48,689,988)
Total Primary Government Net Expense	(45,878,120)	(46,115,847)	(45,486,388)	(43,658,466)	(41,438,473)	(41,188,537)	(41,964,098)	(44,106,689)	(48,081,798)	(48,972,504)
General Revenues & Other Changes in Net Assets										
Governmental Activities:										
Taxes:	33,118,941	32,330,868	32,233,430	33,488,033	28,722,795	27,762,586	27,299,742	26,479,304	28,584,042	28,936,827
State Equalization:	15,349,512	15,239,601	16,228,255	15,707,623	16,927,048	16,851,601	17,038,215	19,138,711	20,074,131	20,874,848
Investment Earnings:	659,339	582,044	248,816	88,967	116,468	118,254	36,479	19,817	16,860	46,438
Amortization of Bond Premium:	90,940	102,183								
Gain on Sale of Land:	1,972,235	1,904,891	944,156	789,782	605,884	500,063	475,147	586,404	358,521	142,342
Miscellaneous:	(184,000)	(185,000)	(120,000)	(120,000)	(95,000)	(123,000)	(123,000)	(294,500)	(63,500)	(50,500)
Transfer:	49,006,967	49,974,587	49,534,657	49,899,405	46,277,195	45,109,504	44,726,583	45,929,736	48,970,054	50,550,988
Total Governmental Activities:	184,000	185,000	120,000	175,000	23,232	3,500	123,000	294,500	63,500	50,500
Other sources:	184,000	185,000	120,000	175,000	95,000	123,000	123,000	294,500	63,500	50,500
Transfer:	184,000	185,000	120,000	175,000	118,232	126,500	123,000	294,500	63,500	50,500
Total Business-Type Activities	49,190,967	50,247,246	49,654,657	50,074,405	46,395,427	45,236,004	44,849,583	46,224,236	49,033,554	50,601,488
Changes in Net Position	3,312,749	4,122,966	4,161,518	6,414,207	4,873,287	4,002,805	2,917,872	2,173,954	952,903	1,619,742
Governmental Activities:									(78,242,240)	
Change in Accounting Principle:									(1,147)	
Business-Type Activities:	98	8,433	6,751	1,732	83,667	44,662	(32,387)	(56,407)	(91,975)	9,242
Change in Accounting Principle:										
Business-Type:										
Total Business-Type:										
Change in Net Position:	\$ 3,312,847	\$ 4,131,399	\$ 4,168,269	\$ 6,415,939	\$ 4,956,954	\$ 4,047,467	\$ 2,885,485	\$ 2,117,547	\$ (77,382,459)	\$ 1,628,984

Source: District Records (Statement of Activities)

DURANGO SCHOOL DISTRICT 9-R
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable					\$ 80,363	\$ 73,981	\$ 82,608	\$ 60,763	\$ 76,261	\$ 58,549
Restricted					3,951,696	3,990,216	3,574,852	1,975,477	1,300,000	1,355,000
Committed					3,151,337	3,162,615	3,090,898	2,830,018	2,926,702	2,987,919
Assigned					1,335,063	1,985,512	2,117,852	822,535	852,354	696,385
Unassigned					1,154,274	1,753,356	436,717	950,296	1,001,744	2,509,889
Total General Fund					9,672,733	10,965,680	9,302,927	6,639,089	6,157,061	7,607,742
All Other Governmental Funds										
Nonspendable									28,720	19,374
Restricted					12,495,374	12,289,942	9,704,766	10,050,465	9,576,262	12,578,056
Committed									900,000	
Assigned					566,783	556,880	1,657,521	1,125,410	466,386	211,735
Unassigned										
Total all other governmental funds					13,062,157	12,846,822	11,362,287	11,407,557	10,971,368	12,809,165
General Fund										
Reserved	\$ 1,401,234	\$ 1,435,204	\$ 1,486,896	\$ 1,504,770						
Unreserved	3,708,638	3,316,051	2,579,562	4,490,367						
Total General Fund	5,109,872	4,751,255	4,066,458	5,995,137						
Reserved, Reported in:										
Capital Projects Fund	11,631,826	11,967,630	11,816,706	12,309,134						
Special Revenue Funds	32,244			669,783						
Total All Other Governmental Funds	1,908,381	2,304,590	955,890							
Total All Other Governmental Funds	13,572,451	14,272,220	12,772,596	12,978,917						
Total Governmental Funds	\$ 18,682,323	\$ 19,023,475	\$ 16,839,054	\$ 18,974,054	\$ 22,734,890	\$ 23,812,502	\$ 20,665,214	\$ 18,046,646	\$ 17,128,429	\$ 20,416,907

Source: District Records (Balance Sheet - Governmental Funds)

DURANGO SCHOOL DISTRICT 9-R
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Taxes	\$ 32,704,635	\$ 31,899,501	\$ 31,793,685	\$ 34,159,116	\$ 28,662,925	\$ 28,143,157	\$ 27,422,251	\$ 26,729,197	\$ 28,109,416	\$ 28,884,317
Intergovernmental:										
Federal	1,334,675	1,264,269	997,009	1,285,284	2,583,554	1,142,634	1,125,808	1,447,177	1,892,374	1,716,580
State	14,704,450	16,366,302	17,545,575	16,728,969	17,716,416	17,454,483	17,739,314	20,105,493	21,212,985	22,031,148
County or Intermediate	340,785	638,846								562,188
Local	235,303	8,353	329,829	599,994		654,336	1,295,979	1,214,676	2,419,147	2,178,089
Interest	659,339	582,044	248,816	88,967	116,468	118,254	36,479	19,817	16,860	46,438
Miscellaneous	1,482,079	1,055,806	685,567	930,725	876,110	867,064	602,781	678,292	203,035	233,821
Total Revenues	51,461,266	51,815,121	51,270,652	53,522,890	50,555,467	48,379,928	48,222,612	50,194,652	53,853,817	55,652,581
EXPENDITURES										
Current:										
Instructional	\$ 31,577,576	\$ 34,746,622	\$ 24,534,816	\$ 23,376,126	\$ 22,374,053	\$ 23,324,763	\$ 23,586,017	\$ 25,098,635	\$ 25,273,438	\$ 25,143,058
Supporting Services	5,316,245	3,593,578	15,508,742	15,521,562	15,386,056	15,491,949	17,310,118	17,498,558	18,775,786	19,422,601
Capital Outlay	1,748,539	1,104,560	2,072,507	1,212,977	434,661	725,386	3,611,798	2,042,214	2,705,635	1,997,516
Debt Service:										
Principal	4,820,000	6,895,000	7,115,000	7,385,000	4,925,000	5,045,000	7,275,000	5,070,000	4,270,000	5,495,000
Interest	6,257,113	4,365,593	4,093,858	3,823,283	3,056,623	3,057,726	2,825,235	2,569,300	3,392,150	2,035,170
Other	780,539	451,790	10,150	4,610	197,999	186,964	156,157	240,013	248,193	366,994
Total Expenses	50,500,012	51,157,143	53,335,073	51,323,558	46,374,392	47,831,788	54,764,325	52,518,720	54,665,202	54,460,339
Excess (Deficiency) of Revenues Over (Under) Expenditures	961,254	657,978	(2,064,421)	2,199,332	4,181,075	548,140	(6,541,713)	(2,324,068)	(811,385)	1,192,242
Other Financing Sources (Uses)										
Sale of Fixed Assets or Land				110,668	4,658	4,449				142,342
Proceeds of the State Loan Program	2,345,112	5,574,951	6,572,599	5,337,625	428,052					
Payments to the State	(2,345,112)	(5,574,951)	(6,572,599)	(5,337,625)	(428,052)					
Bonds Issued	16,233,444			29,826,260	17,200,000					5,608,890
Bond Refunding	(16,393,430)			(19,385,162)	(29,632,546)					(5,794,425)
Premium on Bond Issued	514,500			2,325,499						289,929
Lease Proceeds					3,052,303					1,900,000
Transfers/ Allocation In	1,474,816	1,575,400	2,601,018	2,665,249	2,762,070	1,444,128	3,811,091	2,378,869	3,133,604	1,657,874
Transfers/ Allocation Out	(1,658,816)	(1,760,400)	(2,721,018)	(2,840,249)	(3,380,681)	(1,567,128)	(3,934,091)	(2,673,369)	(3,197,104)	(1,708,374)
Total Other Financing Sources (Uses)	170,514	(185,000)	(120,000)	(64,332)	(420,239)	21,786	2,929,303	(294,500)	(63,500)	2,096,236
Net Change in Fund Balances	\$ 1,131,768	\$ 472,978	\$ (2,184,421)	\$ 2,135,000	\$ 3,760,836	\$ 569,926	\$ (3,612,410)	\$ (2,618,568)	\$ (874,885)	\$ 3,288,478
Debt Service as a Percentage of Noncapital Expenditures	22.72%	22.36%	21.60%	22.24%	17.58%	16.94%	18.44%	14.55%	14.02%	13.83%

Source: District Records (Statement of Revenues, Expenditures, and Changes in Net Assets - Governmental Funds)

DURANGO SCHOOL DISTRICT 9-R

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Assessment Year	Fiscal Year	Durango School District 9-R										City of Durango Millage		La Plata County		Special Districts Total		Total Direct & Overlapping Rates (1)
		General Fund Millage	Bond Levy Millage	Override Levy Millage	ADA/Asbestos Abatement	Total District Millage	Total City Millage	Total County Millage	Special District Millage	Special District Millage	Total	Total	Total	Special District Millage	Special District Millage			
2006	2007	6.601	5.542	2.402	0.011	14.556	2.507	8.500	1.449	1.449	27.012							
2007	2008	6.601	5.713	2.519	0.356	15.189	2.507	8.693	1.416	1.416	27.805							
2008	2009	6.601	5.548	2.475	0.141	14.765	2.507	8.564	1.421	1.421	27.257							
2009	2010	6.601	5.129	2.283	0.471	14.484	2.507	8.674	1.419	1.419	27.084							
2010	2011	6.601	4.629	5.012	0.126	16.368	2.507	8.500	1.505	1.505	28.880							
2011	2012	6.601	4.470	5.226	0.071	16.368	2.507	8.500	1.564	1.564	28.939							
2012	2013	6.601	4.854	5.504	0.058	17.017	2.507	8.500	1.585	1.585	29.609							
2013	2014	6.601	6.040	6.404	0.045	19.090	2.507	8.500	1.424	1.424	31.521							
2014	2015	6.601	6.367	6.056	0.066	19.090	2.507	8.500	2.052	2.052	32.149							
2015	2016	6.601	5.730	5.517	0.028	17.876	2.507	8.500	2.057	2.057	30.94							

Notes: (1) Overlapping rates are those of local and county governments that apply to property owners within Durango School District 9-R. Not all overlapping rates apply to all District property owners.

Sources: Colorado Department of Education, Fiscal Year Mill Levy Tables (2001 through 2006)
 City of Durango, 2006 Comprehensive Annual Financial Report
 Durango School District 9-R Mill Levy Resolution (FY 2008)
 La Plata County Assessor Office

DURANGO SCHOOL DISTRICT 9-R
PRINCIPAL PROPERTY TAXPAYERS

CURRENT FISCAL YEAR AND FIVE YEARS AGO

		2015			2010		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
BP America Production Co.	Energy	\$ 214,802,230	1	14.41%	\$ 231,824,730	1	14.13%
Williams Four Corners LLC	Energy	54,762,400	2	3.67%	24,072,100	5	1.47%
Conoco Phillips Company	Energy	36,257,200	3	2.43%	49,599,020	2	3.02%
Burlington Resources Oil & Gas	Energy	23,866,670	4	1.60%	27,360,090	4	1.67%
XTO Energy Company	Energy	18,537,370	5	1.24%	21,875,900	6	1.33%
Four Star Oil & Gas Co.	Energy	17,662,950	6	1.19%	33,384,500	3	2.04%
Red Cedar	Energy	17,333,710	7	1.16%	19,982,630	8	1.22%
Red Willow Production Co.	Energy	13,344,170	8	0.90%			
Chevron Midcontinent LP	Energy	11,779,220	9	0.79%			
La Plata Electric Assn Inc.	Energy	11,311,300	10	0.76%			
Chevron Texaco					20,285,300	7	1.24%
Red Willow Production Co.					18,311,040	9	1.12%
Totals		\$ 419,657,220		28.16%	\$ 462,338,910		28.19%
Total Assessed Valuation		\$ 1,490,216,420			\$ 1,640,273,360		

Source: La Plata County Assessor's Office - Top Taxpayers

Note - Data only available from 2006 forward

DURANGO SCHOOL DISTRICT 9-R
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN CALENDAR YEARS
 (Unaudited)

Assessment Year	Collection Year	Current Tax Levy (4)	Current Tax Collections (3)	Percent of Current Taxes Collected	Delinquent Tax Collections (1)	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy (5)
2006	2007	30,424,187	30,424,187	100.00%	679,313	31,103,500	102.23%
2007	2008	30,270,224	29,452,694	97.30%	79,929	29,532,623	97.56%
2008	2009	29,957,375	29,285,077	97.76%	63,858	29,348,935	97.97%
2009	2010	31,849,739	31,050,858	97.49%	359	31,051,217	97.49%
2010	2011	26,847,994	26,681,367	99.38%	31,814	26,713,181	99.50%
2011	2012	25,619,356	25,240,988	98.52%	672,206	25,913,194	101.15%
2012	2013	25,417,181	25,013,976	98.41%	43,676	25,057,652	98.59%
2013	2014	24,508,106	24,136,969	98.49%	274,953	24,411,922	99.61%
2014	2015	25,914,791	25,291,782	97.60%	229,974	25,521,756	98.48%
2015	2016	26,639,109	26,385,177	99.05%	251,119	26,636,296	99.99%

Notes:

1. Includes delinquent tax collections collected in current year not reported by county by assessment year.
2. Source: La Plata County Assessor's Office.
3. Taxes collected are from January 1 to August 31.
4. Current tax levy per Durango School District 9-R Mill Levy Resolution.
5. Because taxes are reported in the fiscal year received instead of assessment year this percentage may exceed 100%.

DURANGO SCHOOL DISTRICT 9-R
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Assessed Value	Debt Limit (1)	Total Net Debt		Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
			Applicable to Limit	Margin		
2007	2,090,147,480	418,029,496	100,640,000	317,389,496		24.07 %
2008	1,992,879,080	398,575,816	93,745,000	304,830,816		23.52 %
2009	2,028,945,145	405,789,029	86,630,000	311,803,101		21.35 %
2010	2,198,992,650	439,798,530	79,245,000	360,553,530		18.02 %
2011	1,640,273,360	328,054,672	74,320,000	253,734,672		22.65 %
2012	1,565,209,950	313,041,990	68,800,000	244,241,990		21.98 %
2013	1,493,634,640	298,726,928	61,525,000	237,201,928		20.60 %
2014	1,283,819,050	256,763,810	56,455,000	200,308,810		21.99 %
2015	1,357,490,350	271,498,070	52,185,000	219,313,070		19.22 %
2016	1,490,216,420	298,043,284	46,620,000	251,423,284		15.64 %

(1) Debt limit represents 20% of the assessed valuation of the District. The relevant revenue base is property taxes collected by the District based on assessed valuation.

Source: La Plata County Assessor's Office (Amended Certification of Values)
 School District 9-R debt service schedules

DURANGO SCHOOL DISTRICT 9-R
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE
AND BONDED DEBT PER CAPITA
LAST TEN CALENDAR YEARS
(Unaudited)

Fiscal Year Ended June 30	Total Actual Taxable Value	General Bonded Debt	Less: Amounts Available in Debt Service Fund (1)	Total	Percentage of Estimated Actual Taxable Value of Property	County Population	Bonded Debt per Capita
2007	9,120,329,500	100,640,000	11,631,826	89,008,174	1.0%	48,752	2,064
2008	9,118,097,260	93,745,000	11,967,630	81,777,370	0.9%	49,758	1,884
2009	9,585,758,135	86,630,000	11,780,815	74,849,185	0.8%	50,241	1,724
2010	10,134,796,950	79,245,000	12,309,134	66,935,866	0.7%	51,338	1,544
2011	9,566,997,110	74,320,000	13,039,846	61,280,154	0.6%	51,770	1,436
2012	8,776,262,610	68,800,000	12,289,942	56,510,058	0.6%	52,305	1,315
2013	8,696,152,210	61,525,000	9,704,766	51,820,234	0.6%	53,334	1,154
2014	8,084,509,080	56,455,000	10,050,465	46,404,535	0.6%	53,989	1,046
2015	8,272,720,720	52,185,000	9,379,652	42,805,348	0.5%	54,688	954
2016	9,156,871,230	46,620,000	10,460,541	36,159,459	0.4%	55,454	841

Source: La Plata County Assessor's Office.
Durango School District 9-R debt service schedule
US Census Bureau

(1) This is the amount restricted for debt service payments.
2016 County Population figures are estimates

DURANGO SCHOOL DISTRICT 9-R
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO GENERAL FUND EXPENDITURES

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Annual Debt Service Expenditures for General		Total General Fund		Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund	
	Bonded Debt		Expenditures		Expenditures	
2007	11,857,652		34,468,006		34.4%	
2008	11,260,593		36,380,841		31.0%	
2009	11,219,008		37,589,379		29.8%	
2010	11,212,893		36,375,260		30.8%	
2011	8,179,622		35,354,305		23.1%	
2012	8,249,606		36,549,075		22.6%	
2013	10,102,385		38,470,903		26.3%	
2014	7,642,300		41,056,519		18.6%	
2015	7,664,400		41,324,915		18.5%	
2016	7,632,924		40,270,137		19.0%	

Source: Durango School District 9-R debt service schedule and General Fund
Schedule of Revenues, Expenditures, and Changes in Net Assets

DURANGO SCHOOL DISTRICT 9-R
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					County Population	Per Capita	Percentage of Personal Income (1)
	General Obligation Bonds	Capital Lease	Outstanding Debt					
2007	100,640,000		100,640,000			48,752	2,064	5.66%
2008	93,745,000		93,745,000			49,758	1,884	4.92%
2009	86,630,000		86,630,000			50,241	1,724	4.24%
2010	79,245,000		79,245,000			51,338	1,544	3.88%
2011	74,320,000	76,449	74,396,449			51,770	1,437	3.37%
2012	68,800,000	38,831	68,838,831			52,305	1,316	2.85%
2013	61,525,000	2,995,520	64,520,520			53,334	1,210	2.59%
2014	56,455,000	2,834,861	59,289,861			53,989	1,098	2.31%
2015	52,185,000	2,660,968	54,845,968			54,652	1,004	2.08%
2016	46,620,000	4,364,093	50,984,093			55,454	919	1.94%

Note: The District has similar, but not the same boundaries as La Plata County.

(1) Per capita income is reported on Table 14.

Source: Colorado Division of Local Governments
La Plata County Assessor's Office
Durango School District 9-R debt service schedule

DURANGO SCHOOL DISTRICT 9-R
COMPUTATION OF DIRECT AND OVERLAPPING DEBT

06/30/16
(Unaudited)

	2015 Assessed Valuation	Entity's General Debt	Percentage Applicable to the District	Amount of Outstanding Debt Applicable to the District
Direct Debt:				
General Obligation Debt	\$ 1,490,216,420	\$ 46,620,000	100.00%	\$ 68,800,000
Capital Leases		4,364,093	100.00%	4,364,093
Overlapping Debt:				
Aspen Trails Metropolitan District	2,684,440	101,808	100.00%	101,808
Durango West Metro District No. 1	4,384,440	79,000	100.00%	79,000
Edgemont Ranch Metropolitan District	21,755,410	419,122	100.00%	419,122
El Rancho Florida Metro. District	3,345,720	1,195,092	100.00%	1,195,092
La Plata Archuleta Water District	512,723,780	6,812,098	100.00%	6,812,098
La Plata County Palo Verde PID No. 3	1,244,770	27,571	100.00%	
Tamarron Metropolitan District	11,409,240	23,127,000	100.00%	
Three Springs Metro. Districts 1	15,555,340	16,994,049	100.00%	16,994,049
Upper Pine River Fire Protection District	300,776,600	3,086,117	11.18%	
Total Overlapping Debt				<u>25,601,169</u>
Total Direct General Obligation and Overlapping Debt				<u>\$ 98,765,262</u>

Note: The percentage of overlapping debt is based on the percentage of the entities assessed value that is included in the assessed value of the District.

Source: Durango School District 9-R records
Other district records
Assessors' Offices of La Plata and Archuleta Counties and individual taxing entities

DURANGO SCHOOL DISTRICT 9-R
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	County Population	Unemployment Rate	Per Capita Income	Certified		School Enrollment	Government-wide		Cost per Student
				Funded Pupil Count	Enrollment		Governmental Activities Expenses	Governmental Expenses	
2007	48,752	3.4%	36,493	4,768.0	4,835	\$48,337,937	\$9,998		
2008	49,758	2.8%	38,263	4,555.5	4,837	\$48,040,705	\$9,932		
2009	50,241	3.9%	40,677	4,574.7	4,858	\$47,443,734	\$9,766		
2010	51,338	5.5%	36,769	4,536.9	4,699	\$46,373,268	\$9,869		
2011	51,770	7.2%	42,638	4,496.7	4,688	\$45,651,708	\$9,738		
2012	52,305	6.6%	46,154	4,443.7	4,559	\$43,878,001	\$9,624		
2013	53,334	5.7%	46,633	4,395.5	4,653	\$45,059,231	\$9,684		
2014	53,989	4.2%	47,472	4,362.1	4,762	\$47,476,305	\$9,970		
2015	54,652	3.8%	48,327	4,353.9	4,723	\$53,312,040	\$11,288		
2016	55,454	3.1%	49,197	4,411.7	4,818	\$53,950,432	\$11,199		

Source: Colorado Division of Local Governments
 La Plata County records
 Durango School District 9-R enrollment records and Statement of Activities
 Per Capita Income for 2014 and 2015 unavailable. Estimates based on 1.8% annual growth

DURANGO SCHOOL DISTRICT 9-R
PRINCIPAL EMPLOYERS FOR LA PLATA COUNTY
CURRENT YEAR AND NINE YEARS AGO

Employer	2015		2006	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Southern Ute Indian Tribe	1,245	4.31%	343	1.10%
Mercy Medical Center	1,200	4.16%	704	2.26%
Durango School District 9-R	632	2.19%	787	2.53%
Fort Lewis College	570	1.97%	636	2.04%
Mercury Payment Systems Inc	630	2.18%		
La Plata County	401	1.39%	375	1.20%
Durango Mountain Resort/Purgatory	479	1.66%		
City of Durango	300	1.04%		
Crossfire	322	1.12%	440	1.41%
US Government				
Wal-Mart			405	1.30%
Purgatory Ski Area			341	1.09%
Southern Ute Lodge & Casino			300	0.96%
Bayfield School District 11JT			188	0.60%
CO State Government				
Total	5,779	20.02%	4,519	14.50%
Total La Plata County Employment	28,861	100%	31,162	100%

Source: Region 9-Economic Development District of SW Colorado, La Plata County and City of Durango CAFR
Notes: Employer data is not available at the municipal level. Data presented is for La Plata County.
The most recent data available is provided in the schedule.

DURANGO SCHOOL DISTRICT 9-R
CAPITAL ASSETS BY FUNCTION
LAST TEN YEARS

Function:	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	\$140,958,645	\$136,228,848	\$137,216,179	\$137,791,996	\$138,429,785	\$139,016,439	\$136,880,287	\$137,242,054	\$139,694,769	\$141,700,844
Pupil Activities	233,774	107,729	107,729	107,729	107,729	245,547	260,551	1,635,056	2,385,518	2,581,405
General Administration	250,775	882,639	938,214	882,639	964,516	1,136,175	1,224,351	1,224,351	1,238,150	1,238,150
School Administration	250,473	348,674	348,674	348,674	348,674	348,674	348,674	348,674	348,674	348,674
Business Services	206,248	174,336	174,336	184,164	184,164	184,164	184,164	184,164	184,164	203,848
Maintenance & Operations	373,947	367,471	411,469	411,469	613,641	613,641	701,388	1,605,973	1,612,099	1,623,049
Transportation	3,590,609	3,863,810	3,996,578	4,237,782	4,116,907	4,331,156	4,482,616	4,379,697	4,467,112	4,692,120
Central Services	825,193	1,464,119	1,585,367	1,690,868	1,729,368	1,665,500	1,676,400	712,187	712,187	909,292
Food Services		265,133	265,133	265,133	265,133	276,334	276,334	276,334	134,197	282,133
Totals	\$ 146,689,664	\$ 143,702,759	\$ 145,043,679	\$ 145,920,454	\$ 146,759,917	\$ 147,817,630	\$ 146,034,765	\$ 147,608,490	\$ 150,776,870	\$ 153,579,515

62 Source: Durango School District 9-R capital asset records.

DURANGO SCHOOL DISTRICT 9-R
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUND AND EMPLOYEE TYPE
LAST TEN YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administrators										
General Fund	30.0	29.0	30.5	28.0	28.0	28.0	33.0	36.0	39.0	41.0
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Kids Camp	1.0	1.0	1.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
	<u>32.0</u>	<u>31.0</u>	<u>32.5</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>34.0</u>	<u>38.0</u>	<u>41.0</u>	<u>43.0</u>
Non-Teaching Professionals										
General Fund	239.0	228.7	207.7	191.4	212.7	202.0	212.7	211.0	213.5	231.5
Insurance Reserve	1.0	1.0	1.0	1.0	1.0	0.5	1.0	0.5	0.0	0.0
Governmental Designated Grant								2.8	0.8	5.4
Food Service	26.0	22.0	22.0	21.0	22.4	22.9	22.4	22.6	24.0	18.1
Kids Camp	43.0	14.0	14.0	8.0	12.0	16.0	12.0	16.0	13.5	9.2
	<u>309.0</u>	<u>265.7</u>	<u>244.7</u>	<u>221.4</u>	<u>248.1</u>	<u>241.4</u>	<u>248.1</u>	<u>252.8</u>	<u>251.8</u>	<u>264.2</u>
Teachers										
General Fund	339.0	337.2	347.0	326.4	317.6	311.1	317.6	317.1	313.4	288.3
Governmental Designated Grant	17.0	15.1	15.5	15.5	11.6	11.2	11.6	13.7	12.9	9.8
	<u>356.0</u>	<u>352.3</u>	<u>362.5</u>	<u>341.9</u>	<u>329.2</u>	<u>322.3</u>	<u>329.2</u>	<u>330.7</u>	<u>326.4</u>	<u>298.1</u>
Total - All Funds										
General Fund	608.0	594.9	585.2	545.8	558.3	541.1	563.3	564.1	566.0	560.8
Food Service	27.0	23.0	23.0	22.0	23.4	23.9	23.4	23.6	25.0	19.1
Insurance Reserve	1.0	1.0	1.0	1.0	1.0	0.5	1.0	0.5	0.0	0.0
Governmental Designated Grant	17.0	15.1	15.5	15.5	11.6	11.2	11.6	16.4	13.7	15.2
Kids Camp	44.0	15.0	15.0	8.0	12.0	16.0	12.0	17.0	14.5	10.2
	<u>697.0</u>	<u>649.0</u>	<u>639.7</u>	<u>592.3</u>	<u>606.3</u>	<u>592.7</u>	<u>611.3</u>	<u>621.5</u>	<u>619.2</u>	<u>605.3</u>

Note: Data only available from 2005 forward.
Source: Durango School District 9-R human resource and payroll records.

DURANGO SCHOOL DISTRICT 9-R
NUTRITION SERVICES - FACTS AND FIGURES
LAST TEN FISCAL YEARS

	Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
October 1 pupil count	4,835	4,837	4,858	4,699	4,688	4,559	4,590	4,670	4,564	4,697
October 1 count of benefits										
Students on free lunch	903	948	989	1,005	1,119	1,138	1,109	1,196	1,107	1,173
Student on reduced lunch	319	421	333	333	288	348	384	287	294	324
Percentage of students on:										
Free lunch	18.68%	19.60%	20.36%	21.39%	23.87%	24.96%	24.16%	25.61%	24.26%	24.97%
Reduced lunch	6.60%	8.70%	6.85%	7.09%	6.14%	7.63%	8.37%	6.15%	6.44%	6.90%
Total	25.27%	28.30%	27.21%	28.47%	30.01%	32.59%	32.53%	31.76%	30.70%	31.87%

Source: Durango School District 9-R records, CDE October Count - District Summary of Pupil Counts

DURANGO SCHOOL DISTRICT 9-R
MISCELLANEOUS STATISTICAL DATA

June 30, 2016
(Unaudited)

- Year of organization: 1956
- Geographical area: 1039 square miles
- Accreditation: Colorado Department of Education

Number of Schools	
Elementary	7
Middle	2
High	2
Totals	11

Enrollment and Funded Pupil Count		
School Year	Enrollment	Funded Pupil Count
2006-2007	4,835	4,551.5
2007-2008	4,837	4,555.5
2008-2009	4,858	4,574.7
2009-2010	4,699	4,536.9
2010-2011	4,688	4,496.7
2011-2012	4,559	4,443.7
2012-2013	4,653	4,395.5
2013-2014	4,762	4,362.1
2014-2015	4,723	4,353.9
2015-2016	4,818	4,411.7

Summary of Teachers by Education Level		
Education Level	Number of Teachers	Percentage of Total
Bachelor of Arts	53.00	16.01%
Bachelor of Arts + 15	10.00	3.02%
Bachelor of Arts + 30	9.00	2.72%
Bachelor of Arts + 45	59.00	17.82%
Master's Degree	78.00	23.56%
Master's Degree + 15	26.00	7.85%
Master's Degree + 30	17.00	5.14%
Master's Degree + 45	21.00	6.34%
Master's Degree + 60	58.00	17.52%
	331.00	100.00%

Teacher/Student Ratio			
School Year	Enrollment	Number of Teachers	Ratio
2006-2007	4,835	356	13.58
2007-2008	4,837	352	13.74
2008-2009	4,858	362	13.42
2009-2010	4,699	342	13.74
2010-2011	4,688	329	14.24
2011-2012	4,559	322	14.15
2012-2013	4,653	329	14.13
2013-2014	4,762	331	14.40
2014-2015	4,723	326	14.47
2015-2016	4,818	331	14.56

School Building Information					
School	Total Sq. Feet	Total Class Rooms	Year Built	Student Capacity	Percentage of Capacity Used
Elementary					
Florida Mesa	59,381	25	1959	350	100
Animas Valley	59,160	26	1994	250	100
Fort Lewis Mesa	52,647	20	1961	250	90
Needham	70,815	30	1955	350	100
Park	69,305	30	1956	350	100
Riverview	69,700	29	2004	350	100
Sunnyside	54,636	24	1962	250	90
Middle					
Miller	119,695	44	1961	550	100
Escalante	112,800	38	1994	550	100
High					
Durango High	293,886	119	1976	1925	100
Arts & Science	42,278	20	1957	225	75

Note: * information not available

Source: Colorado Department of Education
Durango School District 9-R records

DURANGO SCHOOL DISTRICT 9-R

SINGLE AUDIT SECTION

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Auditee EIN: 84-6012500
Total Amount: \$1,620,179

	Federal Agency Prefix	CFDA Three Digit Extension	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	If no (Direct Award), Name of Pass-through Entity	If no (Direct Award), Identifying Number Assigned by the Pass-through Entity, if assigned
	10	553	SCHOOL BREAKFAST PROGRAM	\$174,001	CHILD NUTRITION CLUSTER	\$174,001	\$831,967	COLORADO DEPARTMENT OF EDUCATION	4553
8	10	555	NATIONAL SCHOOL LUNCH PROGRAM	\$564,735	CHILD NUTRITION CLUSTER	\$657,966	\$831,967	COLORADO DEPARTMENT OF EDUCATION	4555
	10	555	NATIONAL SCHOOL LUNCH PROGRAM	\$93,231	CHILD NUTRITION CLUSTER	\$657,966	\$831,967	COLORADO DEPARTMENT OF HUMAN SERVICES	4555
	84	010	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	\$491,333	N/A	\$495,168	N/A	COLORADO DEPARTMENT OF EDUCATION	4010
	84	010	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	\$3,835	N/A	\$495,168	N/A	COLORADO DEPARTMENT OF EDUCATION	7010
	84	367	IMPROVING TEACHER QUALITY STATE GRANTS	\$170,054	N/A	\$170,054	N/A	COLORADO DEPARTMENT OF EDUCATION	4367

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Auditee EIN: 84-6012500
Total Amount: \$1,620,179

Federal Agency Prefix	CFDA Three Digit Extension	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	If no (Direct Award), Name of Pass-through Entity	If no (Direct Award), Identifying Number Assigned by the Pass-through Entity, if assigned
84	365	ENGLISH LANGUAGE ACQUISITION STATE GRANTS	\$30,718	N/A	\$30,718	N/A	COLORADO DEPARTMENT OF EDUCATION	4365
84	412	RACE TO THE TOP D EARLY LEARNING CHALLENGE	\$3,393	N/A	\$3,393	N/A	COLORADO DEPARTMENT OF EDUCATION	5412
84	060	INDIAN EDUCATION GRANTS TO LOCAL EDUCATIONAL AGENCIES	\$39,327	N/A	\$39,327	N/A	COLORADO DEPARTMENT OF EDUCATION SAN JUAN	4060
84	126	REHABILITATION SERVICES VOCATIONAL REHABILITATION GRANTS TO STATES	\$49,552	N/A	\$49,552	N/A	BOARD OF COOPERATIVE EDUCATIONAL SERVICES	5126
Total Expenditures			<u>\$1,620,179</u>					

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Durango School District 9-R under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Durango School District 9-R, it is not intended to and does not present the financial position, changes in net position, or cash flows of Durango School District 9-R.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available, however no federal funds were passed through to other entities during fiscal year 2016. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Durango School District 9-R did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance for the year ended June 30, 2016.

NOTE 3: FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of commodities received and disbursed.

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



Wall,
Smith,
Bateman Inc.

To the Board of Education
Durango School District 9-R
Durango, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Durango School District 9-R (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 9, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. Finding 2016-001.

Certified Public Accountants

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Compliance and Other Matters

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

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Wall, Smith, Bateman Inc.
Alamosa, Colorado

February 9, 2017

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



Wall,
Smith,
Bateman Inc.

To the Board of Education
Durango School District 9-R
Durango, Colorado

Report on Compliance for Each Major Federal Program

We have audited Durango School District 9-R's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Durango School District 9-R complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Certified Public Accountants

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



Wall, Smith, Bateman Inc.
Alamosa, Colorado

February 9, 2017

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

Section I – Summary of Auditor s’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

§ Material weakness(es) identified?	___X___ yes	_____ no
§ Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	___X___ none reported
§ Noncompliance material to financial statements noted?	_____ yes	___X___ no

Federal Awards

Internal control over major programs:

§ Material weakness(es) identified?	_____yes	___X___ no
§ Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____yes	___X___ none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

	_____ yes	___X___ no
--	-----------	------------

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 and 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? ___X___ yes _____ no

Section II – Financial Statement Findings

Finding 2016-001: Internal Control Over Financial Reporting

Type of Finding: Internal Control (material weakness)

Condition: Audit adjusting journal entries were proposed to properly state the government-wide financial statements for current year capital asset and long-term liability activity, the Capital Reserve Capital Projects Fund for capital lease proceeds and expense accruals at year-end, the Debt Service Fund to correct property tax accrual errors, and the Health Insurance Fund for claims payable at year-end. In addition, General Fund, Capital Reserve Capital Projects Fund, and Food Service Fund equity accounts were adjusted to reflect current year activity.

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

Cause: The District does not have a complete system of internal control to prevent and detect financial misstatements and ensure complete and accurate financial statement preparation at the end of the fiscal year. The District's government-wide and financial close reporting is the responsibility of the Chief Financial Officer; the District experienced turnover in this position during the fiscal year.

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over the application of accounting principles, antifraud programs, non-routine transactions, financial statement preparation, and safeguarding of assets.

Effect: The information presented for audit of the financial statements was not complete in accordance with governmental generally accepted accounting principles.

Recommendation: The District should develop government-wide and financial close accounting policies and procedures to include segregation of duties between preparation and review, to ensure accurate financial statement reporting.

Management's Response: See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Audit Findings

None



201 East 12th Street
Durango, Colorado 81301
(970) 247-5411
durangoschools.org

CORRECTIVE ACTION PLAN

Oversight Agencies: U.S. Department of Agriculture
U.S. Department of Education

Durango School District R-9 respectfully submits the following corrective action plan for the year ended June 30, 2016.

Independent Accountants: Wall, Smith, Bateman Inc.
Certified Public Accountants
700 Main Street, Suite 200, P.O. Box 809
Alamosa, CO 81101

Audit period: Year ended June 30, 2016

The findings from the June 30, 2016 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

Section II – Financial Statement Findings

Finding 2016-001: Internal Control over Financial Reporting

Type of finding: Internal Control (material weakness)

Recommendation: The District should develop government-wide and financial close accounting policies and procedures to include segregation of duties between preparation and review, to ensure accurate financial statement reporting.

Action Taken:

The new Chief Financial Officer will develop a monthly and annual close process that includes reconciliation of general ledger accounts, sub- ledger to general ledger reconciliation, appropriate accrual journal entries, and review of accounts receivable and accounts payable to make sure all material revenues and expenditures are recording in the appropriate time period. She will also review all current procedures and operational manuals, make appropriate changes, and develop formal Finance and Accounting Policies that complies with the Uniform Guidance and State of Colorado requirements. She will implement a review process that includes documentation that the review occurred prior to any disbursements, journal entries, or reports are finalized.

If the U.S. Department of Agriculture and the U.S. Department of Education have questions regarding this plan, please call the responsible parties listed below.

Sincerely yours,

Daniel Snowberger
Superintendent
Durango School District 9-R

Jennifer Macho-Seekins
Chief Financial Officer
Durango School District 9-R
970-247-5411 ext. 1433
Jmacho-seekins@durango.k12.co.us

DURANGO SCHOOL DISTRICT 9-R

CDE COMPLIANCE SECTION



Colorado Department of Education
Auditors Integrity Report
 District: 1520 - DURANGO 9-R
 Fiscal Year 2015-16
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	6,157,059	41,720,819	40,270,135	7,607,742
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	6,157,059	41,720,819	40,270,135	7,607,742
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	28,720	1,632,200	1,480,153	180,767
22 Govt Designated-Purpose Grants Fund	0	1,484,280	1,484,280	0
23 Pupil Activity Special Revenue Fund	983	1,090,523	1,091,505	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	9,379,652	14,508,237	13,427,349	10,460,541
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	1,562,014	3,107,182	2,501,339	2,167,857
Totals	17,128,427	63,543,241	60,254,761	20,416,907
Proprietary				
50 Other Enterprise Funds	213	370,374	361,132	9,455
64 (63) Risk-Related Activity Fund	3,252,730	25,641	118,944	3,159,427
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	3,252,943	396,015	480,076	3,168,882
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	291,584	531,031	498,127	324,488
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	291,584	531,031	498,127	324,488

FINAL

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